



Leicester
City Council

**MEETING OF THE ECONOMIC DEVELOPMENT, TRANSPORT AND
TOURISM SCRUTINY COMMISSION**

DATE: WEDNESDAY, 5 FEBRUARY 2020

TIME: 5:30 pm

**PLACE: Meeting Room G.01 - City Hall, 115 Charles Street, Leicester,
LE1 1FZ**

Members of the Commission

Councillor Waddington (Chair)

Councillor Sandhu (Vice-Chair)

Councillors Broadwell, Fonseca, Joel, Porter, Rae Bhatia and Valand

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

Elaine Baker

For Monitoring Officer

Officer contacts:

Jerry Connolly (Scrutiny Policy Officer)

Elaine Baker (Democratic Support Officer),

Tel: 0116 454 6355, e-mail: elaine.baker@leicester.gov.uk

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Further information

If you have any queries about any of the above or the business to be discussed, please contact:

Elaine Baker, Democratic Support Officer on 0116 454 6355.

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AGENDA

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1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

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

3. MINUTES OF PREVIOUS MEETINGS

**Appendix A
(Pages 1 - 20)**

The minutes of the following meetings of the Economic Development, Transport and Tourism Scrutiny Commission are attached and Members are asked to confirm them as correct records of the respective meetings:

- a) the ordinary meeting held on 16 October 2019 (**Appendix A1**); and
- b) the inquorate meeting of 4 December 2019 (**Appendix A2**).

4. PROGRESS ON MATTERS RAISED AT THE LAST MEETING

**Appendix B
(Pages 21 - 44)**

- a) To note progress on actions requested under minute 45, "Social Value and Procurement Update"; and
- b) To note progress on any other matters raised at the last meeting of this Commission and not reported elsewhere on the agenda.

5. PETITIONS

The Monitoring Officer to report on any Petitions received in accordance with Council procedures.

6. QUESTIONS, REPRESENTATIONS AND STATEMENTS OF CASE

- a) Zina Zelter asks the following question on behalf of Climate Friendly Homes for All, Climate Action Leicester and Leicestershire's working group on Housing:

“We are aware that work will be starting quite soon on the Waterside development and that a lot of new homes will be built as a part of this development.

As the Goldsmith passivehaus development in Norwich shows, highly energy efficient housing which will be resilient to climate change in the coming decades does not have to be very expensive (the Goldsmith development as verified by Norwich council has come in at only 5 to 10% more expensive than standard build), nor does it need to take up any more space than normal build (the Goldsmith development has been developed in the style of terraced housing and is very space efficient while also giving residents high levels of both privacy and easier opportunities to connect with their neighbours). They will also be far more affordable for residents with bills between 70 to 90% lower.

Could you please tell us what plans the council has around requiring energy efficiency by design and locally based renewable energy generation (eg on-building solar; heat pumps driven by renewable electricity) for the new buildings in the Waterside development? Specifically what energy efficiency standards and levels of local renewable energy generation is Leicester council working towards on this development, and how possible will it be for people to live in these homes in 30 years time when much higher temperatures and more extreme weather events are far more common without expensive remedial work on the buildings, given that according to the Prometheus study by Exeter University, almost all buildings built and being built at today's standards will be subject to overheating by 2035?”

- b) Zina Zelter asks the following question on behalf of Climate Friendly Homes for All, Climate Action Leicester and Leicestershire's working group on Housing:

“Please could you tell us what it is about passivehaus design which reduces the numbers of homes you can build, given that it doesn't require special orientation and has pretty much the same spatial footprint as standard build houses, as shown by the recent award winning Goldsmith development in Norwich?”

- c) The Monitoring Officer to report on any further Questions, Representations and Statements of Case received in accordance with Council procedures.

7. QUESTIONS FOR THE CITY MAYOR

The City Mayor will answer questions raised by members of the Commission on issues not covered elsewhere on the agenda.

8. DRAFT GENERAL FUND REVENUE BUDGET 2020/21 - 2021/22 **Appendix C
(Pages 45 - 74)**

The Director of Finance submits a report setting out the City Mayor's proposed budget for 2020/21 to 2021/22. The Commission is recommended to pass any comments to the Overview Select Committee as part of its consideration of the report before it is presented to the Council meeting on 19 February 2020.

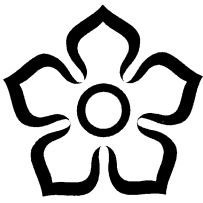
9. UPDATE ON THE TASK GROUP REVIEW OF ECONOMIC DEVELOPMENT AT LOCAL LEVEL

The Chair will update the Scrutiny Commission on the work of the Task Group review of economic development at a local level.

10. WORK PROGRAMME **Appendix D
(Pages 75 - 80)**

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.

11. ANY OTHER URGENT BUSINESS



Leicester
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Appendix A1

Minutes of the Meeting of the
ECONOMIC DEVELOPMENT, TRANSPORT AND TOURISM SCRUTINY
COMMISSION

Held: WEDNESDAY, 16 OCTOBER 2019 at 5:30 pm

P R E S E N T :

Councillor Waddington (Chair)
Councillor Sandhu (Vice Chair)

Councillor Broadwell
Councillor Fonseca
Councillor Valand

Councillor Joel
Councillor Porter

In Attendance:

Sir Peter Soulsby – City Mayor

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27. APOLOGIES FOR ABSENCE

An apology was received from Councillor Rae Bhatia.

28. DECLARATIONS OF INTEREST

In respect of the Evesham Road Link, it was noted that members of the Commission had received email correspondence from objectors.

Councillor Broadwell also declared that she had previously objected to the principle of any proposals for the link road being brought forward.

29. MINUTES

AGREED:

That the Minutes of the meeting of the Commission held on 22 August 2019 be confirmed as a correct record.

30. PETITIONS

The Monitoring Officer reported that no petitions had been received.

31. QUESTIONS, REPRESENTATIONS AND STATEMENTS OF CASE

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

32. EVESHAM ROAD LINK

The Chair referred to her decision to allow the 'End of the Road Campaign' to address the Commission on the item, in accordance with Scrutiny Procedure Rules.

It was confirmed that a total of 30 minutes would be allowed, noting that four members of the public had asked to present their views as representatives of the larger number of organisations making up the 'End of the Road Campaign'.

The Chair then referred to the attendance of two Ward Councillors who had also asked to speak. It was confirmed that the Ward Councillors would be allowed 5 minutes each to address the Commission.

As a further procedural point, the Chair explained to Commission members and the public present that the Commission would not be making a decision on any future proposals, but that proper scrutiny of the issue would lead to a recommendation being made to the City Mayor and Executive. The Chair emphasised this point and reminded the Commission that following debate on the item, members would be asked to make any comments for future consideration by the City Mayor.

The Chair then asked the City Mayor and lead Director to introduce the item.

The City Mayor commented on the historical and geographical aspects of the Evesham Road link, as it had been included on previous development plans and documentation.

He stated that there were no current plans to create a link road by extending Evesham Road through to Boundary Road and also confirmed that he had no desire to pursue or allocate any funding to such a scheme in the future.

In terms of the historical context, the City Mayor referred to the other river crossings put in place due to their need in previous times. He commented that the question of the Evesham Road link road had been seen as a possible additional river crossing that may be desirable in the future, as it was argued that there could be beneficial as well as detrimental aspects to the idea.

The City Mayor commented that the link road to the Aylestone area and creation of an alternative route and by-pass to relieve congestion in parts of the Aylestone Village had been suggested as a benefit of any future project. The additional benefit to public transport and particularly improved bus routes was also mentioned, alongside the expectation that greener and cleaner private cars and vehicles would become more common in the future.

The City Mayor asked the Commission to note that this was why the proposed link road 'line' had been included in previous development plans and had been the subject of an environmental appraisal over 25 years ago. The City Mayor confirmed that the line on the plan was now largely irrelevant and was only included to demonstrate what was proposed at that time.

In conclusion, the City Mayor stressed the points made at the beginning of his introduction; that there was no proposal to implement an Evesham Road link, and that no funds were available or allocated to support it. It was also explained and accepted that at current values, the likely estimated costs of a river crossing scheme would be too high to allow it to proceed.

The Director of Planning, Development and Transportation was then asked to comment on the item.

It was reported that in terms of the current status, the Evesham Road link road was not allocated in the adopted Local Plan. It was noted that highway improvement schemes shown as 'lines' on plans were primarily used to give an indication of safeguarded land and that the references were shown on local land charge searches. In respect of the emerging options document as part of the current Local Plan process, the road link was referenced alongside other historical links in the city.

It was noted that since publication of the Agenda, which included a request for written responses, 23 separate objections had been received beginning with a submission from The End of the Road Campaign, Leicester Friends of the Earth, and Footpaths: Routes to a Greener Future. The objections received were circulated to members prior to the meeting.

The timetable for the Local Plan consultation was presented (PowerPoint Slides attached) and explained as follows:

- Overview and Scrutiny Committee would receive a report and presentation at its meeting to be held on 22 November 2019
- Full Council would be asked to approve the consultation Draft Local Plan in January 2020
- Further themed scrutiny meetings would be convened during the Draft

Local Plan consultation between February and March 2020

- The submission of the Local Plan after expiry of the consultation was expected in late 2020
- The 'Examination in Public' would be held in 2021

It was reiterated and clarified that comments made at this meeting concerning the Evesham Road link would be considered as part of the wider consultation process described above. Any specific recommendations at this stage would also be referred to the City Mayor and Executive.

The Chair thanked the City Mayor and lead Director for their introduction to the item.

At this point, the Chair welcomed the representatives of the 'End of the Road Campaign' who were invited to address the Commission.

Kim Burley Jones introduced herself and her campaign colleagues; Jill Fisher (Friends of the Earth), Zina Zelter (Footpaths: Routes to a Greener Future), and Andy Warley (Aylestone Meadows Appreciation Society).

The representatives presented separate sections of the Campaign's opinions and objections as follows (PowerPoint Slides attached):

Kim Burley Jones (End of the Road Campaign) referred to the importance of Aylestone meadows as a Local nature Reserve and commented on the number of organisations and individuals that had supported the campaign. Images were displayed of the demonstration in 2028 that had asked the council to remove the road from the local plan

Jill Fisher presented the evidence for induced traffic and referred to Government research on the issue, including a Department of Transport Advisory Committee Study and Evidence Review.

Zina Zelter commented on the Council's own Essential Guide to Travel Planning for Employers in Leicester and advised that in that document it was confirmed that the success of a Travel Plan could be predicted by the package of measures implemented, including car sharing, public transport and cycling measures. Analysis of data supporting these views was provided and explained.

Kim Burley Jones then referred to the impact the road proposal would have on health, particularly the health of children, and referred to the results of independent air quality testing carried out by the campaign.

Andy Warley reiterated the comments made concerning the designation of the area as a Local Nature Reserve and reminded the Commission that Council policy was to conserve and promote such areas. The importance of the value of the meadows and the wildlife and habitat that would be lost if a road scheme was introduced were explained.

In concluding the public addresses, campaign members expressed their opposition to the road proposals and requested that the Commission:

- Recommend to the Council Executive that they remove the “red line” for this road from the Local Plan
- Recommend that the council make a formal commitment not to build this road in the next 30 years
- Recommend that the council systematically put in place policy and invest in strategies and developments that reduce car use.

The campaign representatives were thanked for addressing the Commission.

The Chair then asked the Ward Councillors to speak on the item.

Councillor Singh Johal as Ward Councillor for Braunstone Park and Rowley Fields Ward began by thanking the large number of residents present for their attendance. He referred to the passion expressed in the objections received and evident in the End of the Road Campaign’s address to the Commission.

He commented on the uncertainty that the ‘line’ on the Local Plan document had raised and reference was made to previous sensitive and controversial planning applications involving land at or adjacent to the Meadows. He asked the Commission to note that although these planning applications were refused consent, residents felt that the area was often under threat from proposals for development and were apprehensive about the future of the Evesham Road link. He stated that the need to ensure full and proper engagement with residents on such issues was therefore vital. The strong community values of those living in the area was described and the Commission were asked to note that many residents had stayed in the area through generations and were not a transient community as recognised in other parts of the city.

In conclusion, Councillor Singh Johal commented on the arguments of the campaign, which he considered had been well put and asked that the line be removed from the Local Plan, as the uncertainties that its inclusion led to were unwelcome and not in the interests of the residents.

Councillor Singh Johal was thanked for addressing the Commission.

Councillor Kitterick addressed the Commission and supported the campaign’s arguments, particularly those issues raised concerning induced traffic. Examples of situations elsewhere in the city were provided where additional road space had not resulted in any reduction in car use and resultant congestion.

Reference was also made to the likely cost of the scheme which could be estimated at a cost far in excess of what would be reasonably affordable for the Council. Again, examples of similar road schemes were provided to emphasise this point.

Councillor Kitterick also referred to an aspect of the proposal that had not been included in the Campaign's presentation, which was the likely ambition to promote an additional link to Putney Road and across to London Road, which he considered would be of extreme detriment to the south of the city.

Reference was made to the previously stated opportunity for improved bus routes arising from a link road. The Commission were reminded that bus use was focussed on the city centre and doubt was raised on the benefit and demand that such a route would provide.

In conclusion, Councillor Kitterick commented on the anomaly of the Evesham Road link as a proposal conflicting with the Council's corporate objective to promote a city that was beneficial to its people. To support this view reference was made to recent important and valuable schemes to promote cycling and pedestrian links.

Councillor Kitterick was thanked for addressing the Commission.

The Chair then asked Commission members to comment on the item.

Clarification was sought on the status of the 'red line' and whether it was included in the current Local Plan, as confusion between the thoughts of the End of the Road Campaign and the report by officers. It was considered that accurate information should be provided on this point before the draft document was published in January 2020.

Councillor Porter supported the point above and also stated that he felt the public had been misled on the issue. In respect of the effect of the proposals on Aylestone, he suggested that simpler solutions were available to avoid congestion. He commented on the bus lanes which he considered had caused the current problems and advised that changes to traffic light sequences would help to reduce congestion.

In response, the City Mayor clarified that the public had not been misled and reiterated his earlier comments as to why the line had remained on previous plans and documentation. He also reiterated his comments that there were no plans to implement a scheme and that no funding existed.

The City Mayor referred to the points made in the presentation by the End of the Road Campaign and he thanked representatives for their considered, comprehensive and well-presented explanation of the concerns. He asked the Commission to note that he had been instrumental in the current status of Aylestone Meadows as a Nature Reserve and that he fully understood the important ecology, noting that the area was previously redundant and inaccessible.

Comment was also made on the counter arguments of those residents that had expressed support for a link road to ease the congestion in their area. The City Mayor pointed out that this view should not be ignored in considering the issue.

In response to the need for clarification concerning the 'red line', the Director of Planning, Development and Transportation was asked by the Chair to comment.

The Director reported that the link road was once a formal proposition in the 1983 Local Plan and that it had no formal status in the currently adopted Local Plan. Its only appearance was on the emerging options documentation which provided an opportunity for the Council to put forward different ideas on a range of sites and developments including housing as well as transport schemes. The possibility of a workplace parking levy had been suggested and was provided as an example of the emerging issues being considered. The 'red line' had been included previously as it was intended to safeguard the link road as a 'legacy scheme'.

It was noted that the objections would be considered before the presentation of the Draft of the Local Plan was submitted to Overview Select Committee, and on to full Council.

In response to a question, the City Mayor confirmed that if the link road was unsupported, alternatives to car use and support of existing transport networks and public transport schemes would require greater examination. He asked the Commission to note that if the Commission recommended that the scheme be removed from the Emerging Options document, the wishes of the Campaign not to revisit the scheme could not be provided.

The Commission accepted that any decision could not bind a successive administration, and therefore that part of the Campaigns wishes could not be agreed. It was clarified that the Commission could recommend that the scheme be removed from the Local plan at this stage.

In response to a further question, and for clarity, the City Mayor indicated that he was not minded to include the Evesham Road link road in the presentation to Overview Select Committee.

Councillor Porter left the meeting at 6.48 pm.

In concluding the item and summary, the Chair thanked the End of the Road Campaign and Ward Councillors for presenting their arguments to the Commission. It was noted that a formal commitment could not be made to bind any future administration, but that their other requests would be supported.

AGREED:

To recommend to the City Mayor and Executive that the "red line" for the Evesham Road link road be removed from the Local Plan and that the Council systematically puts in place policy and invest in strategies and developments that reduce car use.

33. SCRUTINY REVIEW SCOPING DOCUMENT - ECONOMIC DEVELOPMENT AT A LOCAL LEVEL

The Chair introduced the item and reminded the Commission of the rationale of the review to develop job creation, skills and investment plans for parts of Leicester which were economically excluded, including opportunities for local businesses and for young people to engage in positive activities. The aims of the review were to explore how those aims could be achieved at local levels.

This review would also seek to evaluate how those commitments were being met and the measures that could be taken to increase economic participation at local levels, through overarching strategies and individual projects. It would identify and characterise what is meant by economic exclusion at a local level and make recommendations to address the key problems and build upon opportunities.

The Chair referred to the process underway to progress those aims and thanked colleagues for the evidence that had been gathered and submitted to date.

The intention to convene a Task Group was emphasised and the Scrutiny Policy officer circulated information concerning members' availability.

It was confirmed that research support had been offered by De Montfort University to assist in the progression of the scrutiny review.

The City Mayor confirmed his support to the review process and commented on early indications of evidence collected on economic disadvantage.

AGREED:

That the Scrutiny Review document be received and noted and the rationale be endorsed.

34. UPDATE ON INWARD INVESTMENT ACTIVITIES

The Director of Tourism, Culture and Investment submitted a report, which outlined key activities to support business growth and attract new business investment.

The report noted the key activities being delivered or developed to support growth of businesses in Leicester and to attract new investment. It was noted that in recent years significant successes had created several thousand new job opportunities.

It was reported that six detailed sector-based propositions were being developed to provide up-to-date information and support the early stage investment decision making process, namely:

- Space
- Advanced Manufacturing & Engineering
- Life Sciences
- IT, Professional & Financial Services
- Advanced Logistics
- Food & Drink

In noting the sectors, comment was made concerning the further growth which was evident on the boundary of the city and it was confirmed that as transport was a key to the city economy an efficient network was vital. The Director of Planning, Development and Transportation provided details of the draft bid to Transforming Cities bid in this regard.

Further comments and consideration of car parking policies, and other sustainable transport policies involving improved cycling, walking and public transport links were also noted.

The opportunities to invest in redundant and disused industrial and factory sites was also referred to and the use of Compulsory Purchase Orders to regenerate areas, such as Woodgate and the Waterside scheme, were explained and noted. Other potential sites that would benefit from similar sympathetic regeneration schemes were also discussed and noted.

AGREED:

That the report and update be noted.

35. QUESTIONS FOR THE CITY MAYOR

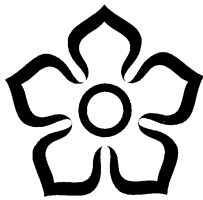
There were no further questions for the City Mayor.

36. WORK PROGRAMME 2019-20

The Commission's Work Programme was submitted and noted.

37. CLOSE OF MEETING

The meeting closed at 7.30pm.



Leicester
City Council

Minutes of the Meeting of the
ECONOMIC DEVELOPMENT, TRANSPORT AND TOURISM SCRUTINY
COMMISSION

Held: WEDNESDAY, 4 DECEMBER 2019 at 5:30 pm

P R E S E N T :

Councillor Waddington (Chair)
Councillor Sandhu (Vice-Chair)

In Attendance:

Councillor Clarke – Deputy City Mayor (Environment and Transportation)
Councillor Myers – Assistant City Mayor (Policy Delivery and Communications)
Sir Peter Soulsby – City Mayor

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38. INQUORATE MEETING

As this meeting was inquorate, the Chair and Vice-Chair were briefed on the items noted below that had been included in the agenda.

39. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Broadwell, Fonseca, Joel, Rae Bhatia and Valand.

40. DECLARATIONS OF INTEREST

No declarations of interest were made.

41. MINUTES

As the meeting was inquorate, consideration of this item was deferred to the next meeting of the Commission.

42. PETITIONS

The Monitoring Officer reported that no petitions had been received.

43. QUESTIONS, REPRESENTATIONS AND STATEMENTS OF CASE

a) Questions on behalf of Climate Action Leicester and Leicestershire's Transport Action Group

Bhavik Chandrahas asked the following questions:

“Question on workplace parking levy related matters.

As you know the Workplace Parking Levy needs to be clearly linked to an improvement in Leicester’s public transport. It is also being criticised as potentially impacting most heavily on the least well paid in Leicester. Climate Action Leicester and Leicestershire would like to see the money raised by the WPL ring fenced and used to offer concessionary bus travel for people on low incomes. This would make it clear that the council is strongly on the side of its low income citizens who currently can’t afford to use the buses at the same time as genuinely supporting bus use in Leicester which is desperately needed to tackle the climate emergency. In this context, can we please ask the following questions:

- How much does Leicester City Council currently spend on subsidising buses? How many bus services does it subsidise? What is the average cost of subsidising one bus service?
- What analysis has the council been doing in terms of who the workplace parking levy will impact on and how much money it could raise?
Specifically:
 - a. Roughly how many car parking spaces would the Workplace Parking Levy charge for if it operated only within the inner ring road and if it operated up to the outer ring road?
 - b. Do you have a list of employers who would qualify to pay the Workplace Parking Levy?
 - c. Have you asked where their low waged workers (including contractors and subcontractors) live and travel from thus enabling you to know where bus services need extra support or services?”

The City Mayor thanked Mr Chandrahas for his questions and stated that he looked forward to talking with the groups Mr Chandrahas was representing as the Council’s climate emergency conversation and thinking on the Workplace Levy progressed. The City Mayor explained that proposals of how these issues would be approached were being developed, but the current situation was as follows:

- In 2018/19 city Council expenditure across subsidised bus services was £443,359 (plus £100,000 supported by a central government grant) and expenditure on subsidising Park and Ride was £270,973, which was shared 50/50 with Leicestershire County Council. In the same period the Council also spent approximately £9 million on concessionary fares, which although not directed at specific services made a significant contribution to local bus services;
- The Council supported seven service bus routes and three park and ride routes, these being services 16, 22a, 40, 81, 83, 103 Park and Ride, 203 Park and Ride, 303 Park and Ride, 154, 162. These services covered various areas across the city and were operated commercially, with additional funding support from the City Council;
- Different levels of subsidy were provided for different types of subsidised services, so it would be misleading to provide an average across all services. However, applying a very rough average gave a City Council subsidy of £58,000 per service. Any further questions on this were welcome;
- The Council was at a very early stage in developing a workplace parking levy and had carried out some initial inquiries through social media. It was expected that further consultation would be conducted with business and other organisations through 2020;
- Preparatory material that would inform the scheme and the emerging business case proposals would be gathered and would be subject to a formal consultation exercise, which currently was programmed for 2021;
- Consideration also would be given to how the proceeds from a workplace parking levy could be best used. Some was likely to be ring-fenced for public transport, and subsidising services in the future also would form part of this. Another possibility would be to use the money to ensure better coverage of the city by public transport;
- With regard to point 'c' above, it was recognised that low waged groups wanted to be able to access public transport. The Council would be considering such issues, but this was still at an early stage; and
- Some information was available on where employers and employees lived and travelled from, but this was limited.

Councillor Clarke, Deputy City Mayor with responsibility for Environment and Transportation, also noted that consideration would be given to the type of fuel that transport would be using. Where possible, the Council would be promoting carbon-free options.

Further to question 'c' above, Councillor Clarke explained that it was known where employment areas were in the city and where it was expected that employment would grow in coming years.

At the invitation of the Chair, Zina Zelter, (End of the Road Campaign), asked whether the Council would be actively asking employers to identify where employees lived, so that appropriate services could be developed.

In reply, the Director of Planning, Development and Transportation explained that part of the business case preparation would include engaging as much as possible with employers. It was recognised that there was a large range of types of employer and they had different travel patterns. The level of detail suggested by the question was not available at present, but the Council wanted to hear ideas on how a workplace parking levy scheme could be designed that responded to the issues highlighted.

Councillor Clarke noted that Climate Action Leicester had already made submissions, so there would be an ongoing dialogue with this group and further correspondence was welcome.

The Director of Planning, Development and Transportation confirmed that further engagement with a range of interested groups would be needed in early 2020. Engagement also would be held in 2020 on a new Local Transport Plan, which would consider potential funding from the workplace parking levy. Formal consultation on proposals for the workplace levy was likely to be undertaken in 2021, ready for the introduction of the levy in 2023 or 2024.

In view of the above comments, it was suggested that a discussion on the emerging Local Transport Plan could be held at a meeting of this Commission in spring or early summer 2020, to which Mr Chandahas could be invited.

b) Question on behalf of the End of the Road Campaign

Zina Zelter asked the following question:

“The Evesham Rd link’s inclusion in the emerging options of the local plan.

Thankyou for so clearly supporting the idea of the Evesham link road being taken out of the Local Plan at your last meeting. There was some confusion over whether it is in the Local Plan, so we are seeking clarification.

The potential for the road is in the Emerging Options document which is one of the supporting documents for the Local Plan. We were asking (in confusing language as it turns out) that you recommend to the City Executive that the potential for the Evesham link road (represented we think by a red line and paragraph 8.19) be taken out of the Emerging Options document so that the road becomes less likely to happen in the future. We got the impression that you would have done this if our wording had been clearer.

Please would you either strongly recommend to the City Executive that the Evesham link road be removed from the Emerging Options document, or

confirm that in fact you did already agree to this at the meeting on the 16th Oct and it has happened. Thankyou.”

The City Mayor explained that the previous Emerging Issues document had no formal status moving forward and the Local Plan had not been produced as a final document yet. For anything to be included in the Plan, it had to have a realistic chance of being delivered in the Plan period, (in this case by 2036). There currently was no funding or proposals for an Evesham Road link, so it could not be in the Plan.

In view of the concerns raised, it was suggested that the Director of Planning, Development and Transportation could be asked to write to the questioner and clarify the situation.

44. CITY CENTRE ACCESSIBILITY UPDATE

The Director of Planning, Transport and Development provided a briefing outlining the ongoing work in response to the accessibility issues raised at the Commission’s meeting held on 22 August 2019, (minute 21, “City Centre Accessibility”, referred). He reminded Members that a revised version of the accompanying report had been published before the meeting.

The City Centre Streets Programme Manager advised that bidding for funding and the designing of schemes was ongoing. For example, bids had been submitted for funding from the government’s Transforming Cities Fund for various sustainable transport schemes across the city, but the result was not expected until early 2020

At the invitation of the Chair, Maureen Peberdy, representing Labour Disability, provided feedback on the issues raised, making the following points:

- A change of culture was needed, to move away from doing things because it was a legal requirement to doing them because they were the right things to do;
- 3 December was the International Day for People with Disabilities and should be used to show that disability did not mean disadvantage;
- The best people to advise on the issues raised were disabled people;
- The detail of any scheme was the crucial part of that scheme. Councillors and officers were thanked for recognising this;
- It was important to undertake investment in digital democracy now. A lot of free ‘apps’ that could be useful to anyone navigating the city, (not just those with disabilities), already were available;
- ‘Safe spaces’ were separate rooms, not quiet open spaces;
- It could be quite difficult to get a manual wheelchair on to a bus;

- Were there any accessible meeting rooms in the city that young disabled people could use to meet up?;
- How will the new barrier entry system to the Haymarket car park work for 'blue badge' holders?;
- The large television screens in the window of the new Sports Direct store on Gallowtree Gate could cause problems for neuro-diverse people;
- City Hall had various problems for disabled people. For example, the lighting in Attenborough Hall was very poor and the platform lift to access the ground floor meeting rooms often did not work properly. It could be useful to undertake a disability audit of the building; and
- If possible, similar work to this should be undertaken for areas of the city away from the centre.

The City Centre Streets Programme Manager was asked to provide Ms Peberdy with contact details for bus companies, to enable the companies' offer to let disabled users try manoeuvring on and off buses at the bus station to be taken up.

The Director of Planning, Transport and Development was asked to look in to how an audit of disability access and facilities at City Hall could be undertaken and to liaise with the Participation and Engagement Manager (Children's Social Care and Early Help) to see if any venues in the city centre were available that young disabled people could use to meet up.

45. SOCIAL VALUE AND PROCUREMENT UPDATE

The Head of Procurement gave a briefing on social value and procurement, a copy of which had been circulated with the agenda. He made the following points:

- Good progress had been made on making Social Value a standard inclusion in large and European Union procurement processes, although a couple of omissions had been identified and new exercises were being monitored closely to ensure these were not repeated;
- More information was needed to enable a decision to be taken on what percentage weighting should be given to social value in contracts;
- The Front Walls Scheme in Evington Road had been a relatively low value contract, but had provided very relevant experience for students. Consideration was being given to how similar schemes could be offered in the future;

- Improvements had been made to the Agency Staff contract, to ensure that these staff received the Living Wage sooner than they otherwise would have done;
- Cleaning and security contracts were due to be procured shortly. The Council was seeking to insource elements of these and achieve the Living Wage for these staff through this;
- New more environmentally friendly vehicles were being purchased for the Council's internal cleansing and library services; and
- There had been an increase in expenditure with non-local suppliers during the 2018 financial year, so it was proposed to review procurement rules to see if this trend could be reversed.

Councillor Myers, Assistant City Mayor with responsibility for Policy Delivery and Communications, confirmed that Council expenditure staying in the city and creating value locally was considered to be very important. Work therefore would continue to consider weightings in contracts, to see if more social value could be incorporated in to procurement.

The Head of Procurement was asked to provide written answers to the following:

- Which contracts were "in scope"? Were they over a particular size or of a particular nature? If the scope was limited, why was this and to what was it limited? What was the timetable to extend the scope?
- The Living Wage was an important part of the Council's ability to influence contractors. Were there any other factors considered to be important and how would they be weighted?
- How had the Council's service areas responded to the requirement to include social value in tenders? Who decided what could be included as social value?

46. TOURISM ACTION PLAN UPDATE

This item was not considered, due to the meeting being inquorate.

47. LEICESTER'S CLIMATE EMERGENCY CONVERSATION

Members received a report from the Director of Estates and Building Services setting out draft proposals for the city's response to the climate emergency, as well as the associated programme of community consultation and engagement entitled "Leicester's Climate Emergency Conversation".

Councillor Clarke, Deputy City Mayor with responsibility for Environment and Transportation, reminded Members that the Council's Climate Change Emergency Conversation had started in November 2019. It was hoped that a

plan would be developed from this, setting out how the city would respond to the Emergency, as there had been a lot of interest in the conversation so far.

It was recommended that primary school age children be included as consultees in the Conversation, as they could be very influential. Councillor Clarke undertook to progress this and suggested that it could be done through Eco-Schools officers.

The Corporate Environmental Consultant explained that the Council was consulting on proposals, to establish how people felt they would affect them. From this, it also would be determined what help people felt they needed and what support the Council could provide. Councillors were asked to help advise people of this consultation through their links with communities in the city.

Councillor Clarke offered to share the findings of the consultation with the Commission.

48. ECONOMIC DEVELOPMENT, TRANSPORT AND TOURISM SCRUTINY COMMISSION TASK GROUP UPDATE

A briefing was received on progress being made in relation to the Task Group looking at economic activity in deprived communities in Leicester.

A briefing also was received from the Head of Economic Regeneration on progress relating to departmental work on inclusive economic development and the development of a Leicester Employment and Skills Plan. He made the following points:

- A particular focus of this work was looking at known published data;
- It was hoped that this work could be aligned with the work being done by the Member Task Group looking at economic activity in deprived communities in Leicester, to provide a full understanding of the situation in the city;
- Data for wards was being fed in to the review, which was an important part of developing of an evidence-based framework within which to make decisions. Other information was to be gathered from a range of partners across the city, but it was recognised that it was very hard to gain and maintain a complete picture of the situation;
- Through the departmental work, a range of projects had been identified working with partners across the city on a variety of issues that impacted on employment and skills, (for example, Social Value in procurement). At present, detailed knowledge of the Council's reach in to wards on these matters had not been identified, but officers were committed to developing this;
- Work also would be undertaken with funders, such as the National Lottery and European funding, to help gain an understanding of what was happening in the city;

- This work would be used to help shape the delivery of future initiatives and identify where gaps existed; and
- This group currently was reporting directly to the City Mayor.

The Head of Adult Skills and Learning Services explained that data gathered through the departmental work was being analysed on a ward by ward basis, to try to identify where the Council was not reaching people. This would provide the basis for a plan of action.

The Chair welcomed the information and that the work would be shared with the Member Task Group looking at economic activity in deprived communities in Leicester. However, it was noted that the Member Task Group was looking at “left behind” neighbourhoods, so was taking a different approach to that being taken in the departmental work.

The next step for the Member Task Group would be to find out what the barriers were to people progressing. It therefore would like to hear from those in the neighbourhoods and those working with them, (including the voluntary sector).

The next meeting of the Member Task Group would be held on Thursday 19 December 2019.

The Head of Economic Regeneration was asked to share the departmental work with the Member Task Group through the Scrutiny Policy Officer. The work of the Member Task Group would be shared with officers involved in the departmental work by the same process.

49. QUESTIONS FOR THE CITY MAYOR

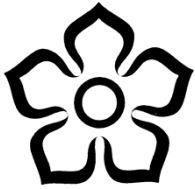
This item was not considered, due to the meeting being inquorate.

50. WORK PROGRAMME

This item was not considered, due to the meeting being inquorate.

51. CLOSE OF MEETING

The meeting closed at 7.01 pm



Leicester
City Council

WARDS AFFECTED
All Wards - Corporate Issue

Economic Development, Transport & Tourism Scrutiny Commission
5 February 2020

PROGRESS ON MATTERS RAISED AT THE LAST MEETING

Minute 45, “Social Value and Procurement Update” (4 December 2019)

The Head of Procurement was asked to provide written answers to the following questions:

Which contracts were “in scope”? Were they over a particular size or of a particular nature? If the scope was limited, why was this and to what was it limited? What was the timetable to extend the scope?

Response:

In relation to Social Value, the Charter states that “we will ensure social value is sought in all EU contracts and proactively consider its inclusion in all appropriate Large contracts”

Large (as per current Contract Procedure Rules) means contracts for Goods & Services over £75,000 and for Works over £250,000.

EU means contracts for Goods & Services over £181,302, (except Schedule 3 services: £615,278) and for Works over £4,551,413. (These thresholds are rising by approximately 4% with effect from 1st January 2020.)

The presentation given to the Commission contained statistics for both Large and EU where we have carried out our own tender exercise, noting this excluded some contracts where we have not carried out a full tender exercise (e.g. used a waiver or procured from a framework agreement). Data on such contracts was not fully available to include in the presentation but these contracts are included in the commitment and will be reviewed and monitored for compliance.

In relation to the Living Wage, contracts in scope are as per the LW Licence Agreement signed with the LWF and set out in the Living Wage in Procurement document attached at Appendix B1.

We already include Social Value requirements/criteria in a lot of Intermediate Contracts (currently above £10,000 (goods and services) or £25,000 (works)) but think to commit to doing all would become onerous and disproportionate in some cases – we could however look to measure/report on this. Subject to a more detailed review, we could consider a stronger commitment to Large Contracts, so it was worded the same as for EU Contracts.

The Living Wage was an important part of the Council’s ability to influence contractors. Were there any other factors considered to be important and how would they be weighted?

Response:

See the Guide attached at Appendix B2. We have used a lot of the Social Value examples from the guide and some were given in the presentation. The most common are around employment and skills (jobs, apprenticeships, work experience) and environmental impact (especially of vehicles). We are increasingly looking for smaller volunteering and school visit commitments from Intermediate contracts.

How had the Council’s service areas responded to the requirement to include social value in tenders? Who decided what could be included as social value?

Response:

There has been good support at senior level. Some operational level managers have required more support, particularly to include an acceptable weighting against social value criteria linked to some concern around cost impact, but my team have been increasingly successful at influencing this. When we communicate changes to Contract Procedure Rules to staff next year, we will reinforce social value importance in training and communications materials. The decision about what can be included is joint between procurement and service areas.

Leicester City Council
Living Wage through Procurement
(PUBLISHED VERSION 0.11)



Procurement Services

1 Introduction

1.1 What is Living Wage?

The Living Wage (LW) is calculated according to the basic cost of living in the UK. It is an hourly rate set independently and updated annually by the Living Wage Foundation (LWF) and calculated by the Centre for Research in Social Policy at Loughborough University. Employers choose to pay the Living Wage on a voluntary basis, unlike the National Minimum Wage which is a statutory obligation. The current rate for the UK Living Wage (outside of London) is £8.45 per hour. The current National Minimum Wage (for employees over 21 years of age) is £6.95 per hour and £5.55 per hour for employees between 18 to 20 years of age. The National Minimum Wage is updated each October, followed shortly thereafter by the new Living Wage rate.

The LWF Living Wage (LWF LW) is updated annually. A detailed explanation of how the Living Wage is set can be found on the [LWF's website](#). The table below shows how the two have increased since 2011. The gap has widened, with the Living Wage now 23% higher than the Minimum Wage, compared to 18% in 2011.

Year	NMW (age 21+over)	NLW (age 25+over)	UK LW (age 18+over)	Difference
2011	£6.08	-	£7.20	£1.12
2012	£6.19	-	£7.45	£1.26
2013	£6.31	-	£7.65	£1.34
2014	£6.50	-	£7.85	£1.35
2015	£6.70	-	£8.25	£1.55
2016	£6.95	£7.20	£8.45	£1.50

1.2 Different from the National Living Wage

In July 2015 the Chancellor of the Exchequer announced that from April 2016 the government will introduce a new mandatory National Living Wage (NLW) for workers aged 25 and above, initially set at £7.20.

The government has instructed the Low Pay Commission that the minimum wage premium for over 25s should reach 60% of median earnings by 2020. This would mean a rise to around £9 per hour by 2020.

Whilst the government rate is based on median earnings, the Living Wage Foundation rate is calculated according to the cost of living.

1.3 Background

Sir Peter Soulsby, City Mayor said "It is important that the Council sends a strong message to all employers in the City that all workers deserve a Living Wage. Introducing the Living Wage is a socially responsible thing to do. It is

important in terms of helping lower-paid employees attain a fair and decent standard of living.”

As of 1 January 2014, Leicester City Council joined the growing number of employers throughout the UK that has pledged to pay a Living Wage to employees. In March 2015 the Council made a commitment to work towards the adoption of the Living Wage within its supply chain.

1.4 Wider Application of Living Wage in Leicester

The Council as a major public sector employer in the City recognises its key role in supporting the local economy through paying the Living Wage to its employees and encouraging others to do so.

The Council will advocate and lobby at a sub-regional and City level to promote the benefits of the Living Wage to the wider regional economy and as part of the Council’s commitment to reduce poverty.

The Council will explore ways to incentivise adoption of the Living Wage amongst small and medium sized enterprises (SMEs), who may otherwise find it unaffordable, through targeted intervention and lobbying for ‘Living Wage city deals’.

2 Purpose of the Policy

The purpose of this policy is to set out the Council’s commitment to require its contractors (and their sub-contractors) to pay their employees and agency workers, who meet the criteria, set out in 3.1 below, the Living Wage, so long as it is legal to do so.

The Council will encourage and promote on a case by case basis that all employees/agency workers of contractors working on other contracts also be paid the Living Wage. This has the potential to create wider economic benefits for the City.

3 Scope

The criteria that we are required to use in order to assess if staff qualify for the payment of the LWF LW on any given contract are provided by the LWF in our Licensing Agreement.

3.1 In-Scope

The contents of this policy apply to contractors (and their sub-contractors) which supply an employee (aged 18 and over and is not an apprentice or intern) who provides a service to or on behalf of the Council involving two or more hours of work in any given day in a week, for eight or more consecutive weeks in a year on:

- the Council’s premises; and/or
- property owned or occupied by the Council (including where the Council is a tenant and is providing building-related services through a lease); and/or
- land which the Council is responsible for maintaining or on which it is required to work.

Clarification on the definition of “LCC premises”:

The part of the LWF qualifying criteria that focuses on the location of where staff would be working, does not fully account for certain types of Council contracts such as taxi services or highways maintenance.

Therefore where there is any ambiguity or where, if the criteria are applied strictly, contracts fall out of scope but intuitively ought to be in scope to meet the Council's wider commitment to the LWF LW, we will review contracts on a case-by-case basis, whilst ensuring proportionality and relevance.

Examples which would probably be considered to be in scope are, where there is a:

- 1) logistical/implicit requirement to operate from a depot or facility in or near Leicester and we have not specified a location, e.g. transport/highways maintenance or refuse collection;
- 2) service delivery point required to be located in or near Leicester, e.g. drop-in centre, but we have not specified an exact premises.

Contracts below a £10,000 de minimis threshold are assumed not to meet the above criteria, and will therefore not be required to include Living Wage clauses unless there is clear evidence to the contrary.

3.2 Agency Staff

The Council is already paying agency staff with placements greater than 12 weeks in duration a Living Wage supplement. However the LWF licence would require us to shorten this to eight weeks within the implementation period. The Council will draw up plans to pay agency staff the Living Wage after their eight weeks in service. This is likely to be achieved at the point that the current contract is re-tendered in October 2017.

3.3 Social Care

It is widely recognised, including by the LWF, that the social care industry, both nationally and locally, predominantly pays its employees at or just above the National Minimum Wage/National Living Wage. There would therefore be considerable financial implications and possible challenges from the supply market if the requirement for payment of the Living Wage was implemented. A potential cost impact in excess of circa £10.3m per annum has been identified for adult social care services, and there is no current budget provision for this. Hence, it is proposed to exclude Social Care contracts from Living Wage consideration.

The LWF recognises that social care contracts may be an obstacle for councils to sign up to the licence, and has therefore agreed accreditation with an exclusion for social care contracts as set out above. In recognition of this significant exclusion the Council has included as part of its commitment signing up to the Citizens UK Social Care Campaign Charter. A separate action plan is being drawn up to demonstrate the Council's commitment to the Charter which will be delivered within the five-year implementation period.

The Council is nevertheless very supportive of the principle of the Living Wage for care workers as well as good terms and conditions of employment. It will review each social care contract meeting the criteria set out in section 3.1 above to see whether a living wage requirement is feasible and affordable for the Council.

3.4 Out-of-Scope

As well as procurement contracts the Council enters into a number of other forms of contract and agreement with organisations. These contracts are out of scope of this policy as they are not with Contractors and in many cases the Council cannot significantly influence the terms of the arrangement. Examples include grants; schools, concessions, and where the council acts as a distributor of funding for other public sector organisations, partnership arrangements etc.

However, the Council will continue to consider ways to promote the payment of a Living Wage to employees of its partners in these arrangements.

In light of increased cooperation with other authorities (under the combined authority proposal and/or other existing partnerships such as the LLEP), it will be necessary to have a further discussion with our partners to determine the feasibility of implementing the Living Wage in any joint procurement exercises. A case by case approach will be required when working with partners on such procurement contracts.

4 Implementation and Next Steps

The Council will strive to ensure that all contracts within the scope of this policy include a Living Wage commitment by the 31 July 2020. In order to achieve this, a number of tasks are set out below with target dates for completion, as agreed with the Living Wage Foundation.

Actions	Target Date
Develop and establish internal procurement documentation to include Living Wage requirements.	30 November 2015
Review the tender evaluation process and contract terms and conditions to ensure the Living Wage application is included.	31 January 2016
Write to existing contractors to request voluntary inclusion of LW into qualifying contracts.	31 March 2016
Pilot above documentation to apply LW in selected contracts being procured.	31 March 2016
Following review of pilot, roll out inclusion of LW across all contracts to achieve full compliance by 2020.	31 October 2016
Negotiate with Contractors in long-term contracts ¹ to include the Living Wage.	30 September 2017
Re-tender agency staff contract with additional LW terms.	30 October 2017

¹ Those ending after 31st July 2020

The Council will on an ongoing basis review its contracts database and planned procurement activity to identify which contracts will fall in scope and ensure appropriate action is taken.

5 Legal and Market Consideration

The Public Services (Social Value) Act 2012 places a duty on public authorities to consider Social Value considerations at the pre-procurement stage. Under the Act, the Council must consider “*how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area, and how, in conducting the process of procurement, it might act with a view to securing that improvement.*” The Council strongly believes that the inclusion of a Living Wage condition in ‘in-scope’ contracts will generally, based upon a consideration of the subject matter of the contract, contribute to the economic and social well-being of Leicester. The Act also states that the Council may only consider “matters that are relevant to what is proposed to be procured” and “to the extent to which it is proportionate”. The Council interprets that by applying the criteria set out in section 3.1 it will act within these bounds of the legislation, though recognises this will not be applied without regard to the subject matter of the contract.

As a public sector body, the Council has a duty to treat all bidders equally while procuring contracts for services and works. Whilst implementing payment of Living Wage, the Council will also need to ensure that that it does not discriminate against bidders from the European Union. The Council considers however, that in order for the criteria set out in section 3.1 above to apply, it is almost certain that the employees in question will be employed in the UK and subject to UK employment law, and therefore the implementation of a LW condition in the contract does not discriminate against bidders from other countries. Should this not be the case, the Council may for contracts with a high degree of cross border interest, decide not to apply the Living Wage policy to ensure compliance with the Public Contracts Regulations 2015.

The Council recognises that suppliers may face challenges in implementing a LW for the City Council’s contracts. For example:

- Staff may not be fully employed to work on the council’s contracts – they may also work on other contracts for other customers; but it may not be possible for the employer to pass on additional cost to its other customers or pay the same employee two different rates for the same work?
- Similar to the point above, there is the potential to create a situation where two employees of the same company doing the same work for different customers (one the Council) may be paid different amounts;
- In construction contracts, the staff whose salaries are to be augmented may be those of supply chain partners, not the main contractor; there is a concern that the main contractor will apply price pressure which doesn’t allow small supply chain partners to cover any increased employment cost;

The Council will work with the LWF, its contractors, tenderers and local business groups to aid in resolving these issues, whilst promoting the principle of payment of LW to all staff.

6 Monitoring & Enforcement of Contractors

The Council will publish a list of contracts, including suppliers' names, in which a LW condition has been included on the internet. Should any identification of non-compliance be alleged or suspected, any party may anonymously "whistleblow" to the Council, and the Council, aided by the LWF, will investigate the claims. The Council will develop procedures to facilitate the whistleblowing process.

In addition to this list, the Council will regularly promote its LW commitment and update details of contracts included.

7 Governance and Review of this Policy

The Council will include this commitment as part of its Procurement/Social Value Strategy (currently under development) along with a KPI to measure its progress over the 5-year implementation period. This will be reported at least bi-annually to the Executive and to the Audit & Risk Committee from 2016/17.

As per the terms of the Licence Agreement, the Council will allow the LWF to monitor and audit its implementations of this policy.

Delivering Social Value for **Leicester**



A guide for suppliers and contractors
2018

Foreword – Our vision for social value in Leicester

Like other big cities, Leicester faces challenges to deliver economic growth and new jobs, improve its environment and support people in its communities to be better educated, healthier and happier.

Leicester City Council cannot do it alone and we know we are by no means the only organisation that cares about the city. We know that caring about our city, our citizens and our communities is not just the preserve of the public sector but of every person who lives here and of every business which trades in the city.

We do business with and procure from a great many organisations; from large infrastructure works to care contracts, from multinationals to local charities. The range of the council’s responsibilities is vast and the range of what we buy and who we buy from reflects this. The council spends more than £300 million annually on goods and services, using over 4,000 different suppliers.

We want Leicester to get the most out of this activity. Social value means essentially ensuring we get the absolute maximum value from every contract – that is, not just the supplies or services specified under that contract, but the additional gain we can secure on behalf of the city and its citizens. We appreciate that this is a big challenge, especially when margins are tight. That is why we have produced this guide to show how it is possible to add that extra value.

Above all, we want to make sure that we can secure this social value and that it is directed in the right way to help the most people and have the largest impact. This guide sets out how we intend to do this, what we (the city, not the council) needs most and how you, as a supplier to the council, can provide it.

We hope that this guide is clear and helpful. We hope that this new and flexible approach to procuring services can support a relationship between all those with a personal or professional attachment to Leicester to work together to continually improve our city.

We thank all those involved for the work that has gone into the development and production of this guide and the Social Value Charter, including the assistant city mayors; the council’s economic development, transport and tourism scrutiny commission led by Cllr Jean Khote; and council officers.



Sir Peter Soulsby
City Mayor



Cllr Danny Myers
Assistant City Mayor – Policy Development

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What is social value?

Leicester City Council’s Social Value Charter provides a definition:

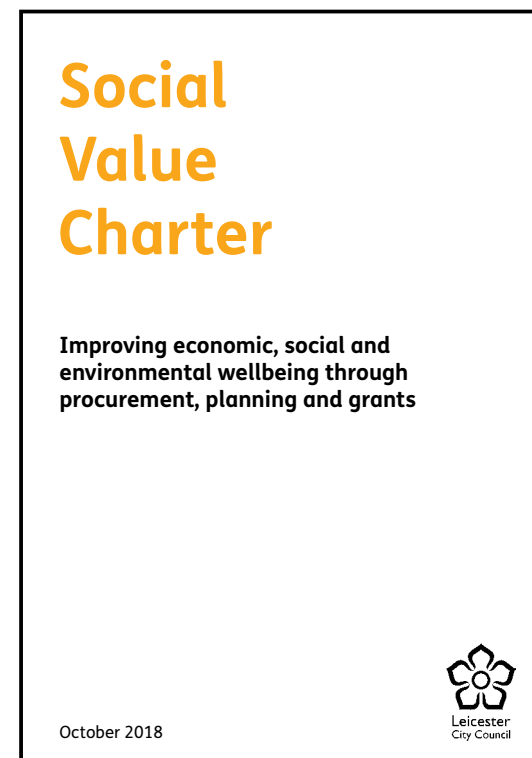
“Social value within procurement provides additional benefits generated by a service beyond its primary purpose. Additional social value improves the lives of people, for instance, through securing employment and training benefits for local residents; improving emotional and physical health and wellbeing of local residents; reducing carbon emissions or pollution levels, and supporting community groups and projects as part of a procurement process.”

The charter sets out five themes for social value we are looking for which you will see run through this guide.

- Employing locally and responsibly
- Sourcing locally and responsibly
- Supporting and engaging with local communities
- Improving environmental sustainability
- Doing business ethically

The Social Value Charter

Please see our Social Value Charter in full here:



How you can help

Every organisation we do business with has finances, skills, assets and time that could be used to deliver social value. So, think about the social value you could offer Leicester, for example:



Finances

Pay your staff the living wage and provide fair working conditions, and where possible re-invest into the local economy and provide local jobs.

Skills

There are skills across your organisation that could be effectively applied to help us address city-wide skills shortages; from back office skills like IT or accounting to the more obvious skill that we are procuring from you.

Assets

There are assets you may have, from meeting rooms that could be used for free by community groups; to discarded IT equipment or other surplus materials that could be used by people, communities and organisations.

Time

Your organisation may already have a corporate social responsibility (CSR) programme or community volunteering scheme.

Support from delivery partners

To deliver social value in Leicester, we ask that you work, where appropriate, with our nominated delivery partners who have established networks in place, and have demonstrated the ability to work with businesses and link them up with community organisations, charities, schools/colleges and those in need of training and employment opportunities. They will help you ensure that appropriate administrative processes (for example: insurance, DBS checks, training, risk assessments, due diligence on local organisations) are in place and will help us monitor the delivery of your contractual commitments. The delivery partners will prioritise those most in need and consider the best matching recipient for the social value you are offering.

Some of our delivery partners may charge a fee for certain types of support; they are not profit-making organisations and all funds will be used to cover their organisational costs and to support creation of social value in Leicester.

Our delivery partners:

Leicester Employment Hub

Leicester Employment Hub provides intensive support with recruitment and skills needs to small and medium-sized enterprises (SMEs) and larger employers in the city and county. They help employers understand the current labour market and by mutual discussion develop a bespoke skills and recruitment plan. The team has local expertise and connections to support businesses with ambitions to deliver social value in meeting their recruitment objectives.

Leicester Employment Hub
leicesteremploymenthub.co.uk
employmenthub@leicester.gov.uk



Voluntary Action LeicesterShire (VAL)

Voluntary Action LeicesterShire (VAL) helps get people into volunteering and provides voluntary and community sector organisations with infrastructure support. VAL can advise and support you with volunteering and can provide support for voluntary and community sector groups and organisations, as well as provide information, advice, guidance and training.

Voluntary Action LeicesterShire (VAL)
valonline.org.uk
Tel: 0116 257 5050



Leicestershire Cares

Leicestershire Cares brings businesses and communities together for the benefit of all through employee volunteering. It provides volunteering opportunities for companies looking to get involved with communities in Leicester, Leicestershire and Rutland. Leicestershire Cares manages a wide range of projects supporting:

- pupils with literacy, numeracy and employability skills
- communities through practical group projects
- offenders in their rehabilitation
- homeless people by breaking the cycle of 'no home, no job'
- young people who have been in care onto the next steps in life.

Leicestershire Cares

leicestershirecares.co.uk
info@leicestershirecares.co.uk
Tel: 0116 275 6490



CrowdFund Leicester

CrowdFund Leicester is all about connecting people, communities, businesses and resources to good ideas that will improve quality of life in our city. CrowdFund Leicester features projects seeking support in the form of funding, material donations and volunteering that share innovative ideas and could help shape the community for the better. By working together with these creative and innovative groups and organisations, we can make Leicester an even better place. You can see how you can support the featured projects, or create new funds/offers of support for good causes in the city.

CrowdFund Leicester

spacehive.com/movement/crowdfundleicester
crowdfundleicester@leicester.gov.uk



Leicester City Council

As the local authority, we have a range of teams and services that will act as a delivery partner and can support the delivery of certain types of social value.

Environmental volunteering and improvement projects

Our parks service provides a one-stop shop for volunteering, sponsorship and other opportunities to get involved in improving green spaces and waterways.
leicester.gov.uk/volunteering
parks@leicester.gov.uk



Choose How You Move

The walking and cycling team provide a range of practical tools and schemes for staff to join, which encourage the uptake of more active and sustainable travel, thereby improving staff health and wellbeing.
choosehowyoumove.co.uk
choosehowyoumove@leicester.gov.uk



Environmental education co-ordinator (Eco-schools)

The co-ordinator supports Leicester's schools with environmental education. Input from businesses can help schools get projects off the ground or give students insights into environmental roles in the world of work.
schools.leicester.gov.uk/environmentaleducationcoordinator
eco-schools@leicester.gov.uk

Governor service

leicester.gov.uk/schools-and-learning/school-and-colleges/performance-inspections-and-reports/school-governors
education-governor-services@leicester.gov.uk



What we need your help with

This guide sets out what we need help with – the challenges the city faces that could really benefit from your involvement and contribution.

• Employment



• The local economy



• Children and young people



• Adults



• Health



• Communities



• The city's environment





Employment

What Leicester needs

Leicester needs good jobs, with fair pay and safe and considerate working conditions. We want to support an economy that provides high-skilled, well-paid secure work that enables people in Leicester to enjoy both their work and their life outside work.

How you can help

As one of the city's major contributors to the economy, we at the council want to ensure that our budgets are used to support people into great jobs, as defined by the TUC's Great Jobs Agenda below. Leicester City Council was the first council in the UK to sign up to this agenda and we have signed up to it as a challenge, not a boast. We know that our budgets and contracts do not always allow for the application of a real living wage across our care contracts. However, as a priority we will strive for those employed in Leicester and particularly everyone employed as a result of our spending, to enjoy the following working conditions. Therefore, we ask you to also consider and address these:

The TUC Great Jobs Agenda

Every job should be a great job. For us, that means workers in our city should:

- be paid fairly
- work in a safe and healthy workplace
- be treated decently and with respect
- have regular hours
- have the chance to be represented by unions and be consulted on what matters at work
- have the chance to learn and progress at work and get on in life.

We have our own commitment with regard to the **Living Wage through procurement** and have taken steps to ensure that our contractors do not participate in employee blacklisting.

We also expect you to seek ethical employment practices throughout any international supply chains (for example: by purchasing fair trade or similarly accredited products). Compliance with the Human Rights Act, Modern Slavery Act and the International Labour Organisation's international labour standards are an absolute minimum.

Social care sector

Leicester's economy also needs a care sector that is suitably valued and skilled, and to move away from employment practices which stretch the sustainability of the sector. Our contracts for services, such as domiciliary care already require employers to pay their staff travel time and the use of zero hour contracts are only acceptable if they provide flexibility to the workforce. Training and development of staff is also a key priority to ensure that standards of care are maintained and the council provides free training to support the sector. We want to promote the care sector as a dynamic, meritocratic and accessible career choice for the city's young people and would encourage potential care providers to consider the options for social value set out below for children and young people.



The local economy

What Leicester needs

We want our budgets to fund the employment of Leicester residents and are spent with Leicester businesses (both directly and through our contractors' supply chains) as much as possible. We want to support the city's small, medium and large enterprises, including organisations in the voluntary, community and social enterprise sector, which will further support local employment. We recognise that trading with companies and employment of residents in the county will also have a positive impact on the city due to the travel-to-work links between the city and county.

Coupled with our expectations on working conditions, and particularly the Living Wage, this will ensure that local people working to deliver our services will benefit and this money will be recycled in the local economy.

How you can help

Local suppliers

Whether you are a Leicester-based company or not, we strongly encourage you to consider how you can work with companies in Leicester to support your contract delivery and become part of your supply chain. Having a Leicester-based supply chain will help you link into the local community and enhance your local knowledge. It will help us support local business and local employment. Voluntary and community sector groups and organisations could also form part of your supply chain – please see the Communities section below.

Case study

The £1.27 million refurbishment of the council's Customer Service Centre was carried out by Morgan Sindall as the main contractor. Six of the 10 major sub-contractors appointed by Morgan Sindall were local and these represented 81% of the sub-contract expenditure. Of this 81%, over half went to local employees or local tier 2 sub-contractors.

Who to contact for support

Please do your usual supply market research for potential supply chain partners in the local area. Please consider using the Source Leicestershire website to advertise opportunities to local businesses. Note: Source Leicestershire is not limited to local businesses but has a good profile locally.

Local employment

Whether you are a Leicester-based company or not, we strongly encourage you (and where relevant, your supply chain) to consider how you can support the employment of people in Leicester. We ask that all job opportunities related to our contracts, where the opportunity is within reach of Leicester, are advertised in Leicester job centres and through Leicester organisations.

We would like you to work with our **Employment Hub** to offer these opportunities to local people. The Employment Hub can offer you advice on apprenticeship and training schemes and advise you if funding may be available to support you when you create these opportunities.

Case study

Leicester City Council's neighbourhood improvement scheme works in partnership with Leicester College to support unemployed people by offering work experience and short-term job opportunities. The scheme is now in its eighth year and has helped more than 180 unemployed people move into employment.

Who to contact for support
Leicester Employment Hub



Children and young people

What Leicester needs

For Leicester to be more competitive and to continue to attract inward investment, we need to have more people suitably skilled in certain areas such as:

- construction
- engineering
- ICT
- social care.

Leicester also has children and young people who sometimes – because of circumstance, geography or background – do not secure access to high quality education, training and employment opportunities and would greatly benefit from your support.

How you can help

We want our providers to join us to:

- make the vast variety of opportunities available to children and young people seem real and tangible
- share the benefit of your experience and skills to address the skills gap
- inspire young people to do well at school/college and create a link between what they learn in the classroom and the world of work.

We have identified a range of different ways and levels at which you can get involved and make a difference.

Visits to schools and colleges

Some ways to help are:

- volunteer to visit a school at an assembly or offer a school the chance to visit your workplace
- give insight and provide examples of the different types of jobs available and how to reach that position
- mock interview exercises
- support literacy and numeracy schemes by going into schools and colleges to enrich the learning experience.

Our delivery partners already have links with schools and established processes to facilitate such events and we ask that you offer this kind of social value through these intermediaries to ensure the right children/organisations benefit, the proper processes are followed and that we can record evidence of delivery.

It can be difficult, especially for smaller organisations, to provide structured career opportunities, but your organisation may have a volunteering or corporate social responsibility project where an individual might wish to volunteer to offer mentoring support to a child or young person. These relationships can be pivotal in helping a child or young person build their confidence and understand better what is possible.

Case study

Leicester Employment Hub organised a site visit for a group of 30 students and staff from Moat Community College to learn about design and construction. They visited the re-development site of the former Southgates bus station and were greeted by Winvic, the construction company overseeing the project and turning it into new student accommodation. It was a great opportunity for them to see a large construction site in action and understand how different disciplines go hand in hand to achieve such a project.

This project was not procured by the council but the social value was achieved through engagement with the council and the Employment Hub.

Who to contact for support

Leicester Employment Hub
Leicestershire Cares



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Work experience

Many Year 10 children (14-15 year olds) look for an opportunity to gain one or two weeks' work experience. Not all do and some schools struggle to place every child. Your social value could be to provide such opportunities within your organisation. This may be a frontline customer-facing role, but could also be in a back-office function, such as IT, logistics or administration.

Case study

SISK re-developed the council's former New Walk Centre headquarters site into a new mixed-use development, comprising of 50,000 square feet of office space, 54 new homes and a small amount of retail space including restaurants. They also improved the public realm to complement the attractive, tree-lined New Walk. As part of Constructing Leicester, we worked closely with SISK to deliver work placements and curriculum support activities, along with apprenticeships and jobs.

Through the project, SISK hosted 12 work placements in trades such as bricklaying and electrical, as well as civil engineering. It delivered seven curriculum support activities, which involved hosting site visits for local colleges, and took part in workshops and activities to raise awareness of the opportunities within the construction industry.

Who to contact for support

Leicester Employment Hub and their partner organisations:
Leicester Education Business Company (LEBC) and Connexions
Leicestershire Cares



Apprenticeships and training

For our larger and longer-term contracts, there may be opportunities to generate longer-term social value. We would expect to see evidence of how our suppliers will develop apprenticeship opportunities for young people in Leicester and for them to become part of your workforce delivering services under the contract.

Case study

We have procured the Framework Housing Association (FHA) to provide inpatient medically assisted withdrawal drugs and alcohol services for adults in Leicester, Leicestershire and Rutland. As part of the procurement process, FHA committed to offer training and work placement opportunities for those aspiring to careers in nursing, social work and medicine, including junior doctors. FHA currently has two junior doctors on placement on a six-month rotation, and these will be replaced every six months with new trainees. FHA also has, in the first four months of the contract, received four fourth year general medical students on week long work placements.

Who to contact for support
Leicester Employment Hub

Case study

Through the Leicester Jobs Fund, funding was secured for a young person with social, emotional and mental health needs (SEMH) to commence a six-month traineeship working in a local school. This young person experiences very high anxiety in any new situations and when working with large groups of people. With support, he is now growing in confidence and will progress onto an Apprenticeship in Business Administration. Although not generated through the council's procurement activities, this example demonstrates the opportunities available and the positive outcomes that can be achieved.

Leicester Employment Hub and the Leicester Jobs Fund support SMEs taking on people with disabilities or looked after children.

Who to contact for support
Leicester Employment Hub
Leicestershire Cares

Supporting specific children and young people

As well as general opportunities for young people, there are particular groups of children and young people in the city who may need greater support. In some cases, they may require a particularly nurturing and supportive approach in the right environment to benefit from the opportunity. Helping these young people can be particularly rewarding for organisations and employees involved.

Looked after children

Educational and employment outcomes for our looked after children or children in care are important and as their corporate parents, our aim is to provide them with support outside of mainstream education. We'd like to extend this into our commissioning. We have programmes and schemes which you could utilise to help us educate our looked after children. For example, Leicestershire Cares' Flying Fish project supports young people on to the next steps in life by opening their eyes to the possibilities in the world of work, through company tours, talks and mentored work placements. All programmes are tailored to meet individual needs.

Children with special education needs

Educational and employment outcomes for children with special educational needs need to be improved. This would include children with long-term disabilities or conditions such as autism.

Adults

What Leicester needs

Some of Leicester's adult population are often excluded from social contact, exercise and recreation, and employment and training opportunities. Leicester City Council teams and other voluntary and community sector groups and organisations support these adults but they could benefit from further help via skills, knowledge, assets and potential volunteering time and employment opportunities within your organisation. They can also add value back into your organisation. These vulnerable groups are broadly defined below.

- Adults with long-term mental health needs, learning disabilities, autism and/or physical health conditions are often independent enough not to require long-term care but they may find it difficult to access alternative support or work thereby leading to social and economic isolation.
- Long-term unemployed people and those in need of re-skilling.
- Elderly and socially isolated – older people are more likely to be managing long term health conditions and prone to being socially isolated. Supporting and helping those living with dementia and their carers is a priority for Leicester and we are committed to make ours a dementia friendly city.
- Recent arrivals in the UK – in many circumstances these people are fleeing incredibly traumatic and difficult situations, and require the right kind of support to start a new life in a new country with confidence.
- Those who have recently left the criminal justice system face a difficult challenge securing housing, work and re-establishing important relationships.
- Those who are recovering from drug or alcohol addiction and have problems with substance misuse often suffer from complex circumstances and multiple issues such as poor mental health, which can lead to other long-term issues such as rough sleeping.

How you can help

Your budgets, skills and assets could support those individuals and the organisations that help them, through for example, visits to libraries, colleges or other suitable settings, or your staff could volunteer to support people to develop their digital and English language skills and confidence.

You may be able to offer structured mentoring and training opportunities for individuals. You could explore how to remove barriers to employment opportunities for vulnerable adults with mental health needs or a learning disability. An opportunity for being in paid employment could support their wellbeing and independence. Work trials, internships and placements, targeted training and development opportunities could all be options. Information about the **positive action provisions** under the Equality Act 2010 will help you to decide what opportunities, support and positive action in recruitment you might be able to offer.

Case study

Leicestershire Cares provides businesses with opportunities to offer practical help to local community groups that support isolated and elderly people, for example through organising team challenges, where a group of employees could volunteer for the day to decorate a room or do gardening at an old people's home. This collaboration benefits the community group and can be an excellent way to build team spirit within your company and raise your profile.

Cambridge and Counties Bank worked with Leicestershire Cares at Holmfield Day Centre, which is situated in a deprived area and is a lifeline for older people with dementia who are socially isolated. The employee group tidied up the garden and created a false shop front to look like a shop from the past. Although not a council example, it demonstrates the kind of opportunities that are available.

Who to contact for support

Leicester Employment Hub

Leicestershire Cares

Voluntary Action LeicesterShire (VAL)

Please also refer to the contacts in the Local Economy (Employment) and Communities sections.



Health

What Leicester needs

Everyone has a role to play in supporting people to make healthy lifestyle choices. Our social value approach will protect physical and mental wellbeing in Leicester. We want employers to promote physical activity, healthy eating, smoke-free policies and a range of mental health promotion activities.

Increased levels of physical activity across the city will support general wellbeing and help us to tackle the range of health challenges facing the city, including obesity and diabetes.

How you can help

Healthy eating and physical activity

Employers can play a role in supporting and facilitating staff to be more active. Making even small changes to include active travel and physical activity as part of the normal working day can help with this: for example, staff could act as volunteer walk leaders at lunchtime or after work or consider the Leicester-Shire and Rutland Sport (LRS) **Workplace Challenge**. Supporting local communities in becoming more active could fulfil a social value commitment.

Healthy eating goes hand-in-hand with physical activity. Employers can support work within Leicester that aims to improve choice and access to healthy options. This could be work that takes place directly within their organisation, or through working with other stakeholders, such as a foodbank or holiday hunger scheme.

Stop smoking

Ensuring that smoke-free policies are present in the organisation, and that access to the Stop Smoking Service is available would both demonstrate commitment to improving employee health and wellbeing.

Mental health

Mental health problems are another key health issue amongst people in Leicester. One in four working age adults will be living with a mental health condition, and many more may be experiencing symptoms of low mood or stress without an official diagnosis. However, many people are reluctant to speak about their mental wellbeing at work due to stigmatising attitudes around mental illness.

Changing the culture of a workplace to become a safe space to discuss mental health openly would have great social value. Incorporating workplace mental health training amongst managers, or adopting a 'mental health champions' scheme would be ways to raise awareness of mental health amongst staff. Encouraging dialogue around mental health and well being at work will contribute to a culture where employees feel more valued, which in turn has a proven positive impact on productivity. Employers could also sign the **Time to Change Employer Pledge**, a process that involves creating a six-step 'action plan' on how the organisation will combat stigma and discrimination around speaking about mental health.

An organisation could also support community groups, and mental health champions could share their learning with communities. Working with faith groups and community leaders to adapt messages/activities around mental health and well being for different communities would be an excellent way forward. Sponsoring ongoing activity, such as events held by local community Time to Change Champions, would also be a way of raising mental health awareness amongst Leicester residents.

First aid

We would also like to increase the number of staff and members of the public with basic first aid skills. The Red Cross offer first aid training and so do Leicester City Council's health and safety team. This isn't a major expense or commitment but is hugely valuable. We are also working in partnership with the Joe Humphries Memorial Trust to install defibrillators in public places and give basic CPR and defibrillator training to the public. Your support for this kind of activity would be greatly welcomed.

Case study

Leicester City Council's walking and cycling team has worked with a variety of Leicester businesses to implement free and practical tools and schemes which have encouraged the uptake of active and sustainable travel, and so improved the health and wellbeing of staff. Examples include the provision of cycle parking at De Montfort University; a series of led rides and led walks at Pick Everard; the implementation of a sustainable travel challenge at IBM; staff personal travel planning at Mattioli Woods; and multiple staff engagement events at Hastings Direct.

Who to contact for support

Choose How You Move



Communities

What Leicester needs

Leicester's communities are supported not only by a diverse and dedicated voluntary and community sector, but also by the public sector. Our libraries, parks, playgrounds, charities, and children's and community centres provide the city with an invaluable physical, social and support network. However, a lot of this network no longer receives the same level of financial support it once did from public budgets. Leicester needs your support for this network and its communities.

How you can help

As mentioned earlier, your support for our communities does not have to relate to the core service we are purchasing from you but could come from elsewhere within your organisation.

Volunteering and expertise

We are especially keen to support our communities with volunteer hours from across the city. This could be, for example, to help a summer reading challenge at a local library or support a local foodbank. Some communities, as well as the groups and organisations that support them, struggle to recruit to senior administrative positions such as trustee, chair, treasurer or school governor. These are vital roles and within your organisation there may be individuals who would be willing to support the city's voluntary and community sector or schools with these skills.

Leicestershire Cares and **Voluntary Action LeicesterShire (VAL)** are local organisations through which we would ask you to channel this activity.

Both VAL and Leicestershire Cares can arrange team challenges – team building away days where your team undertakes an activity to improve a local public or community facility such as painting a community room, clearing a garden or open space, or litter picking on the local waterways.

ProHelp is another Leicestershire Cares scheme via which your staff can volunteer their professional expertise to assist local community groups who may otherwise be unable to afford such services. Similarly, VAL can broker volunteering opportunities for trustee and other community-based roles that could be taken up by employee volunteers.

School governors are unpaid volunteers who work as part of a team to raise standards of achievement in their school. They provide strategic leadership and accountability in schools. Governors also hold the main responsibility for finance in schools and work with the head teacher to make decisions about balancing resources.



Case study

Nine staff members of Checkprint, a Hinckley-based secure printing firm, recently took part in a special community initiative to refurbish a playground in Braunstone, in an eight-hour painting session that saw the team re-stain the entire assault course. This initiative formed part of the Braunstone Adventure Playground's Restoration Week, which saw the entire facility renovated for the summer holidays.

This activity was part of Checkprint's commitment to Leicestershire Cares, rather than a social value commitment from a council procurement, but is a great example of a local company carrying out a team challenge and contributing to the local community.

Who to contact for support

Leicestershire Cares
Voluntary Action LeicesterShire (VAL)
Leicester City Council – governor service

Purchasing and sponsorship

Many local community organisations often trade services – for example, room or conference hire or catering. Using these traded services is a sustainable, viable way of supporting this network.

There are facilities and charities which would welcome your sponsorship of a programme or facility – everything from a farm park to a training programme might offer mutual benefit of income and publicity. Leicester City Council would be happy to broker any such interest.

In kind support – resources and materials

Charities often find it hard to secure funding for buildings or equipment due to public funding restrictions. If your organisation has excess materials or furniture/equipment, such as ICT hardware, it no longer requires, this could be used to support local community groups/projects. There may also be a valuable contribution in allowing some of these organisations the opportunity to use your facilities or equipment and expertise in other ways (for example, making your meeting rooms/vehicles available to them when you don't need them, using spare capacity within your facilities management team to carry out small repairs or auditing/inspecting a charity's accounts).

We have created CrowdFund Leicester, where you can find well-deserving innovative projects within the city which would benefit from your social value support, whether financial or in-kind. You can also offer your support by creating a new fund or offering material support/resources for good causes.

Case study

Highcross is supporting CrowdFund Leicester by including some of its projects in their own publicity spaces (physical, digital and online) and by having CrowdFund Leicester join in some of its special promotions (for example, Student Night). We have had the offer of Highcross accommodating appropriate projects within vacant shop units and of putting the digital beacons in St Peter's Square at the service of some of the more creative and artistic dimensions of CrowdFund Leicester.

Who to contact for support

Voluntary Action Leicestershire (VAL)
Leicestershire Cares
Crowdfund Leicester – funds and support



The city's environment

What Leicester needs

Like all cities, Leicester faces big pressures to provide the homes, jobs, facilities and transport systems that people need, while also offering a green and healthy environment with clean air, space to relax and a home for wildlife. It also needs to run sustainably – using resources efficiently, cutting down waste and helping tackle wider environmental problems such as climate change. For these reasons Leicester needs to reduce the amount of greenhouse gases and air pollution it generates, making better use of clean technologies and renewable energy. It needs to reduce waste and reuse or recycle more. It also needs to maintain and improve its network of parks and open spaces, its heritage and its historic treasures.

How you can help

You can help us improve Leicester's environment and make it a more sustainable city by:

- running your business with the environment in mind, so that you can offer us and your other customers greener goods or services. This is important to us because we want to lead by example in what we buy.
- providing practical help towards environmental improvement projects in the city, for example through volunteers, funds or help in kind.

Environmentally responsible sourcing

For relevant contracts, we will specify green standards we expect providers to meet and we may also include green criteria when we evaluate tenders. We will always make any green requirements or criteria clear, and you can read our Sustainable Procurement Guidance on our website before you tender. Any green standards or requirements will always be relevant to the type of goods, works or service we're buying. Below are some examples of what we look for.

- Less emissions from any transport, delivery or collection services, or from travel by your staff when they deliver the service to us for example, using cleaner vehicles such as electric or high Euro Standards, travel by walking, cycling or public transport, or use of latest technology/systems to cut journeys.
- Less waste, more recycling. For example, reduced, recyclable or returnable packaging – and less or no single-use plastics.
- Sustainably sourced timber and peat-free horticultural or landscaping products.
- Energy-saving and low carbon technologies used in goods and services.

Case study

We have committed to play our part in protecting forest biodiversity worldwide by joining a WWF scheme to buy timber from legal and sustainably managed forests. The impressive timber beams supporting the food hall at Leicester Market – as well as all the other timber used in the scheme including the hoardings used during construction – were all checked before purchase. The beams came with Forest Stewardship Council (FSC) certification, one of several ways that companies can prove that their timber comes from a sustainably managed forest.

Who to contact for support

From time-to-time as funding allows, we can offer help to local companies to cut their energy costs or benefit from clean vehicle technologies and sustainable travel options.

Green BELLE – for information about help cutting your energy costs

Choose How You Move – see Leicester Business Engagement for information about support with sustainable travel options

leicester.gov.uk/businesswithus – for more detail on our sustainable procurement policies

Environmental improvement projects

Businesses can add considerable value to environmental improvement projects in the city, for example through staff volunteering, funding for materials or help in kind such as the loan of equipment or offering expertise. We also welcome our suppliers coming forward with their own ideas for projects. The types of projects you could support include:

- tree planting, nature conservation and clean-up days
- community food growing projects
- school projects including nature or food growing areas, litter-picks or – if your business has environmental expertise: supporting environmental careers events, work experience opportunities or school talks
- sustainable travel projects cycling, walking or electric vehicles promotions or events

Case study

In 2016, the council procured Arcadis to provide project management and consultancy services to support our construction projects. Arcadis committed to several social value outcomes and activities which so far have included the following.

- In 2017, volunteers from the company took time out to assist with meadow management at Welford Road Cemetery as part of the Wild About Leicester project
- In March 2018, eight interactive environmental education sessions were organised for primary schools and in May 2018 Arcadis organised an Eco Summit for schools held at De Montfort University
- In June and July 2018, the company organised clean-up days on the River Soar and the Grand Union Canal, with volunteers from the company working with Leicester environmental volunteers to clear two truck-loads of rubbish.

Who to contact for support

Leicester City Council – environmental volunteering and improvement projects

Leicester City Council – Eco-Schools scheme

Crowdfund Leicester – for community-led environmental projects you could support. See funds and support

What next?

You are likely to have received this guide as part of a package of tender documents. The invitation to tender, and the specification and conditions of contract, will make clear what our minimum requirements in terms of social value are. We may also have asked you to complete method statements to state how you will deliver this social value and seek your proposals for additional social value you will create as part of the contract.

We recognise that some contracts have more potential than others to deliver social value and we will ensure our demands are as relevant as possible to the contract and proportionate to the scale of the contract. In doing this, we do not want to add significant cost to contracts given the financial constraints the council (and all other public-sector organisations) are currently working within.

When responding to our questions, we want you to be as innovative and ambitious as possible. Please try to consider and maximise the impact your social value will have on the city – we will consider this when evaluating your tender:

- short-term interventions, (for example, one-off volunteering, work experience) will clearly contribute to our objectives and should be of minimal cost to your organisation
- longer-term more sustainable social value, such as apprenticeships and employment, will however be looked upon more favourably as a greater contribution
- where you can focus social value on particularly disadvantaged groups; such as looked after children, the disabled or ex-offenders; we will acknowledge this in our evaluation as a special contribution to our priority objectives.

Please look at your own organisation and what it has to offer the community and the city. Please make firm social value commitments as part of your tender submission, alongside the core goods or services the contract is for. We will monitor your delivery of the commitments you make.

All businesses and organisations trading in and around the city can deliver social value as part of their everyday activity – you don't have to do this as part of a council contract. Working with the city and community around you is the right thing to do.

Contact Leicester City Council's procurement service

W: leicester.gov.uk/businesswithus

E: procurement@leicester.gov.uk

T: 0116 454 4020

Links in the guide

Leicester City Council Social Value Charter: leicester.gov.uk/businesswithus

Leicester Employment Hub: leicesteremploymenthub.co.uk

Voluntary Action LeicesterShire (VAL): valonline.org.uk

Leicestershire Cares: leicestershirecares.co.uk

CrowdFund Leicester: spacehive.com/movement/crowdfundleicester

Leicester City Council volunteering with parks and open spaces: leicester.gov.uk/volunteering

Chose How You Move: choosehowyoumove.co.uk

Environmental education (Eco Schools):
schools.leicester.gov.uk/environmentaleducationcoordinator

Leicester City Council schools governor service: leicester.gov.uk/schools-and-learning/school-and-colleges/performance-inspections-and-reports/school-governors

Leicester City Council Living Wage through procurement:
leicester.gov.uk/your-council/our-jobs-and-careers/working-for-us/living-wage

Source Leicestershire: sourceleicestershire.co.uk

Employment Hub: leicesteremploymenthub.co.uk

Neighbourhood improvement scheme news story: news.leicester.gov.uk/news-articles/2018/june/award-for-council-scheme-that-helps-get-people-into-work

Leicestershire Cares Flying Fish project: leicestershirecares.co.uk/flying-fish

Leicester Jobs Fund: leicesteremploymenthub.co.uk/employers/leicester-jobs-fund-grants

Positive Action provisions: citizensadvice.org.uk/work/discrimination-at-work/what-doesn-t-count-as-discrimination-at-work/discrimination-at-work-positive-action

Leicester-Shire and Rutland Sport (LRS) Workplace Challenge: workplacechallenge.org.uk/lrspport

Time to Change Employer Pledge:
time-to-change.org.uk/get-involved/get-your-workplace-involved/employer-pledge

Defibrillators at our parks: leicester.gov.uk/leisure-and-culture/parks-and-open-spaces/using-our-parks/defibrillators-at-our-parks

Leicester City Council sustainable procurement policies: leicester.gov.uk/businesswithus

Leicester City Council procurement team: leicester.gov.uk/businesswithus



Council

Date: Draft for 19th February 2020

General Fund Revenue Budget 2020/21 to 2021/22

Report of the Director of Finance

1. Purpose

- 1.1 The purpose of this report is to ask the Council to consider the City Mayor's proposed budget for 2020/21 to 2021/22.
- 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 draft budget has been prepared in advance of the finance settlement for 2020/21 (which has been delayed by the General Election, and the date is not yet known) and the final report will be updated to include any new information received.

2. Summary

- 2.1 Since 2010, the Council has faced the most severe period of spending cuts we have ever experienced. We know from reports of the Institute of Fiscal Studies and our own analysis that government cuts have disproportionately hit the most deprived authorities (such as Leicester).
- 2.2 The budget for this year is made more difficult because we do not know the level of funding available beyond 2020/21.
- 2.3 Since last year, the Government has made announcements about the "end of austerity" in the public finances. While there has been some additional spending announced for next year, it should be noted that this does not reverse the significant cuts since 2010, and that pressures continue in demand-led services in Children's and Adults' social care.
- 2.4 Since 2014/15, the Council's approach to achieving these substantial budget reductions 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”.
- 2.5 The Spending Review Programme is a continuous process. When individual reviews conclude, an Executive decision is taken and the budget is reduced in-year, without waiting for the next annual budget report. Executive decisions are informed by consultation with the public (where appropriate) and the scrutiny function.
- 2.6 This approach has served us well. Budgets for the period 2013/14 to 2015/16 contributed over £40m to reserves, which have been used to support budgets since 2016/17 and postpone the maximum impact of government cuts. This has been extended by regular reviews of reserves and other one-off monies available. Because of this approach, the Council has sufficient reserves available to balance the budget in 2020/21, and will have some remaining for subsequent years.
- 2.7 Funding levels beyond 2020/21 are particularly uncertain, with the planned move to 75% rates retention, the Government’s planned funding review, and the risk of a return to centrally-imposed cuts to funding overall (see paragraphs 8.5 - 8.8). There are also significant unknowns around future funding for social care services.
- 2.8 To mitigate these risks, further savings from the spending review process are being used to extend the managed reserves strategy as far as possible. However, it seems inevitable that medium term budgets cannot be balanced without additional significant cuts.
- 2.9 As a consequence, the following approach has been adopted:-
- (a) The budget for 2020/21 has been balanced using reserves, and can be adopted as the Council’s budget for that year;
 - (b) Savings from the previous rounds of spending reviews are still being sought. These will seek to minimise the call on reserves in the remainder of 2019/20 and in 2020/21, and therefore to make additional amounts available to mitigate cuts in future years. Since February 2019, savings totalling £2.7m per year have been achieved and built into budget forecasts.
- 2.10 **What this means is that, in substance, the budget proposed is a one year budget. Projections of spending and income have been made beyond 2020/21, but they are uncertain and volatile.**
- 2.11 In common with other authorities nationally, we continue to face growth in social care costs, and it is not impossible that these services will consume an ever greater proportion of the budget (squeezing out the traditional services provided to the whole community).

Government intentions for social care funding beyond 2020/21 are not known; a planned Green Paper has not materialised, and it will be some time before any new proposals have an impact on the Council's financial position.

- 2.12 It should also be noted that there are some significant risks in the budget. These are described in paragraph 12, and to help mitigate these, a contingency of £1m has been included in the 2020/21 budget.
- 2.13 The budget provides for a council tax increase of 4% in 2019/20, which is the maximum available to us without a referendum. 2% of this 4% 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. In practice, increasing our tax by an additional 2% will only meet a small proportion of the extra costs we are incurring.
- 2.14 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. The budget is, in effect, a snap-shot of the Council's current commitments and decisions taken during the course of 2019/20. There are no proposals for decisions on specific courses of action that could have an impact on different groups of people. 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 11 and the legal implications at paragraph 15). 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 spending review decisions.

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 2020/21 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 be adequate during 2020/21, 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 11 and Appendix Three;
- (h) emphasise the need for outstanding spending reviews to be delivered on time, after appropriate scrutiny;
- (i) agree that finance procedure rules applicable to trading organisations (4.9 to 4.14) shall not apply.

4. **Budget Overview**

4.1 The table below summarises the proposed budget for 2020/21, and the forecast position for 2021/22:

	2020/21	2021/22
	£m	£m
Service budget ceilings	278.3	274.3
Corporate Budgets		
Capital Financing	6.3	6.5
Miscellaneous Corporate Budgets	(2.3)	(2.1)
Corporate Contingency	1.0	
Education Funding Reform	1.0	1.0
Future Provisions		
Inflation		6.3
Planning Provision		3.0
Total forecast spending	284.3	289.0

Rates Retention		
Business rates income	64.6	
Top-up payment	47.4	
Revenue Support Grant	28.9	
Subtotal: rates retention	140.9	143.2
<i>Less assumed future cuts</i>		(3.0)
Council Tax	121.1	124.4
Collection Fund surplus	1.7	
Social Care grants	10.0	10.0
New Homes Bonus	5.0	4.0
Total forecast resources	278.7	278.6

Underlying gap in resources	5.6	10.3
Proposed funding from reserves:	(5.6)	
Gap in resources	NIL	

- 4.2 The proposed budget for 2020/21 has an underlying budget gap of £5.6m, which represents a £3.3m decrease from the forecast in February 2019. The main changes to the budget position are summarised in the table below:

	2020/21 changes £m
Spending Reviews approved	2.4
Growth in local tax base (council tax & business rates)	2.4
Social care pressures (in excess of additional government resources)	(4.8)
Pay inflation	(2.7)
Reduced level of cuts to general funding	2.5
Collection fund surplus (one-off)	1.7
Other changes	1.9
Net decrease in budget gap since February 2019	3.3

- 4.3 The net decrease in the table above conceals significant additional pressures in social care services and pay costs. For 2020/21, the pressure on the budget is mitigated by increased government grant and a one-off surplus on rates and Council Tax income in the Collection Fund; but cost pressures are expected to continue to grow in future years.
- 4.4 The budget for 2021/22 is presented in broad terms only, and is particularly volatile. The current business rates retention scheme is due to be replaced from April 2021; we do not yet know the format of the new scheme, and the table above assumes that these changes are broadly neutral for the Council's finances. The position could be significantly worse than this: there are particular risks around social care cost pressures, the Government's review of local government funding formula, and/or a return to overall funding cuts for the sector. Under this scenario, the gap for 2021/22 could be as much as £40m.

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 2020/21 is £1,641.23, an increase of just under 4% compared to 2019/20.

- 5.4 The tax levied by the City Council constitutes only part of the tax Leicester citizens have to pay (albeit the major part – around 84% in 2019/20). Separate taxes are raised by the Police & 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 2020/21, 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 2020. The formal resolution will set out the precepts issued for 2020/21, together with the total tax payable in the city.

6. **Departmental Budget Ceilings**

- 6.1 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 2019/20 budget;
 - (b) Decisions taken by the Executive in respect of spending reviews, where the savings take effect in 2020/21, have been deducted from the ceilings;
 - (c) 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.
- 6.2 In contrast to previous years, 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 2020/21 had not been determined, and therefore a provision (equivalent to a pay award averaging around 2.5% across all pay grades) is being held centrally to meet the cost. This will be distributed to departmental budget ceilings when the details of the pay award are known.
- 6.3 The role of the Council is to determine the financial envelopes within which the City Mayor has authority to act. In some cases, changes to past spending patterns are required to enable departments to live within their budgets. Actions taken, or proposed by the City Mayor, to live within these budgets are described below.

City Development & Neighbourhoods

- 6.4 The department provides a wide range of statutory and non-statutory services which contribute to the wellbeing and civic life of the city.

- 6.5 The department's costs are not subject to the same levels of volatility as social care services, and pressures tend to be more easy to predict in advance. Nonetheless, the impact of austerity means the department (whilst expecting to live within its resources in 2019/20) may struggle to do so in 2020/21. Key pressures are:-
- (a) Reduction in capital project work undertaken by the Estates and Building Services (EBS) division, and consequent loss of fee income. This pressure amounts to some £1m per annum;
 - (b) Pressures on budgets for property maintenance, which have recently been centralised as part of an earlier spending review (the Technical Services Review). The department is struggling to provide an appropriate level of service to meet assessed needs and a shortfall of some £0.6m has been identified;
 - (c) Lower income from Neighbourhood Services, particularly from sources such as DVD and CD rental, which for a time performed well but there is now little demand.
- 6.6 In total budget pressures of up to £2m per year are anticipated.
- 6.7 The department continues to contribute to the spending review programme, and has achieved £2.5m as part of the new Spending Review 4 Programme, with work ongoing to deliver further savings.

Adult Social Care

- 6.9 Adult Social Care services nationally are facing severe cost pressures. This is now recognised by the Government, although long-term solutions have been continually deferred (we still await proposals in the form of a green paper).
- 6.10 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. Total social care grant (to deal with pressures in both adults' and children's social care) now stands at £10m. For practical purposes, the budget assumes that this level of funding forms a base from which future Government decisions on funding will be made (i.e. it is unrealistic to assume that it will not continue in some form although there are no guarantees). Additionally, Better Care Fund monies paid directly to the department now amount to some £28.5m per year.
- 6.11 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 who are statutorily entitled). It is expected that the department will live within its resources in 2019/20.
- 6.12 In 2020/21 and beyond, the department continues to face significant demand led pressures:-

- (a) The growth in need of our existing service users resulting in additional support being added to their existing package of care. This is expected to increase at 5.5% per annum.
- (b) Growth in service user numbers is expected to grow overall at 0.5% per annum. Growth in older service user numbers is being contained currently, but we are seeing more significant growth in working age adults with mental health conditions and learning disabilities.
- (c) The cost of meeting need is rising by more than inflation, due to the impact of continuing increases in the National Living Wage (NLW) which drives care costs. The Government's intention is that the NLW will rise to £10.50 by 2025 (or two thirds of median wages at that time): this implies an increase of some 5% per annum during the intervening period.

6.13 The proposed budget provides an additional £3.1m per year to the departmental budget, in addition to support from the Better Care Fund.

6.14 It is expected that the cost of providing statutory packages of support will increase by around £15m per year, each year, beyond 2020/21, of which two thirds is due to need and one third to wage pressures. At present we have no indication of what funding might be made available by the Government (nor indeed whether social care will continue to be paid for in the same way as currently). The corporate budget strategy is predicated on two options, one being that the Government will provide sufficient funding to meet increased need in 2021/22, and one that they will provide less than the full cost.

6.15 The department continues to provide support to the Spending Review 4 Programme, which is meeting the Council's overall budget savings targets. To date, £2.6m has been achieved as part of this programme and proposals are being developed to achieve a further £0.8m.

Children's Services

6.16 In common with authorities across the country, increasing demand for social care services is putting considerable pressure on the budget of the department (and of the Council). Anecdotally, more authorities seem to be reporting children's social care as the major source of their budget pressure than adult care. Recently, Blackpool council has reported that the children's social care service is overspending by £9m in 2019/20, and Liverpool has projected a £33m increase in its 20/21 budget gap arising from children's social care.

6.17 Whilst the department expects to live within its resources in 2019/20 (having received an injection of £11m in the 2019 budget on a one-off basis) it is now clear that the pressures on the system will persist. These include:-

- (a) Social care placement costs. Pressures reported last year continue, and whilst placement numbers seem to have stabilised (but not reduced) we are seeing more

teenagers with severe behavioural issues entering the system requiring high level support. This is despite the interventions of the new multisystemic therapy and functional family therapy teams, who have between them diverted 95 children from care in the first half of 2019/20;

- (b) Pressures in respect of transport costs for looked after children and SEN pupils. These pressures may be reduced following a review and consultation of the local transport offer.

6.18 Whilst the director is achieving savings to reduce the overall burden on the general fund, the budget provides a further £11m on an on-going basis from 2020/21 (and an additional £3m on a one-off basis in 2020/21 to buy time for more fundamental review).

6.19 Measures taken, or expected to be taken, to control costs include:-

- (a) Continued operation of the therapeutic intervention teams (which were partially funded by one-off business rates pilot income in 2019/20). These teams are now working with over 200 children per year;
- (b) Seeking to increase the number of internal foster carers and reduce the use of external agencies;
- (c) Careful review of all external residential and semi-independent placements;
- (d) Savings from internal administration budgets;
- (e) Reductions in the cost of the Connexions and Education Welfare Services.

Health & Wellbeing

6.20 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 will be maintained at current levels in 2020/21. The department expects to manage within its budget.

6.21 The future of Public Health Grant beyond 2020/21 is unclear – it is anticipated that it will 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 – the latter may wish to impose requirements on how former Public Health Grant is spent in the future. We have no indication of the equivalent amount of grant we will receive in 2021/22.

6.22 The department continues to contribute to the spending review programme, and has plans in place to achieve the remaining Spending Review 4 target for the department.

Corporate Resources & Support

- 6.23 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.
- 6.24 The department is absorbing pressures within its overall budget envelope (including additional legal work associated with growing childcare caseloads, falling housing benefit administration grant and managing the change to Universal Credit). The department expects to live within budget in 2019/20 and 2020/21.
- 6.25 The department has achieved £2.4m towards the Council's Spending Review 4 Programme, and anticipates saving a further £0.9m principally through staffing reviews.

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 one-off **corporate contingency** of £1m has been created in 2019/20 to manage significant pressures that arise during the year. This is particularly appropriate given the scale of reductions departments are having to make.
- 7.4 As set out in previous reports, **education funding reforms** have reduced the amount available to support centrally-managed services for schools and pupils, and for higher-needs pupils. These changes have a knock-on impact to general fund budgets. A provision has been made accordingly. (As well as the corporately held budget, some funding is now included in the departmental budget).
- 7.5 **Miscellaneous central budgets** include external audit fees, pensions costs of some former staff, levy payments to the Environment Agency, bank charges, 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 charges from the general fund to other statutory accounts of the Council (which exceed the miscellaneous costs, but are reducing over time).

7.6 For 2021/22, amounts have also been included for future cost increases. These are indicative amounts – the budget for this year will be set in February 2021. A planning provision of £3m has also been included, to meet any future unavoidable cost pressures.

8. Resources

Business Rates Retention Scheme

8.1 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”.

8.2 In recognition of the fact that different authorities’ ability to raise rates does 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).

8.3 At the time of writing, allocations of the top-up and RSG payments have not been announced. The draft budget for 2020/21 is based on forecasts from the information announced by the government at the Spending Round, which broadly equates to an inflationary increase on all elements of the scheme for one year only.

8.4 Our estimates of rates income take into account the amount of income we believe we will lose as a consequence of successful appeals. A significant number of appeals against the 2017 revaluation have not yet been decided, and appeals have been a source of volatility since business rates retention was introduced. Despite Government attempts to reduce this volatility, this is likely to continue as there are still a large number of outstanding appeals from earlier years (and any successful appeals will be backdated, potentially for several years). Valuations and appeals are not within the Council’s control.

8.5 No figures have been made available for local government funding beyond 2020/21, either nationally or locally. While there have been moves in recent months to relax austerity in public spending, there are also significant pressures on the public finances and spending commitments (including schools, the NHS and police) will need to be funded. It should not be assumed that there will be no further cuts to funding for “unprotected” departments, including local government.

- 8.6 Significant reforms to the funding system are planned from April 2021 (delayed from 2021), including 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.
- 8.7 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.
- 8.8 For planning purposes, the budget figures for 2021/22 assume additional real-terms cuts of £3 million per 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.

Council Tax

- 8.9 Council tax income is estimated at £121.2m in 2020/21, based on a tax increase of just below 4% (the maximum allowed without a referendum). For planning purposes, a tax increase of 2% has been assumed in 2021/22.
- 8.10 The proposed tax increase in 2020/21 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.
- 8.11 Council tax income includes the additional revenue raised from the Empty Homes Premium, which doubles the charge for a property left empty for more than two years. Following the Council decision in November 2018, an additional rate will be introduced from April 2020 so properties left empty for more than five years pay a higher rate. It is assumed in this report that the additional income from this higher rate will be minimal, as the higher charge increases the probability that properties will be brought back into use.

Other grants

- 8.12 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, and it may be rolled into the new business rates retention scheme from 2021/22. The projection for 2021/22 assumes that any replacement for NHB will reduce over time.

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 2020/21, the total funding nationally will be £1.65 billion (a £1 billion increase from 2019/20). Our estimated share of this is over £10 million; for comparison, this budget proposes increases to Adults' and Children's budgets totalling over £17 million in 2020/21.

Collection Fund surplus / deficit

- 8.13 Collection fund surpluses arise when more tax is collected than assumed in previous budgets. Deficits arise when the converse is true.
- 8.14 The Council has an estimated **council tax collection fund surplus** of £0.8m, after allowing for shares paid to the police and fire authorities. This has arisen because of growth in the number of homes liable to pay tax (which has been greater than was assumed when the budget was set) and a reduction in the costs of the council tax support scheme, linked to improvements in the local economy.
- 8.15 The Council has an estimated **business rates collection fund surplus** of £0.9m. This is largely due to a reduction in the forecast cost of appeals, following updated information from external advisers.

9. Managed Reserves Strategy

- 9.1 In the current climate, it is essential that the Council maintains reserves to deal with the unexpected. This might include continued spending pressures in demand led services, or further unexpected Government grant cuts.
- 9.2 The Council has agreed to maintain a minimum balance of £15m of reserves. The Council also has a number of earmarked reserves, which are further discussed in section 10 below.
- 9.3 In 2013, the Council approved the adoption of a managed reserves strategy. This involved 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 are necessary.
- 9.4 The managed reserves strategy is being extended by using in-year savings arising from spending reviews, and future reviews should enable a further extension of the strategy. Given the forecast funding gaps from 2021/22 onwards, and the level of uncertainty around future funding, it is essential that these reviews are implemented promptly to ensure that managed reserves are available to mitigate the medium-term funding risks.

- 9.5 As at the end of the 2018/19 financial year, some £35m was available to support future budgets, a significant increase on the forecast when the 2019/20 budget was set. This increase is the result of savings in corporate budgets (as reported in the 2018/19 outturn) and a review of the accounting treatment of grant funding from previous years.
- 9.6 This report only covers the Council’s General Fund budget. The schools budget (which is separately funded via Dedicated Schools Grant) is also under significant cost pressure with increasing costs on the High Needs Block, which provides support to pupils with special needs and disabilities. Proposals to manage these costs will be brought forward in due course; however, this may involve the use of General Fund reserves in the short term, which would reduce the amount available for budgets beyond 2020/21. [It should also be noted that the Department for Education is currently consulting on proposals which, if they go ahead, will prevent General Fund reserves being used to support DSG pressures].
- 9.7 The table below shows the forecast reserves available to support the managed reserves strategy:-

	£m
Brought forward 1 st April 2019	33.6
Use planned in budget	(1.9)
Additional savings in-year	1.7
Forecast carry forward 1st April 2020	33.4
Required in 2020/21	(5.6)
Uncommitted balance	27.8

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. At the time of preparing the draft budget, this review process is ongoing.

11. Budget and Equalities

- 11.1 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.

- 11.2 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.
- 11.3 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.
- 11.4 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.
- 11.5 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 these changes will be undertaken when these decisions are developed.
- 11.6 While this report does not contain details of specific service proposals, it does recommend a proposed council tax increase for the city’s residents. The City Council’s proposed tax for 2020/21 is £1,614.23, an increase of just below 4% compared to 2019/20. 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. **Risk Assessment and Adequacy of Estimates**

- 12.1 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.
- 12.2 In the current climate, it is inevitable that the budget carries significant risk. In my view, although very difficult, the budget for 2020/21 is achievable subject to the risks and issues described below.

- 12.3 The most significant risks in the 2020/21 budget arise from:
- (a) Social care spending pressures, specifically the risks of further growth in the cost of care packages and inability to contain the costs of looked after children;
 - (b) Ensuring spending reviews which have already been approved, but not yet implemented, deliver the required savings;
 - (c) Achievability of estimated rates income (although technically any shortfall will appear as a collection fund deficit in the 2020/21 budget), and particularly the extent of successful appeals against the 2017 revaluations. There is a further risk relating to a national legal challenge on NHS properties claiming charitable relief, where an appeal is likely. If successful, this would result in a major transfer of resources away from local authorities across the country;
 - (d) Increases in pay costs, over and above the 2.5% average pay award included in the proposed budget.
- 12.4 For 2021/22 and beyond, the budget projections are particularly uncertain. Risks to a balanced budget in these years include:-
- (a) Non-achievement, or delayed achievement, of the remaining spending review savings; and/or further budget pressures within service departments meaning that any savings achieved cannot be used to reduce the overall budget gap;
 - (b) Loss of future resources. The funding landscape after 2020/21 is largely unknown, with the move to 75% business rates retention and the planned needs review (which could result in a gain or loss to the Council). Despite the Government's announcements of "the end of austerity", the risk of further cuts to funding from 2021/22 remains significant;
 - (c) Longer-term reforms to social care funding and expectations on local authorities, and the need to manage ongoing demographic pressures;
 - (d) Government policy includes above-inflation increases to the National Living Wage. This will put additional pressure on contract costs (particularly for independent sector care packages in Adults' Social Care).
- 12.5 A further risk is economic downturn, nationally or locally. 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. The effect of Brexit remains to be seen.
- 12.6 The budget seeks to manage these risks as follows:-
- (a) A minimum balance of £15m reserves will be maintained;

- (b) A one-off corporate contingency of £1m is included in the budget for 2020/21;
- (c) A planning contingency is included in the budget from 2021/22 onwards (£3m per annum);
- (d) Spending Review savings are being implemented as soon as possible, and the resulting savings “banked” to support future budgets.

12.7 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 2020/21, some exceptions are made, and it is believed that services will be able to manage without an allocation).

13. **Consultation on the Draft Budget**

13.1 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.

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

14. **Financial Implications**

14.1 This report is exclusively concerned with financial issues.

14.2 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.

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

15.1 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.

15.2 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.

15.3 As well as detailing the recommended council tax increase for 2020/21, 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.

15.4 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 has undertaken tailored consultation exercises with wider stakeholders.

15.5 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 11. 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. 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.

15.6 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

	Adjusted 19/20 budget £000s	Spending Reviews approved £000s	Non- pay inflation £000s	Other changes £000s	2020/21 budget ceiling £000s
1. City Development & Neighbourhoods					
1.1 Neighbourhood & Environmental Services					
Divisional Management	358.8	0.0			358.8
Regulatory Services	3,025.0	(55.0)			2,970.0
Waste Management	17,323.9	0.0	458.0		17,781.9
Parks & Open Spaces	3,731.9	0.0			3,731.9
Neighbourhood Services	5,410.0	(255.0)			5,155.0
Standards & Development	1,611.6	0.0			1,611.6
Divisional sub-total	31,461.2	(310.0)	458.0	0.0	31,609.2
1.2 Tourism, Culture & Inward Investment					
Arts & Museums	4,168.1	(78.0)			4,090.1
De Montfort Hall	540.4	0.0			540.4
City Centre	175.9	0.0			175.9
Place Marketing Organisation	375.3	0.0			375.3
Economic Development	89.1	0.0			89.1
Markets	(296.8)	(80.0)			(376.8)
Adult Skills	(870.4)	0.0			(870.4)
Divisional Management	208.5	0.0			208.5
Divisional sub-total	4,390.1	(158.0)	0.0	0.0	4,232.1
1.3 Planning, Development & Transportation					
Transport Strategy	10,024.0	(150.0)			9,874.0
Highways	4,018.3	(100.0)			3,918.3
Planning	974.4	0.0			974.4
Divisional Management	207.9	0.0			207.9
Divisional sub-total	15,224.6	(250.0)	0.0	0.0	14,974.6
1.4 Estates & Building Services	4,330.1	(150.0)	0.0	0.0	4,180.1
1.5 Housing Services	2,860.7	0.0	0.0	0.0	2,860.7
1.6 Departmental Overheads					
School Organisation & Admissions	454.3	0.0			454.3
Overheads	566.6	50.0			616.6
Divisional sub-total	1,020.9	50.0	0.0	0.0	1,070.9
DEPARTMENTAL TOTAL	59,287.6	(818.0)	458.0	0.0	58,927.6

Budget ceilings

	Adjusted 19/20 budget £000s	Spending Reviews approved £000s	Non- pay inflation £000s	Other changes £000s	2020/21 budget ceiling £000s
2. Adults					
2.1 Adult Social Care & Safeguarding					
Other Management & support	656.9	0.0			656.9
Safeguarding	172.4	0.0			172.4
Preventative Services	6,418.1	0.0			6,418.1
Independent Sector Care Package Costs	95,843.0	(70.0)	2,035.7	12,393.0	110,201.7
Care Management (Localities)	6,677.8	0.0			6,677.8
Divisional sub-total	109,768.2	(70.0)	2,035.7	12,393.0	124,126.9
2.2 Adult Social Care & Commissioning					
Enablement & Day Care	2,972.2	0.0			2,972.2
Care Management (LD & AMH)	4,945.1	0.0			4,945.1
Preventative Services	2,062.1	0.0			2,062.1
Contracts, Commissioning & Other Support	4,814.0	0.0			4,814.0
Substance Misuse	5,559.7	0.0			5,559.7
Departmental	(21,512.3)	0.0		(9,308.0)	(30,820.3)
Divisional sub-total	(1,159.2)	0.0	0.0	(9,308.0)	(10,467.2)
DEPARTMENTAL TOTAL	108,609.0	(70.0)	2,035.7	3,085.0	113,659.7
3. Education & Children's Services					
3.1 Strategic Commissioning & Business Support					
	1,039.4	0.0	0.0	0.0	1,039.4
3.2 Learning Quality & Performance					
Raising Achievement	308.3	0.0			308.3
Learning & Inclusion	1,926.3	0.0			1,926.3
Special Education Needs and Disabilities	8,316.6	0.0			8,316.6
Divisional sub-total	10,551.2	0.0	0.0	0.0	10,551.2
3.3 Children, Young People and Families					
Children In Need	11,185.7	0.0			11,185.7
Looked After Children	38,772.0	0.0	188.3		38,960.3
Safeguarding & QA	2,620.2	0.0			2,620.2
Early Help Targeted Services	5,251.1	0.0			5,251.1
Early Help Specialist Services	2,334.5	0.0			2,334.5
Divisional sub-total	60,163.5	0.0	188.3	0.0	60,351.8
3.4 Departmental Resources	(8,766.8)	0.0		14,000.0	5,233.2
DEPARTMENTAL TOTAL	62,987.3	0.0	188.3	14,000.0	77,175.6

Appendix One

Budget ceilings

	Adjusted 19/20 budget £000s	Spending Reviews approved £000s	Non-pay inflation £000s	Other changes £000s	2020/21 budget ceiling £000s
4. Health & Wellbeing					
4.1 Health and Wellbeing					
Adults' Services	4,250.6	0.0			4,250.6
Children's 0-19 Services	8,967.5	0.0			8,967.5
Lifestyle Services	1,259.2	(45.0)			1,214.2
Staffing, Infrastructure & Other	1,359.0	0.0			1,359.0
Sports Services	2,794.3	(300.0)			2,494.3
DEPARTMENTAL TOTAL	18,630.6	(345.0)	0.0	0.0	18,285.6
5. Corporate Resources Department					
5.1 Delivery, Communications & Political Governance					
	5,659.5	0.0			5,659.5
5.2 Financial Services					
Financial Support	4,773.1	0.0			4,773.1
Revenues & Benefits	6,315.1	0.0			6,315.1
Divisional sub-total	11,088.2	0.0	0.0	0.0	11,088.2
5.3 Human Resources					
	3,857.6	0.0			3,857.6
5.4 Information Services					
	9,254.0	(132.0)			9,122.0
5.5 Legal Services					
	2,674.4	0.0			2,674.4
DEPARTMENTAL TOTAL	32,533.7	(132.0)	0.0	0.0	32,401.7
TOTAL -Service Budget Ceilings	282,048.2	(1,365.0)	2,682.0	17,085.0	300,450.2
<i>less public health grant</i>	(26,103.0)			(496.0)	(26,599.0)
NET TOTAL	255,945.2	(1,365.0)	2,682.0	16,589.0	273,851.2

Appendix Two

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. Strategic 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. Strategic 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. Strategic 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 2020/21 pay award;
 - (c) the City Mayor may determine the use of the corporate contingency;
 - (d) the City Mayor may determine the use of the provision for Education Funding reform.

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. Strategic 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. Strategic 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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Appendix Three

Equality Impact Assessment

1. **Purpose**

1.1 The purpose of this appendix is to present the equalities impact of the proposed 3.99% council tax increase. This is the maximum increase that the Government will allow us without a referendum.

2. **Who is affected by the proposal?**

2.1 As at September 2019, there are 128,112 properties liable for Council Tax in the city (excluding those registered as exempt, such as student households).

2.2 Since April 2013, as a consequence of the Government's welfare reforms, all working age households in Leicester have been 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.

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

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.

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 £48.27; the minimum annual increase for households eligible under the CTSS would be £9.65 (for a working-age household, and excluding the impact of any other discounts).

Band	No. of Properties	Weekly increase	Minimum Weekly Increase under CTSS
A-	287	£0.66	£0.13
A	76,201	£0.79	£0.16
B	25,466	£0.93	£0.19
C	14,580	£1.06	£0.32
D	6,131	£1.19	£0.45
E	3,326	£1.45	£0.71
F	1,499	£1.72	£0.98

G	589	£1.98	£1.24
H	33	£2.38	£1.64
Total	128,112		

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.

- 3.3 In most cases, the change in council tax (£0.93/week for a band B property with no discounts) 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 Some households reliant on social security benefits are likely to be adversely affected due to the cumulative impact of further implementation of the Government's welfare reforms, in particular the rollout of Universal Credit full service which was implemented in Leicester in June 2018.
- 3.5 The ASDA income tracker for August 2019¹ shows relatively strong growth in disposable incomes over the past year, reflecting low unemployment, real-terms wage growth, and falling inflation rates. However, this is not evenly spread, with the lowest-income fifth of households seeing a 2.6% *fall* in discretionary spending power over the year.
- 3.6 Research 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).
- 3.7 The JRF report also highlights ongoing inflationary pressures on the household budgets of low-income groups. While overall CPI inflation has fallen recently, there have been higher increases in the costs of domestic fuel and public transport, which have a disproportionate effect on many low-income households. Increasing childcare costs, which are not fully met by tax credits or Universal Credit, are also identified as a particular pressure.

4. **Alternative options**

- 4.1 Within the current financial context, the alternative options of a lower (or no) increase would inevitably require even greater cuts to services. It is not possible to say where these cuts

¹ The ASDA income tracker is an indicator of the economic prosperity of 'middle Britain', taking into account income, tax and all basic expenditure. ASDA's customer base matches the UK demographic more closely than that of other supermarkets.

² A *Minimum Income Standard for the United Kingdom in 2019*, JRF, July 2019. The JRF report is based around a different measure of "low income" to the ASDA income tracker, based on the ability to afford an assessed minimum living standard.

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.

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 as described in the report. These include: funding through Discretionary Housing Payments; 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.

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 chart sets out known trends, anticipated impacts and risks; 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:
<p>Age</p>	<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. 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.</p>	<p>Working age households and families with children – incomes squeezed through low wages and reducing levels of benefit income.</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>
<p>Disability</p>	<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.</p> <p>However, in the current financial climate, a lower council tax increase would require even greater cuts to services. While it is not possible to</p>	<p>Further erode quality of life being experienced by disabled people as their household incomes are squeezed further as a</p>	<p>Disability benefits are disregarded in the assessment of need for CTSS purposes.</p> <p>Access to council discretionary funds for individual financial crises; access to council and</p>

	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.	result of reduced benefits.	partner support for food; and advice on better managing budgets.
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.	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.		

<p>Sex</p>	<p>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.</p>	<p>Incomes squeezed through low wages and reducing levels of benefit income. Increased risk for women as they are more likely to be lone parents.</p>	<p>If in receipt of Universal Credit or tax credits, a significant proportion of childcare costs are met by these sources.</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>
<p>Sexual Orientation</p>	<p>No disproportionate impact is attributable specifically to this characteristic.</p>		

Appendix Four

Consultation Responses

[To be added once consultation is complete]

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Economic Development, Transport and Tourism Scrutiny Commission

Work Programme 2019 – 2020

Meeting	Topic	Actions Arising	Progress
27 June 2019	<ol style="list-style-type: none"> 1) Overview of the scope of the Commission 2) Manifesto programme relating to EDTT 3) Connecting Leicester update, including reference to existing and proposed programme 4) Task group review – invitation to members 5) Work programme 	<p>Chair meeting officers and executive members to identify priorities</p> <p>A further request made to members to suggest topics</p>	<p>Chair met with Cllr Clark and Cllr Myers relating to manifesto and other programme issues.</p> <p>Issue identified for task group: The Living Wage in Leicester</p>
22 August 2019	<ol style="list-style-type: none"> 1) Questions to City Mayor 2) City Centre accessibility 3) The Local Plan: scrutiny issues 4) Planning enforcement performance 5) Work Place Levy 6) Work programme 		
16 October 2019	<ol style="list-style-type: none"> 1) Questions to City Mayor 2) Evesham Road link 3) Inward Investment 4) Scoping document in relation to local job creation 5) Work programme 		

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Appendix D

Meeting	Topic	Actions Arising	Progress
4 December 2019	1) Questions to City Mayor 2) Procurement and social value 3) Sustainable Leicester/Climate change emergency 4) Accessibility in city centre: update on actions arising from meeting on 22 August 2019 5) Update on work of inclusive growth scrutiny review		
5 February 2020	1) Questions to City Mayor 2) Update on work of jobs task group scrutiny review 3) Draft revenue budget		
7 April 2020	1) Questions to City Mayor 2) Leicester's Draft Local Plan 3) Accessibility audit for City Hall	To deal with issues not covered by the previous meeting	

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Economic Development, Transport and Tourism Scrutiny Commission 2019/20 DRAFT FORWARD PLANNING

Date of meeting	Topic	Brief description of actions	Progress
ONGOING 2019 / 2020	City Mayor & Executive Plan of Key Decisions	Commission to keep a watching brief and receive regular reports / updates on executive key decisions planned relating to this portfolio.	Ongoing
	Spending Review Programmes linked to: a) Councils General Fund Revenue Budget Report 2018/19 to 2020/21 b) Capital Programme Projects	Commission to keep a watching brief and receive regular updates on issues related to budgets with this portfolio <i>(Full council in February 2018 agreed Council's General Fund Revenue Budget report 2018 to 2021).</i>	Ongoing
	Connecting Leicester Projects	Commission agreed to be involved at the early stages of development of plans	Ongoing updates
	'Leicester: Great City' Economic Action Plan 2016-2020' Website Link: https://www.leicester.gov.uk/media/57817/economic-action-plan-2016-2020.pdf	Commission to receive regular updates and reports relating to the 5 themes within the Economic Action Plan.	Ongoing
Autumn 2019	City Centre audit	Report on city centre retail take up / city centre plans	
	Smart City	Deferred from December meeting	
	Fuel poverty		
	Bus related issues	Deferred from February 2020	
TBC	Healthier Air for Leicester – Air Quality Action Plan 2015 – 2026	Progress update on actions (joint with health & wellbeing scrutiny)	
TBC	Cultural Quarter	Update	
TBC	Waterside regeneration	Update	
TBC	Pioneer Park/Space Park	Update	

TBC	'Leicester Flood Risk Strategy'	Update	
TBC	Midlands Connect (MC)	Report on progress	
TBC	Strategic Transport Plan	Report on progress	
TBC	Major Transport Projects (including NPIF projects)	Report on progress	
TBC	Neighbourhood Highway Safety schemes	Report on progress	
	Audit on cycle parking	Referred from par 20: minutes 22 August 2019	
TBC	Sustainability Action Plan		
TBC	Leicester's Biodiversity Action Plan 2011-2021	Update on progress on actions	
TBC	Leicester City Cycle Action Plan	Report on progress on the actions	
TBC	Leicester City walking Action Plan'		
Late 2019	Hearing relating to making the city a living wage city and a driver for better working conditions and workers' rights across all sectors, including the textile industry		
Early 2020	Employment Hub update Including Jobs, Skills, Training and Apprenticeships issues where appropriate	Report on progress	
January 2020	Overall Adult Skills and Learning Performance	Following performance self-assessment report for Ofsted and is prior to planning for the 2010-21 academic year	
Autumn 2019	Inward investment	Report on progress including recent web site investment and general progress	
TBC	Leicester, Leicestershire Enterprise Partnership (LLEP)	Update/local Industrial strategy	
TBC	Transforming Cities Programme	To report on developments / negotiations with government	

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Late 2019	Business Support Update	To receive a report on progress	
Early 2020	Bus services	To receive update following task group report	
Spring 2020	Workplace levy	Update on progress and status following questions to Commission in December 2019	
Early 2020	Leicester Tourism Action Plan update	Deferred from December 2019 meeting	

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