



Leicester  
City Council

Minutes of the Meeting of the  
CABINET

Held: MONDAY, 15 OCTOBER 2007 at 1.00 pm

P R E S E N T :

Councillor Willmott- Chair  
Councillor Draycott- Vice-Chair

Councillor Connelly	Councillor Kitterick
Councillor Corral	Councillor Osman
Councillor Dempster	Councillor Mrs Sood
Councillor Wann	

ALSO IN ATTENDANCE

Councillor Mugglestone– Leader of the Conservative Group

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**104. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

**105. DECLARATIONS OF INTEREST**

Members were asked to declare any interests they may have in the business to be discussed and/or indicate that Section 106 of the Local Government Finance Act 1992 applied to them. No declarations were made

**106. LEADER'S ANNOUNCEMENTS**

The Leader congratulated the organisers of and participants in the Leicester Marathon which took place on Sunday.

**107. MINUTES OF PREVIOUS MEETING**

RESOLVED:

That the minutes of the meeting held on 1 October, having been circulated to Members, be taken as read and signed by the Chair as a correct record.

## **108. MATTERS REFERRED FROM COMMITTEES**

There were no matters referred from Committees.

## **109. NEW POLICY DEVELOPMENTS**

Councillor Willmott submitted a report that asked Cabinet to consider a proposed set of new policy developments in advance of the budget for 2008/09. A revised report was circulated to the meeting. It was noted in response to a question from Councillor Mugglestone that the developments listed for funding could be funded from additional monies arising from last year's outturn.

RESOLVED:

That the proposals detailed in the updated report circulated at the meeting be approved.

## **110. PUBLIC CONSULTATION - BUDGET 2008/09 TO 2010/11**

Councillor Willmott submitted a report that sought Cabinet approval for specific proposals for this year's consultation with the public on the council's financial strategy 2008/09 to 2010/11. It was noted that for future years, ward meeting arrangements and structures would become the focus of such consultation.

RESOLVED:

That the proposals in the report for consulting the public on the Council's financial strategy 2008/09 to 2010/11, be approved.

## **111. FINANCIAL STRATEGY 2008/09 TO 2010/11**

Councillor Willmott submitted a report that sought Cabinet's approval to a draft financial strategy for 2008/09 to 2010/11, as a basis for further consultation with the public and partners.

RESOLVED:

- (1) that the draft financial strategy for 2008/09 to 2010/11, as attached to the report be approved as a basis for further consultation with the public and partners; and
- (2) that the views of the Overview and Scrutiny Management Board on the draft strategy be requested.

## **112. RIVAL MARKETS POLICY**

Councillor Connelly submitted a report that discussed the option of revising the Rival Markets Policy to allow an organisation to operate up to twelve Farmers Markets per year. It was noted that under the current policy, Blaby District Council operated three Farmers Markets each year in 2005 and 2006 and had been granted approval to hold six in 2007. These events had proved successful and Blaby had now applied to operate monthly Farmers Markets. It

was noted that the Markets Forum and the Market Traders Association did not support the extension to 12 Farmers Markets per year as they considered it would be detrimental to Leicester Market. Councillor Mugglestone spoke in support of the Markets Forum's position.

The Cabinet Lead and the Leader acknowledged that there were issues that needed addressing with regard to Leicester Market and agreed that the City Centre market should be supported and protected. However, it was not considered that monthly Farmers Markets in Blaby were a threat to Leicester Market.

RESOLVED:

- (1) that the Rival Markets Policy be amended, with effect from 1<sup>st</sup> January 2008, to include provisions relating to themed markets as detailed in the report;
- (2) that the Corporate Director of Regeneration and Culture be authorised, in consultation with the Cabinet Lead Member, to grant permissions under the Policy; and
- (3) that the Corporate Director of Regeneration and Culture be authorised, in consultation with the Cabinet Lead Member, to amend any fees.

#### **113. HIGHWAYS DEVELOPMENT CONTROL POLICY AND GUIDANCE FOR LEICESTER AND LEICESTERSHIRE**

Councillor Kitterick submitted a report that sought approval for the adoption of the document entitled 'Highways, Transportation and Development' which contained guidelines for development in relation to highways. The report sought to update the existing policy and provide for street design that encouraged walking and the use of public transport and discouraged Anti-Social behaviour and crime. It was noted that any new policy would only apply to new developments.

The relevant minute extract from the Overview and Scrutiny Management Board on 11 October had been circulated and their concerns were noted. In the light of these concerns, Councillor Kitterick proposed that consideration of the report be deferred to Cabinet on 12 November to allow the Regeneration and Transport Task Group to scrutinise the document and provide comments.

RESOLVED:

That the report be deferred for the reasons detailed above.

#### **114. EUROPEAN CITY OF SPORT (UK) PROPOSAL FOR LEICESTER YEAR OF SPORT**

Councillor Connelly submitted a report that informed the Cabinet that Leicester had been awarded European City of Sport 2008 by the European Capital of Sport Association and proposed that Leicester promote 2008 as a Year of

Sport to coincide with the honour, link with the 2008 Beijing Olympics and Paralympic Games, the commencement of the London Olympiad and also to encourage citizens to participate in a fit and active lifestyle to improve health inequalities in the City.

This report explained the intention to use the European City of Sport status as a catalyst to develop strategic links regionally, nationally and across Europe to develop a strategic plan up to, including and beyond the 2012 Olympic and Paralympic Games to be held in London, also incorporating the Special Olympics scheduled for Leicester in 2009.

RESOLVED:

- (1) that approval be given for the promotion of "Leicester – Year of Sport 2008" and officers be authorised to deliver the initiative; and
- (2) that officers be delegated with the task of developing, in partnership with the 2012 Executive Working Group, a five-year strategic plan centred on fully exploiting the benefits of European City of Sport, Special Olympics 2009 and the 2012 Olympic and Paralympic Games and that this plan is reported to Cabinet.

#### **115. REVENUE BUDGET MONITORING 2007/08 PERIOD 4**

Councillor Willmott submitted a report which showed a summary position comparing spending with the budget.

RESOLVED:

- (1) that the changes made to the original approved budget for 2007/08 be noted;
- (2) that the expenditure to date and the budgetary issues which have emerged so far this year be noted;
- (3) that the proposals put forward to ensure that spending is contained within the Departments' budgets be noted;
- (4) that the progress made towards achieving the Business Improvement Programme savings targets for 2007/08, as outlined in Section 8 of the report be noted; and
- (5) that the virements from corporate budgets in respect of new policy developments, as outlined in paragraph 7.3 of the report be approved.

#### **116. CAPITAL PROGRAMME MONITORING 2007/08 PERIOD 4**

Councillor Willmott submitted a report which showed progress of spending on

the capital programme and the forecast spend at the end of the year.

RESOLVED:

- (1) that a revised level of programmed expenditure of £122.7 million be approved;
- (2) that the level of expenditure to the end of July 2007 of £23.1 million be noted;
- (3) that approval be given for earmarking an additional £127,000 of capital receipts for the Hamilton Footbridge scheme;
- (4) that the position relating to capital receipts be noted;
- (5) that it be noted that the forecast capital programme performance is to spend 99% of the approved programme (excluding any additions or expenditure brought forward) compared to a target of 90%, although this is a very early forecast; and
- (6) that the prudential indicators for 2007/08 be noted

#### **117. BASE BUDGET PREPARATION 2008/09**

Councillor Willmott submitted a report which explained the process by which the Council's 2008/09 base budget was being prepared and summarised the principles supporting the process.

RESOLVED:

- (1) that the framework for base budget preparation be endorsed;
- (2) that the cash limits for each department be approved; and
- (3) that the Chief Finance Officer be authorised to change the provision for pay in the light of better information which may emerge.

#### **118. REMPLOY AND PROPOSED FACTORY CHANGES - OPTIONS FOR A CITY COUNCIL RESPONSE**

Councillor Willmott submitted a report which drew to Cabinet's attention, the ongoing situation regarding Remploy and the proposed factory closures, one of which was situated in Leicester. The report outlined some potential options through which the Council could seek to support Remploy which the Cabinet agreed to pursue, acknowledging the value of Remploy to those employed directly by them or through its employment agency.

RESOLVED:

- (1) that the Corporate Procurement Team undertake a comprehensive review of services offered by Remploy and organisations within the supported employment sector, including examining what opportunities there are for procuring supplies or services from that sector, providing comparisons between organisations and the wider market, and setting out a cost, benefits, savings analysis and taking into consideration ESPO's position as well as the City Council's;
- (2) that Corporate Directors investigate with the Remploy e-cycle factory in Leicester the potential for building relationships and developing further opportunities for that particular service; and
- (3) that Corporate Directors further investigate if the City Council can provide targeted or additional support, through its existing partnership on the Workstep programme, to Remploy's employees in the advent of the Leicester factory closing.

#### **119. PROPOSED AMENDMENT TO COUNCIL'S INDEMNITY FOR OFFICERS AND MEMBERS**

Councillor Willmott submitted a report which sought approval to update the above indemnity in line with changes in legislation and to enable the Town Clerk to sign the certificate of lawfulness for the Building Schools for the Future programme. A revised report was circulated following updated legal advice.

**RESOLVED:**

That the proposed change as set out in the amended report be approved and the Town Clerk be authorised to finalise all necessary changes to the text to implement the above.

#### **120. ANY OTHER URGENT BUSINESS**

The Chair reported that he had agreed to the addition to the agenda of two Items of Urgent Business as follows:-

##### **Building Schools for the Future – Financial Close**

The report was urgent in order not to delay the Building Schools for the Future project. The report was also recommended for consideration on the private agenda for the reasons detailed below.

##### **Upperton Road Viaduct – Section 31 Grant Acceptance**

The report was urgent as the Department for Transport would not release the grant without a Cabinet minute.

## **121. UPPERTON ROAD VIADUCT**

Councillor Kitterick submitted a report which sought Cabinet authority for the Chief Finance Officer to accept the terms and conditions of a Section 31 grant for the above scheme.

RESOLVED:

That the Chief Finance Officer, or his nominee, be authorised to accept the grant offer and its terms and conditions, in respect of the Upperton Road Viaduct scheme – Section 31 grant, for and on behalf of Leicester City Council.

## **122. PRIVATE AGENDA**

RESOLVED:

that the press and public be excluded during consideration of the following reports in accordance with the provisions of Section 100A(4) of the Local Government Act 1972, as amended, because they involve the likely disclosure of 'exempt' information, as defined in the Paragraphs detailed below of Part 1 of Schedule 12A of the Act and taking all the circumstances into account, it is considered that the public interest in maintaining the information as exempt outweighs the public interest in disclosing the information.

### Paragraph 3

Information relating to the financial or business affairs of any particular person (including the authority holding that information).

## **123. EFFICIENCY REVIEW OF PROPERTY**

Councillor Willmott submitted a report which sought approval to the release of funding to undertake the next phase of the programme

RESOLVED:

- (1) that approval be given for the release of £855,000 inclusive of fees from the capital sum allocated for the review of Centrally Located Administrative Buildings to allow for the schemes as outlined within the report to be undertaken to enable the release of Welford House and Mansion House; and
- (2) that the Corporate Director of Resources be authorised in consultation with the Leader, to agree the detailed terms of settlement and payment of the dilapidations claim on Welford House.

## 124. BUILDING FOR SCHOOLS FOR THE FUTURE - FINANCIAL CLOSE

Councillor Dempster submitted a report that updated the Cabinet on the progress towards financial close. A schedule of issues that need to be resolved before reaching financial close was circulated.

### RESOLVED:

- (1) That the current position on phase 1 of the BSF programme be noted, in particular the benefits to the Council, the risks and the outstanding issues remaining to be resolved before contracts are signed;
- (2) That the Town Clerk, in consultation with the Leader, the Cabinet Lead for Children's Services, the Corporate Director of Children's Services and the Chief Finance Officer, and subject to the conditions in the Approvals List schedule circulated at the meeting, be authorised to enter into the following agreements for phase 1 (and to make any subsequent consequential amendments):
  - a) A Strategic Partnering Agreement to create a 10 year strategic partnership with the Miller Consortium through the contractual framework of a Local Education Partnership.
  - b) A Shareholders Agreement to take a minority (10%) stake in the Local Education Partnership.
  - c) A Shareholders Agreement to establish a PFI Company and holding company for the purposes of the PFI Project Agreement.
  - d) A 25 year PFI agreement to cover the design, build, finance and operation of the new Judgemeadow and Soar Valley schools.
  - e) Design and build contracts for the construction of Beaumont Leys and the rebuild/refurbishment of Fullhurst.
  - f) A facilities management agreement to provide caretaking and cleaning maintenance services to the schools delivered through design and build contracts.
  - g) A 5 year ICT managed service contract, with the option to extend for a further 5 years;
  - h) The other related agreements referred to in the legal implications section of the report.



i) All related notices, authorities and approvals.

- (3) that for the purposes of the PFI Project Agreement, the Funders Direct Agreement, the ICT Services Contract and the Strategic Partnering Agreement, the certificate under section 3 of the LGCA (that states that the contract is lawful and for discharge provisions should the contract be held to be unlawful by the courts) be given by the Town Clerk, and that the Town Clerk be indemnified for this purpose as set out in the Cabinet Resolution of 15 May 2006 as amended in this present meeting.
- (4) that it be noted that the Council on 31 May 2007 approved a capital programme provision for Phase 1 of £60.79m, (which only represented building costs), and gave Cabinet delegated authority to increase this subject to being satisfied that the scheme was affordable.
- (5) That the capital programme provision be increased to £72.9m (noting that this now includes all elements of the scheme); and that a further £0.5m be added if necessary to meet changes prior to financial close.
- (6) That the financing of the capital expenditure be approved as described in the financial implications in the report
- (7) that it be noted that Council on 31 May 2007 authorised Cabinet to enter into future commitments on the revenue budget, and that the following additions to the Council's budget to pay for Phase 1 are affordable and can be approved (or such lesser sum as may be needed at financial close):-

	£000s
2008/09	0
2009/10	137
2010/11	560

- (8) that It be noted that authority to incur costs for the development of later phases, to the extent needed, will be brought to Members as part of the 2008/09 budget process.
- (9) That the potential impact on schools' budgets, the affordability difficulty this may create, and the longer term action proposed to resolve this be noted.

- (10) that the following be approved:
  - a) capitalisation of the development elements of the Council's client function, to be written down over the life of the project;
  - (b) investment in a data centre which will benefit all four phases of BSF, noting that £2.0m may be at risk should later phases not proceed (the costs of this being within the capital provision above).
- (11) that under the provisions of Cabinet Procedure Rule 12 d, noting the support of a majority of Group Leaders, no call in of this decision be allowed due to the urgency and need to continue on site.

## **125. CLOSE OF MEETING**

The meeting ended at 1.53 pm.

