



Leicester  
City Council

## **MEETING OF THE CABINET**

**DATE: MONDAY, 14 DECEMBER 2009**

**TIME: 1PM**

**PLACE: TEA ROOM, TOWN HALL, TOWN HALL SQUARE,  
LEICESTER**

### **Members of the Cabinet**

Councillor Willmott (Chair)

Councillor Dempster (Vice-Chair)

Councillors Connelly, Dawood, Kitterick, Osman, Palmer, Patel, Russell,  
and Westley

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

for Director of Democratic Services

### **MEMBERS OF THE PUBLIC:**

**YOU ARE VERY WELCOME TO ATTEND TO OBSERVE THE PROCEEDINGS.  
HOWEVER, PLEASE NOTE THAT YOU ARE NOT ABLE TO PARTICIPATE IN  
THE MEETING.**

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## **INFORMATION FOR MEMBERS OF THE PUBLIC**

### **ACCESS TO INFORMATION AND MEETINGS**

You have the right to attend Cabinet to hear decisions being made. You can also attend Committees, as well as meetings of the full Council.

There are procedures for you to ask questions and make representations to Scrutiny Committees, Community Meetings and Council. Please contact Democratic Support, as detailed below for further guidance on this.

You also have the right to see copies of agendas and minutes. Agendas and minutes are available on the Council's website at [www.cabinet.leicester.gov.uk](http://www.cabinet.leicester.gov.uk) or by contacting us as detailed below.

Dates of meetings are available at the Customer Service Centre, King Street, Town Hall Reception and on the Website.

There are certain occasions when the Council's meetings may need to discuss issues in private session. The reasons for dealing with matters in private session are set down in law.

### **WHEELCHAIR ACCESS**

Meetings are held at the Town Hall. The Meeting rooms are all accessible to wheelchair users. Wheelchair access to the Town Hall is from Horsefair Street (Take the lift to the ground floor and go straight ahead to main reception).

### **BRAILLE/AUDIO TAPE/TRANSLATION**

If there are any particular reports that you would like translating or providing on audio tape, the Democratic Support Officer can organise this for you (production times will depend upon equipment/facility availability).

### **INDUCTION LOOPS**

There are induction loop facilities in meeting rooms. Please speak to the Democratic Support Officer at the meeting if you wish to use this facility or contact them as detailed below.

**General Enquiries - if you have any queries about any of the above or the business to be discussed, please contact Heather Kent or Julie Harget, Democratic Support on (0116) 229 8816/8809 or email [heather.kent@leicester.gov.uk](mailto:heather.kent@leicester.gov.uk) or call in at the Town Hall.**

**Press Enquiries - please phone the Communications Unit on 252 6081**

## **PUBLIC SESSION**

### **AGENDA**

**1. APOLOGIES FOR ABSENCE**

**2. DECLARATIONS OF INTEREST**

Members are 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 applies to them.

**3. LEADER'S ANNOUNCEMENTS**

**4. MINUTES OF PREVIOUS MEETING**

The minutes of the meeting, held 30 November 2009, have been circulated to Members and the Cabinet is asked to approve them as a correct record.

**5. MATTERS REFERRED FROM COMMITTEES**

**6. OUTCOME OF THE UNANNOUNCED SAFEGUARDING INSPECTION**

**Appendix A**

Councillor Dempster submits a report that advises on the outcome of the Ofsted Unannounced Safeguarding Inspection of 'Duty and Assessment' Services in Social Care and Safeguarding Division on 11 and 12 August 2009. Cabr Report.

**A minute extract from the meeting of the Children and Young People Scrutiny Committee held on 10 December 2009 will be circulated as soon as it is available.**

**7. FUTURE OF RIVERSIDE BUSINESS AND ENTERPRISE COLLEGE**

**Appendix B**

Councillor Dempster submits a report that advises Cabinet of representations following the publication of a Statutory Notice and Detailed Proposal to move to close Riverside Business and Enterprise College. Cabinet is advised of the Strategic Director's responses to these representations.

**A minute extract from the meeting of the Children and Young People Scrutiny Committee held on 10 December 2009 will be circulated as soon as it is available.**

**8. MYPLACE YOUTH HUB**

**Appendix C**

Councillor Dempster submits a report that updates Cabinet on the latest position of the MyPlace Youth Hub project, and seeks approval to proceed with the project, subject to confirmation of funding from the BIG Lottery's MyPlace Programme. Cabinet is asked to approve the recommendations set out in Paragraph 3 of the report.

**A minute extract from the meeting of the Children and Young People Scrutiny Committee held on 10 December 2009 will be circulated as soon as it is available.**

**9. NHS CAMPUS RE-PROVISION PROGRAMME (HEALTH HOMES) - PROCUREMENT REQUIREMENTS FOR ADULTS WITH SEVERE LEARNING DIFFICULTIES** [Appendix D](#)

Councillor Palmer submits a report that seeks to inform Cabinet of emerging Health Homes procurement issues and to secure approval to include an addition to the Procurement Plan for 2009/10. Cabinet is asked to approve the recommendations set out in Paragraph 3 of the report.

**10. PRIVATE SECTOR DECENT HOMES: LOANS PILOT** [Appendix E](#)

Councillor Westley submits a report that proposes a scheme for proving loans to private homeowners to make homes decent. Cabinet is asked to approve the recommendations set out in Paragraph 3 of the report.

**A minute extract from the meeting of the Overview and Scrutiny Management Board will be circulated as soon as it is available.**

**11. EXTERNAL CASH COLLECTION FACILITIES** [Appendix F](#)

Councillor Patel submits a report that provides Members with an update of the use being made of the external cash collection facility by customers since it became operational in April 2009 and proposes to extend this facility beyond Council Tax, Business Rates and Housing Rents to other sources of income. Cabinet is asked to approve the recommendations set out in Paragraph 5 of the report.

**A minute extract from the meeting of the Overview and Scrutiny Management Board held on 9 December 2009 will be circulated as soon as it is available.**

**12. CONTRACT MANAGEMENT AND PROCUREMENT** [Appendix G](#)

Councillor Willmott submits a report that reports progress made in improving the Authority's Contract Management and Procurement standards and to recommend further action. Cabinet is asked to note the report, progress which has been made and agree that further action be addressed via the Commissioning and Procurement Project.

**13. PERFORMANCE REPORT FOR QUARTER 2 2009/10** [Appendix H](#)

Councillor Willmott submits a report that presents a summary of performance against the priorities set out in *One Leicester* for the second quarter of 2009/10. Cabinet is asked to approve the recommendations set out in Paragraph 2 of the report.

**A minute extract from the meeting of the Performance and Value for Money Select Committee held on 9 December 2009 will be circulated as soon as it is available.**

**14. 2009/10 CAPITAL PROGRAMME MONITORING - PERIOD 6** [Appendix I](#)

Councillor Willmott submits a report that updates Members on the progress of spending on the capital programme for 2009/10 to the end of September (period 6), and the forecast spend to the end of the year. Cabinet is asked to approve the recommendations set out in Paragraph 3 of the report.

**A minute extract from the meeting of the Performance and Value for Money Select Committee held on 9 December 2009 will be circulated as soon as it is available.**

**15. REVENUE BUDGET MONITORING 2009/10 - PERIOD 6** [Appendix J](#)

Councillor Willmott submits a report that shows a summary position comparing spending with the budget. The report is the second in the regular cycle of reports for the 2009/2010 financial year showing the budget issues that have arisen so far. Cabinet is asked to approve the recommendations set out in Paragraph 3 of the report.

**A minute extract from the meeting of the Performance and Value for Money Select Committee held on 9 December 2009 will be circulated as soon as it is available.**

**16. ANY OTHER URGENT BUSINESS**

The Leader has agreed to consider the following item as urgent business:

The report is consider urgent in order to enable Partnership for Schools to progress the Council's proposals, which they cannot do without Cabinet consideration, and to maximise the chance of securing funding.

**LEICESTER BUILDING SCHOOLS FOR THE FUTURE (BSF) PROGRAMME.**

Councillor Dempster submits a report that advises Members of the outcome of Phase 1 of the BSF programme, and to seek approval for the Council's Strategy for Change (SfC) direction of travel. Cabinet is asked to approve the recommendations set out in Paragraph 3 of the report.

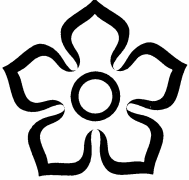




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# APPENDIX A



Leicester  
City Council

**WARDS AFFECTED**  
Type in Ward

## **FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:**

**Scrutiny  
Cabinet**

**10<sup>th</sup> December 2009  
14<sup>th</sup> December 2009**

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### **Outcome of the Unannounced Safeguarding Inspection**

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#### **Report of the Strategic Director, Children**

##### **1. Purpose of Report**

- 1.1 To advise on the outcome of the Ofsted Unannounced Safeguarding Inspection of 'Duty and Assessment' Services in Social Care and Safeguarding Division on 11<sup>th</sup> and 12<sup>th</sup> August 2009.
- 1.2 To summarise the findings of the Inspection, the recommendations and the response of the Division.

##### **2. Summary**

- 2.1 The Social Care & Safeguarding division was subject to an unannounced Inspection by Ofsted on 11<sup>th</sup> and 12<sup>th</sup> August 2009. This Inspection was the first annual unannounced inspection completed by Ofsted. These inspections are being undertaken across the country as a response to the Case of Baby 'P' and the subsequent findings of the Ofsted Inspection of Haringey Council in London in 2008. Inspectors focused on Frontline Duty and Assessment Services with a particular emphasis on whether children and the work being done with them and their families by social work staff was safe, timely and minimized risk.
- 2.2 The Inspection concluded that there were no areas for priority action and only 5 areas for further development. It is estimated that half of the Local Authorities so far inspected have had areas identified for priority action.

##### **3. Recommendations**

- 3.1 That Cabinet notes the findings of the inspection and in particular the considerable strengths of the service as identified by the Inspectors and the hard work and dedication of staff who helped ensure the inspection was a success.

- 3.2 That Cabinet notes the identified areas for development, the immediate steps already taken in relation to some of the areas identified and the intention to develop an action plan to ensure that all areas so identified are actioned by December 2009.
- 3.3 That CYP Scrutiny note the report and make any comments to Cabinet.

#### **4. Report**

- 4.1 On the 11<sup>th</sup> and 12<sup>th</sup> August 2009 Ofsted conducted an 'Unannounced Inspection' of contact, referral and assessment arrangements within Leicester City Council Children's Services and specifically within the Social Care and Safeguarding Division.
- 4.2 The Social Care & Safeguarding division was subject to an unannounced Inspection by Ofsted on 11<sup>th</sup> and 12<sup>th</sup> August 2009. This Inspection was the first annual unannounced inspection completed by Ofsted in Leicester. These inspections are being undertaken across the country as a response to the Case of Baby 'P' and the subsequent findings of the Ofsted Inspection of Haringey Council in London in 2008. The Inspections are designed to determine whether a Council's initial response to issues of risk to children are adequate and that the Council delivers a safe service in accordance with national guidance.
- 4.3 The Outcome of the Inspection significantly contributes to Ofsted annual review of the performance of the Authorities Children's Services, a rating which will be awarded later in the year.
- 4.4 The inspection was rigorous and robust, and involved sampling the quality and effectiveness of contact, referral and assessment arrangements and their impact on minimising the incidence of child abuse and neglect. Inspectors considered a range of evidence, including: electronic case records; supervision files and notes; observation of social workers and senior practitioners undertaking referral and assessment duties; and other information provided by staff, managers and professionals from some partner agencies. Inspectors also spoke to a range of staff including managers, social workers, other practitioners and administrative staff.

#### **4.5 Outcome of the Inspection**

- 4.5.1 The Inspection identified no areas for priority action but did identify 5 areas for further development.
- 4.5.2 From the evidence gathered, the inspection identified a number of areas where the contact, referral and assessment arrangements were delivered satisfactorily in accordance with national guidance, in particular:
- i) Practice and procedures comply with statutory requirements and action needed to ensure children's safety is identified and implemented promptly.
  - ii) Children suffering or at risk of significant harm are identified and receive a prompt response.

- iii) Management overview of assessments and interventions by workers is timely, focused and relevant.
- iv) Referrals are allocated in a timely way, and inspectors found no unallocated work within the Duty and Assessment Service.
- v) Work identified as requiring a child protection response is allocated to qualified and, mostly, experienced social workers.

#### **4.5.3 Strengths Identified**

- i) Evidence of child centered work, with an effective focus on the protection of children. Direct work with children is often good, leading to their wishes and feelings being identified and taken seriously within assessments.
- ii) The diverse and individual needs of children and their families are identified and contribute demonstrably to assessments of risk and need.
- iii) Child protection enquiries are thorough and include a sustained focus on the child, particularly where their parent or carer also need support or are vulnerable.
- iv) Workers reported very good support, guidance and direction given by their team managers. Reflective professional practice and continuous staff development are evident throughout the service.
- v) Staff have good access to a wide range of training from internal and external providers. The training undertaken is relevant and focuses well on improving service delivery.
- vi) Operational and senior managers focus effectively on performance management and quality assurance. The recently enhanced audit programme aims to ensure that the service focuses on risks and needs of children and young people.
- vii) Support services, notably legal services and the emergency duty team, are timely and provide clear and robust support in delivering safeguarding objectives.
- viii) Child protection enquiries in relation to disabled children are sensitive to their additional vulnerabilities.

#### **4.5.4 Areas for Development Identified**

- i) Initial responses by social care staff are inconsistent in identifying the needs of children who do not meet the threshold for child protection enquiries. Thresholds are not clearly or consistently articulated between referrals within the Common Assessment Framework and those requiring an initial social care assessment.
- ii) Workforce capacity is sufficient overall to meet the demand for service but the proportion of qualified social workers is too low. The duty team currently has no qualified social workers, although the team manager provides active oversight and appropriate prioritising and allocating of child protection work to qualified social workers in other teams.

- iii) The arrangements for transferring cases between teams are not sufficiently efficient to support continuity in services experienced by children and young people.
- iv) Record keeping overall was insufficiently focused and analytical although some excellent examples of timely case recording of purposeful practice were seen by inspectors.
- v) While supervision records demonstrate timely case management, guidance and direction, recording of the individual, professional development of staff is poor.

## **4.6 Response to the Inspection**

4.6.1 The Division and Children's Services have accepted the Inspection findings as accurate and in accordance with our own evaluation of our services. We are particularly pleased that the hard work and commitment given by our staff has been recognised by Inspectors and that staff have continued to deliver a quality service despite a difficult national climate regarding child protection and social work in general. The Division also accepts the areas for development identified and whilst is in the process of drawing up an action plan to ensure that these areas are tackled has already taken a number of steps to address the issues identified.

### **4.6.2 Action already taken in relation to developmental areas**

Overall the Inspection determined that our services in Duty and Assessment were child focused, timely in their responses and sought to identify and minimise risk through concerted and co-ordinated intervention by skilled and motivated staff.

#### **4.6.2.1 Initial Response**

- i) This issue had already been identified as an area for action prior to the unannounced inspection with Staff training on the Common Assessment Framework (CAF) already planned for September 09. This training has now taken place.
- ii) In addition the current re-structuring of the Fieldwork Service with a greater emphasis on integrated working and the development of Inter-Agency relationships through Integrated Service Hubs should help to ensure a greater consistency in the operation of thresholds between CAF and Initial Social Work Assessments.

#### **4.6.2.2 Workforce Capacity**

- i) In identifying this area Inspectors were making a comment on one of six teams in Duty and Assessment, which had two vacancies for Qualified Social Work staff both of which had arisen only 6 weeks before the Inspection began. Both posts were advertised at the time of the Inspection. One post has now been filled and we have made a decision to strengthen the team overall by the inclusion of a Senior Practitioner post.

#### **4.6.2.3 Transfer of Work between Teams**

- i) The current system for transfer of work between teams is complex but will be greatly simplified by the re-structure of Fieldwork Services due to be implemented in January 2010.

#### 4.6.2.4 Record keeping and Analysis

- i) Improvement in this area has been a focus of the service for some time. We are not assisted by relatively high turnover of staff and the requirements of ICS (Integrated Children’s Systems – Software for assessment and analysis), which at times restricts recording, by the requirement to follow a rigid pathway. Recent decisions by DCFS to allow local changes in ICS will help us in this regard.

#### 4.6.2.5 Supervision Records

- i) Inspectors found that records demonstrated timely case management, although they felt that more attention needed to be paid to the recording of individual and professional development of staff. Supervision formats have since been revised in the Duty and Assessment Service and are due to be re-launched in October.

### 4. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

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#### 5.1. Financial Implications

There are no significant financial implications arising from this report.  
(Colin Sharpe, Head of Finance and Efficiency, CYPS, ext. 29 7750)

#### 5.2 Legal Implications

There are no direct legal implications arising from this report. Whilst Safeguarding obligations are heavily intertwined in statutory and case law principles, the inspection report acknowledges that the Safeguarding Division has robust practices in this regard and strong links with the Legal Division.

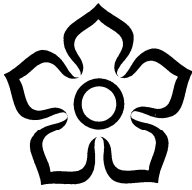
(Kamal Adatia, Barrister, ext 7044)

### 6 Report Author

Peter McEntee, Head of Children’s Fieldwork, Social Care & Safeguarding  
Andy Smith, Divisional Director, Social Care & Safeguarding

<b>Key Decision</b>	No
<b>Reason</b>	N/A
<b>Appeared in Forward Plan</b>	N/A
<b>Executive or Council Decision</b>	Executive (Cabinet)

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Leicester  
City Council

WARDS AFFECTED  
ALL WARDS

## FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

### CHILDREN AND YOUNG PEOPLE'S SERVICES SCRUTINY COMMITTEE

10<sup>th</sup> December 2009

### CABINET

14<sup>th</sup> December 2009

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## FUTURE OF RIVERSIDE BUSINESS AND ENTERPRISE COLLEGE

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### 1. Purpose of the report

- 1.1 This report advises Scrutiny and Cabinet of representations received following the publication of a Statutory Notice and Detailed Proposal to move to close Riverside Business and Enterprise College. Scrutiny and Cabinet are advised of the Strategic Director's responses to these representations.
- 1.2 In accordance with guidance from the Department for Children, Schools and Families (DCSF), a final decision is now sought from Cabinet upon the future of the School.
- 1.3 In reaching this decision Cabinet's attention is drawn to the relevant Guidance for Decision Makers and a range of supporting information to enable them to take an informed decision on this matter.

### 2. Background to the Report

- 2.1 On 5<sup>th</sup> October 2009 Cabinet agreed to publish a formal Statutory Notice and Detailed Proposal stating the intent of the Council to move to close Riverside Business and Enterprise College. This Notice was published on 7<sup>th</sup> October 2009. The Statutory Notice and Detailed Proposal are reproduced at **Appendices A and B** respectively.
- 2.2 Interested parties had a six-week period to register their views on this proposal. This period ended on 18<sup>th</sup> November 2009 and the City Council received a total of two representations.
- 2.3 These representations are reproduced at **Appendices C and D**.

- 2.4 As a result of a “call in” of the Cabinet decision on 5<sup>th</sup> October 2009 to publish a Statutory Notice and Detailed Proposal, this decision itself was also considered by Full Council on 25<sup>th</sup> November 2009. Following discussion Full Council endorsed the decision of Cabinet on the 5<sup>th</sup> October 2009. A minute of this discussion is available at **Appendix G – to follow.**
- 2.5 This report details the representations received and the Strategic Director’s response to these. In accordance with DCSF guidance on the exercise of powers by the decision maker this report also provides a range of information to enable the Cabinet to take an informed decision on this matter. These matters are now brought to the attention of Scrutiny and Cabinet in order that Cabinet may take an informed, final decision upon this matter.
- 2.6 In conclusion, a number of recommendations are also made with respect to the exercise of powers conferred upon the Director of Children’s Services under the Admissions Code 2009 to protect the interests of children, young people and their families currently at Riverside Business and Enterprise College in the event of a closure decision being taken.

### **3. Recommendations**

- 3.1 Scrutiny is invited to consider this matter and advise Cabinet accordingly.
- 3.2 Cabinet is recommended to review the information provided within this report and its appendices and agree to close Riverside Business and Enterprise College in accordance with the process set out in the Statutory Notice and Detailed Proposal published on 7<sup>th</sup> October 2009.
- 3.3 In reaching this decision Cabinet is asked to affirm that:
- The collapse of parental preference, low pupil numbers and associated financial viability are the key issues (In 2008 & 2009 more than 90% of parents living within the Riverside priority area sent their children to other schools.)
  - Riverside Business and Enterprise College simply cannot be sustained on current pupil numbers and continued progress secured within resources available.
  - Alternative models do not offer a way of addressing this collapse in parental preference and sustaining continued educational progress within available resources.
- 3.4 To assist in the planning of effective transition arrangements and help maintain curriculum continuity and opportunity for current pupils Cabinet is asked to endorse the exercise of powers conferred by paragraph 1.24 of the Admissions Code 2009 to permit the City Council as Admissions Authority to cease any further admissions to any year group at the school until further notice.
- 3.5 In accordance with Paragraphs 1.18 to 1.21 of the Admissions Code 2009 Cabinet is asked to endorse the exercise by the Director of Children’s Services of



powers conferred upon her to offer places for September 2010 and September 2011 for displaced pupils at Riverside Business and Enterprise College at any maintained school within the City. These revised displacement arrangements are authorised under Regulation 21 School Admissions (Admission Arrangements)(England) Regulations 2009 to comply with paragraphs 1.47b) and 3.44 of the Admissions Code 2009.

- 3.6 Agree that Cabinet Procedure Rule Part D 12 (d) (grounds of urgency – a delay would be *seriously prejudicial to pupil interest*) applies to the above recommendations and decisions such that they are not open to further “call in” by Members.

## 4 REPORT

- 4.1 Following the publication of the Statutory Notice and Detailed Proposal on 7<sup>th</sup> October 2009 the City Council has received two representations. These are reproduced at **Appendices C and D**.

### 4.2 Representations from Schools and Settings Consultative Committee Teachers Panel (ASCL, ATL, NAHT, NASUWT, NUT, VOICE) - (Appendix C)

- 4.3 These respondents oppose the closure of Riverside Business and Enterprise College and urge the local authority to enter a dialogue about alternative solutions to the issues facing the school. In summary these respondents:
- a. State that the action proposed is short sighted and damaging to the longer-term integrity of local education.
  - b. Contend that the LA has not adequately explored how secondary education on that site fits into the wider context of education needs across the City.
  - c. State that the LA will lose a Community comprehensive school in 2011, 3 years before secondary rolls start to rise.
  - d. It is argued that the City will need the equivalent of at least two large new schools or 3 smaller schools before 2017.
  - e. Assert that future schools will need to be open to competition and be established by alternative promoters. By closing Riverside the LA is reducing its capacity to retain coherent community comprehensive education provision in the City.
  - f. In opening up the possibility of future schools being provided by alternative promoters (e.g. faith/ private sector) it is asserted that the LA runs the risks of seriously destabilising all current admission arrangements and creating an education free-for-all in the City.
  - g. Contend that the above will impact on standards, place preferences and have unforeseen consequences in terms of job losses for staff.

- h. State that the alternative proposal for an Inclusion Centre of Excellence would provide a more creative response to the situation and evidence local authority commitment to collaborative working involving both special and mainstream provision within a caring environment.

## **5. Representation from the Governing Body of Riverside Business and Enterprise College - (Appendix D)**

### 5.1 The School Governing Body:

- a. Assert that the local authority lacks vision and has been aware of falling rolls and the difficulties in raising standards at Riverside for some years.
- b. Assert that the local authority has failed to address the issue strategically and in partnership with the community and Governing Body.
- c. States that the closure of Riverside reduces secondary choice in the immediate neighbourhood and removes the potential for developing an earlier vision of 3 – 16 education proposed by the former Director of Children’s Services.
- d. States that an earlier Academy proposal could have contributed to the revitalisation of the secondary education in the area.
- e. Refutes the local authority comment that the proposal will contribute to “greater social mobility, inclusion and ultimately, therefore, improve community cohesion itself”.
- f. Asserts that the local authority has failed to adequately acknowledge 2009 GCSE results, the importance new build would have made and the capacity of the leadership team and staff to turn around pupil numbers.
- g. Reaffirms all previous objections and concerns stated during the recent consultation period.

5.2 Responses from the Strategic Director to the above representations are detailed in **Appendix E**.

## **6. Compliance with national guidance for decision makers who are considering closing a maintained school**

6.1 Cabinet attention is drawn to **Appendix H** that details an extract DCSF Guidance for Decision Makers on Closing a Mainstream School.

6.2 The attention of Cabinet is drawn to the questions posed at 4.7 of this extract

6.3 Cabinet is advised as follows:

	<b>Key issues &amp; factors to be considered by decision takers.</b>	<b>Cabinet is advised that</b>
<b>1</b>	Is any information missing?	The Director of Children’s Services assures members that all relevant information has been made available to Cabinet
<b>2</b>	Does the published notice comply with statutory requirements?	The Statutory Notice and Detailed Proposal published on 7 <sup>th</sup> October 2009 complied with all requirements.
<b>3</b>	Has the statutory consultation been carried out prior to the publication of the notice?	Consultation has been conducted in accordance with national guidelines and a full account of consultation outcomes was published for the consideration of Scrutiny Committee on 23 September 2009, Cabinet 5 October 2009 and Full Council on 25 November 2009.
<b>4</b>	Are the proposals “related” to other published proposals?	This closure proposal is not related to any other published proposal.
<b>5.</b>	<p><b>Other Factors</b></p> <p>Cabinet attention is drawn in particular to sections 4.17 to 4.62 of <b>Appendix H</b>.</p> <p>In summary it is judged that the proposal before Cabinet will reflect the exercise of parental choice, contribute to raising local standards of provision and will lead to improved attainment for children and young people.</p> <p>Strategies with regard to the needs of displaced pupils (e.g. 4.55 – 4.61) etc will be addressed through the Detailed Equality Impact Assessment at <b>Appendix F</b> and detailed transitional plans that will be prepared following approval of any closure decision.</p> <p>Issues with regard to the adequacy of provision for displaced pupils with regard to supply and demand/ increased parental choice are addressed within the Detailed Proposal (<b>Appendix B</b>).</p>	

6.4 Members attention is also drawn to Section 4.63 of the relevant guidance with respect to the options that are now open to them. These options may be simply summarised as:

- reject the proposals;
- approve the proposals;
- approve the proposals with a modification (e.g. the school closure date); or
- approve the proposals subject to them meeting a specific condition.

- 6.5 Prior reports to Scrutiny, Cabinet and Full Council have provided ample opportunity for all City Councillors to explore and debate related issues. As reference to **Appendix G** makes clear, an overwhelming number of City Councillors have endorsed the decision of Cabinet to proceed with the publication of the Statutory Notice and Detailed proposal at **Appendix A** and **B** to this report.
- 6.6 Only two representations have been received within the required representation period and neither of these have addressed the proposed transition period detailed at **Appendix B**. Neither representation has proposed a viable alternative.
- 6.7 It is clear however from representations made to Cabinet by the Acting Headteacher on behalf of his School and the views expressed by the School Governing Body that the proposed published transition path is believed to offer the best way forward for pupils in the event of closure.
- 6.8 Having regard to the above Cabinet is recommended to approve the proposals as detailed in the Statutory Notice and Detailed Proposal published on 7<sup>th</sup> October 2009 and consequently Cabinet is recommended to take this action.
- 6.9 Reasons for decision: All decision makers are required to give reasons for their decision and indicate the main factors/criteria informing their decision.
- 6.10 In reaching this decision at 6.8 above Cabinet is asked to affirm that:
- The collapse of parental preference, low pupil numbers and associated financial viability are the key issues (In 2008 & 2009 more than 90% of parents living within the Riverside priority area sent their children to other schools – See Also **Appendix H**, Paragraphs 4.34 and 4.35 – surplus places and use of resources)
  - The school simply cannot be sustained on current pupil numbers and continued progress secured within resources available (– **Appendix H** Paragraph 4.35 – removal of surplus places).
  - Alternative models do not offer a way of addressing this collapse in parental preference and sustaining continued educational progress within available resources. (**Appendix E** – City Council response to representations received)
  - The decision is informed by Guidance for Decision Makers published by the Department for Children Schools and Families (**Appendix H**).
- 7. Implications of a decision to close Riverside Business and Enterprise College in accordance the Statutory Notice and Detailed Proposal published on 7<sup>th</sup> October 2009.**
- 7.1 If the recommendation within this report is agreed, Riverside Business and Enterprise College will close on 31<sup>st</sup> August 2011.
- 7.2 If the Detailed Proposal is agreed, there will be no admissions into Year 7 at Riverside in September 2010. This possibility was explained to parents in the Secondary Transfer booklet. Pupils living in the current Priority and Linked

Areas for Riverside who applied on time would have a priority for all of the other Community Secondary Schools in the City that they have made a preference. Parents will be informed of the allocation of places on the National Offer Date of 1<sup>st</sup> March 2010.

- 7.3 The Detailed Proposal stipulates that pupils currently in Year 9 would not continue into Year 10 at Riverside in September 2010. If closure is agreed, the parents of these pupils will be asked to complete an application for alternative schools. It is proposed that this process takes place during January 2010. Advice from the Independent Choice Adviser will be available. Again, these pupils would have a priority for all of the other Community Maintained Secondary Schools in the City that they have made a preference, and parents would be informed of the allocation of places on the National Offer Date of 1<sup>st</sup> March 2010. Schools will be asked not to finalise their GCSE option groups until this process is completed. There are currently 67 pupils in Year 9 at Riverside.
- 7.4 From September 2010, the school would therefore operate with Years 8, 9 and 11. The school is proposed to close in August 2011; therefore pupils completing Years 8 and 9 at that time would need to be allocated alternative school places for September 2011. It is proposed that the same process described above would be followed. There are currently 25 and 63 students respectively in these Year Groups.
- 7.5 At September 2011 all remaining pupils at the School would need to move to another school and Riverside would close.
- 7.6 To assist in the planning of effective transition arrangements and help maintain curriculum continuity and opportunity for current pupils Cabinet is asked to endorse the exercise of powers conferred by paragraph 1.24 of the Admissions Code 2009 to permit the City Council as Admissions Authority to cease any further admissions to any year group at the school until further notice. Parents would retain the right to appeal for a school place under the terms of the Admissions Code, 2009.
- 7.7 In accordance with Paragraphs 1.18 to 1.21 of the Admissions Code 2009 Cabinet is asked to endorse the exercise by the Director of Children's Services of powers conferred upon her to offer places for September 2010 and September 2011 for displaced pupils at Riverside Business and Enterprise College at any maintained school within the City.
- 7.8 It is important to note that implementation of these detailed proposals will have the effect that all current 2009/10 pupils and continuing pupils in Years 8, 9 and 11 from September 2009 will only be able to access revised admission preference arrangements during the above agreed transfer processes. Families and pupils seeking alternative schools outside these agreed processes and periods will have their admission requests determined in accordance with current prevailing admission arrangements.
- 7.9 Scrutiny and Cabinet are reminded that this timeline and transition programme has been discussed and is supported by a large number of stakeholders including the School Leadership Team and Governing Body. The full Governing Body discussed this matter further on 24<sup>th</sup> September 2009 and, although clearly

opposed to closure, expressed a unanimous preference for this two-year proposal as it believed that this option provides the best possible educational transition path in the event of closure being determined.

- 7.10 Clearly a decision to close the School will impact upon staff and the local authority has indicated that it wishes to work with trades unions and professional associations to support staff and minimise the impact through a range of strategies including potential redeployment. No assurance has been given that there will not be compulsory redundancies however the City Council will actively seek to avoid this.

## **8. Seeking the best education solution for current Riverside pupils**

- 8.1 With good co-operation between the School and the LA, and early consultation with other Headteachers, the School believe that there is time to make the transfer of the current Year 9 work well this year.
- 8.2 This includes time to provide individual support for parents of special needs pupils in choosing a school and making alternative option choices.
- 8.3 The School is of the view that transferring the current Year 9 to another school in 2010 is the best option for this particular group and that this is the only way in which the School can guarantee to meet their educational entitlement.

## **9. Future involvement of stakeholders in change management arrangements**

- 9.1 In recognition of the issues raised in the sections above and concerns expressed during the recent Consultation, the City Council propose to establish a Transition Group to address operational issues associated with this school closure and to assist the smooth transition of pupils to other schools.
- 9.2 This Group would work closely with local schools, agencies and services to ensure that curriculum offer and extended services offered to pupils formally at Riverside would be maintained and, wherever possible, improved.

## **10. Financial Implications**

- 10.1 As previously reported, significant additional financial support has been provided to Riverside Business and Enterprise College. If the School were not to close, this would need to continue until such time (if ever) that a larger pupil cohort is achieved, together with a reasonably consistent number in each year group. This would have an impact upon the funding available for schools across the City and arguably would not represent value for money.
- 10.2 If closure is agreed as proposed in this report, then the additional financial support would need to continue until August 2011. Additional costs specifically associated with closure would be incurred; these include redundancy costs; protection of pay where applicable for staff who are redeployed elsewhere; potential transport of pupils to other schools; and funding other schools for the

dispersed pupils. Costs would subsequently be incurred upon maintaining the school as a vacant property until longer-term plans for the site are determined. It is not possible to accurately quantify these costs at this stage, although they could be significant.

(Colin Sharpe, Head of Service, Finance and Efficiency, 297750)

## 11. Legal Implications

11.1 Detailed legal advice has been provided on all aspects of the Council's responsibilities in this process, including the following:

- a) compliance with legislative provisions relating to admissions, as well as the requirements of the Admissions Code 2009.
- b) compliance with equalities duties. The Equality Impact Assessment (**Appendix F**) attempts to address the range of considerations. Specific reference must be made to s.49A DDA 1995 (and the Disability Rights Commission Statutory Code of Practice) which states that:

[49A General duty]

[(1) Every public authority shall in carrying out its functions have due regard to-

- (a) the need to eliminate discrimination that is unlawful under this Act;
- (b) the need to eliminate harassment of disabled persons that is related to their disabilities;
- (c) the need to promote equality of opportunity between disabled persons and other persons;
- (d) the need to take steps to take account of disabled persons' disabilities, even where that involves treating disabled persons more favourably than other persons;
- (e) the need to promote positive attitudes towards disabled persons; and
- (f) the need to encourage participation by disabled persons in public life.

and Cabinet (as well as officers throughout the process) must be mindful of their obligations under this provision when making decisions. These obligations require robust and proactive consideration.

- c) Human Rights considerations.
- d) Statutory Guidance in relation to proposals to close a maintained mainstream school. The lodging of objections during the period of Representations does not preclude the Decision Maker from making a decision. There are very limited rights of appeal (to a very limited class of appellant) beyond this.

(Kamal Adatia, Barrister, ext 297044)

## 12. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph Within Supporting information	References
Equal Opportunities	Yes	<b>See EIA at Appendix F</b>	
Policy	Yes		
Sustainable and Environmental	Yes	<b>Appendix F</b>	
Crime and Disorder	No		
Human Rights Act	Yes	<b>Appendix F</b>	
Elderly/People on Low Income	No		

## 13. Risk Assessment Matrix

Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/appropriate)
1. A formal objection to processes followed is upheld.	L	H	Continued operation of School – rerun of process with reduced timeframe/ immediate rather than phased closure.
2. Demographic and financial projections prove inaccurate	L	H	Figures have been subject to scrutiny by Partnership for Schools. Contain within DSG reserves and seek further deployment of extra funds via Schools Forum.
3. Closure decision leads to unplanned exodus of pupils and staff in advance of closure timetable	M	H	Establishment of retention and redeployment plans to retain staff.  Deployment of exceptional cost pressure funds to assist other schools experiencing impact.  Revisions to curriculum delivery arrangements to support pupils.  Revisions to curriculum delivery arrangements to support pupils.  Review and potential variation of school closure timeline.
4. Adverse impact on pupils, families and staff	M	H	Implement measures contained with Detailed Proposal



**14. Background Papers – Local Government Act 1972**

14.1 Representation responses – **Appendix E**

**15. Consultations**

15.1 This paper is wholly concerned with the outcome of a recent consultation exercise and representations received as a result of a subsequent publication of a Statutory Notice and Detailed Proposal.

**16. Report Author**

**Dr Trevor Pringle**  
**Divisional Director, Planning and Commissioning**

<b>Appendix A</b>	<b>Statutory Notice</b>
<b>Appendix B</b>	<b>Detailed proposal</b>
<b>Appendix C</b>	<b>Representations from Schools and Settings Consultative Committee Teachers Panel (ASCL, ATL, NAHT, NASUWT, NUT, VOICE)</b>
<b>Appendix D</b>	<b>Representations from the Governing Body of Riverside Business and Enterprise College</b>
<b>Appendix E</b>	<b>City Council response to Representations received</b>
<b>Appendix F</b>	<b>Equality Impact Assessment</b>
<b>Appendix G</b>	<b>Minute of Full Council “call-in” of the Statutory Notice and Detailed Proposal (To follow)</b>
<b>Appendix H</b>	<b>DCSF Guidance for Decision Makers on Closing a Maintained School</b>

<b>Key Decision</b>	Yes
<b>Reason</b>	Is significant in terms of its effect on communities living or working in an area comprising more than one ward
<b>Appeared in Forward Plan</b>	Yes
<b>Executive or Council Decision</b>	Executive (Cabinet)



# Discontinuation of Riverside Business and Enterprise College

Notice is given in accordance with section 15(1) of the Education and Inspections Act 2006 that: Leicester City Council, B Block, Welford Place, New Walk Centre, Leicester LE1 6ZG intends to discontinue:

**Riverside Business and Enterprise College, Lyncote Road, Leicester LE3 2EL  
on 31st August 2011**

**Riverside Business and Enterprise College is proposed for closure on 31st August 2011.**

**The proposal is to be implemented in stages as follows:**

***1st September 2010:***

**Year 7 - discontinuation of provision. No admissions on national offer date of 1st March 2010**

**Year 8 - continuation of provision**

**Year 9 - continuation of provision**

**Year 10 - discontinuation of provision. Alternative provision made at other schools**

**Year 11 - continuation of provision**

***1st September 2011:***

**Year 7 - no provision**

**Year 8 - no provision**

**Year 9 - discontinuation of provision. Alternative provision made at other schools**

**Year 10 - discontinuation of provision. Alternative provision made at other schools**

**Year 11 - no provision**

The City Council has agreed that, subject to paragraph 3.32 of the School Admissions Code, all pupils for whom provision is to be discontinued will be offered a place of their preference at any of the Local Authority Community secondary schools. Admissions may also be sought to other schools which have places available.

The City Council will review the preferences expressed by parents of displaced children at September 2010 and will consider the provision of alternative bus transport to schools in excess of the statutory walking distances (3 miles) should this prove to be a viable option. The City Council will also provide free transport where the distance from home to the new school is more than 2 miles and there is an entitlement to free school meals or the family gets the maximum level of working tax credit, or where any other of the mandatory qualifying criteria under s.508B and Schedule 35B Education Act 1996 are met.

This Notice is an extract from the complete proposal. Copies of the complete proposal can be obtained from:

**Trevor Pringle**

**Divisional Director, Planning and Commissioning**

**Leicester City Council, B Block, Welford Place, New Walk Centre, Leicester LE1 6ZG**

**0116 252 7702 or from [www.leicester.gov.uk/riversideconsultation](http://www.leicester.gov.uk/riversideconsultation)**

Within six weeks from the date of publication of this proposal, any person may object to or make comments on the proposal by sending them to:

**Trevor Pringle**

**Divisional Director, Planning and Commissioning**

**Leicester City Council, B Block, Welford Place, New Walk Centre, Leicester LE1 6ZG**

*Signed:*



**Rachel Dickinson**

**Strategic Director, Invest In Children**

**7th October 2009**



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## MATTERS TO BE SPECIFIED IN SECTION 15 PROPOSALS TO DISCONTINUE A SCHOOL

*Insert the information asked for in the expandable box below each section.*

The following sets out the information that must be contained in a complete proposal. Shaded information **must** be published in a statutory notice. See paragraphs 2.2 to 2.10

### Contact details

1. The name of the local education authority or governing body publishing the proposals, and a contact address, and the name of the school it is proposed that should be discontinued.

#### Authority details:

Rachel Dickinson  
Strategic Director, Children  
Leicester City Council Local Authority  
B Block  
Welford Place  
New Walk Centre  
Leicester  
LE1 6ZG

#### School proposed to be discontinued:

Riverside Business and Enterprise College  
Lyncote Road  
Leicester  
LE3 2EL

### Implementation

2. The date when it is planned that the proposals will be implemented, or where the proposals are to be implemented in stages, information about each stage and the date on which each stage is planned to be implemented.

Riverside Business and Enterprise College is proposed for closure on 31<sup>st</sup> August 2011.

The proposal is to be implemented in stages as follows:

#### 1<sup>st</sup> September 2010

Year 7 – discontinuation of provision. No admissions on national offer date of 1<sup>st</sup> March 2010  
Year 8 – continuation of provision.  
Year 9 – continuation of provision.  
Year 10 – discontinuation of provision. Alternative provision made at other schools.  
Year 11 – continuation of provision.

#### 1<sup>st</sup> September 2011

Year 7 – no provision.  
Year 8 – no provision.  
Year 9 – discontinuation of provision. Alternative provision made at other schools.  
Year 10 – discontinuation of provision. Alternative provision made at other schools.  
Year 11 – no provision.

**Consultation**

3. A statement to the effect that all applicable statutory requirements to consult in relation to the proposals were complied with.

The consultation process followed guidance issued by Department for Children, Schools and Families current at the time of consultation and all applicable statutory requirements were adhered to. The consultation period ran 1<sup>st</sup> June 2009 – 10<sup>th</sup> July 2009.

DCSF guidance extant at the time of consultation in Leicester, relevant to this Proposal, can be found at:

<http://www.leicester.gov.uk/riversideconsultation>

4. Evidence of the consultation before the proposals were published including—
- (a) a list of persons and/or parties who were consulted;
  - (b) minutes of all public consultation meetings;
  - (c) the views of the persons consulted; and
  - (d) copies of all consultation documents and a statement of how these were made available.

**(a) list of persons and/or parties who were consulted:**

In accordance with the above Guidance the City Council consulted the following:

1. The Governing Body of Riverside Business and Enterprise College;
2. Families of pupils, teachers and other staff at Riverside Business and Enterprise College;
3. Leicestershire County Council;
4. The Chairs of Governing Bodies, teachers and other staff of all City schools (All Chairs of Governors were informed by letter and their governing bodies were invited to respond).
5. Families of any pupils at any other school who may be affected by the proposals including, where appropriate, families of pupils at feeder primary schools (All City school Headteachers were advised of the consultation and invited to respond; all Headteachers were asked to inform their staff and parents accordingly; parents of year 6 children in other schools expressing a preference for Riverside at secondary transfer received communications direct by Royal Mail.)
6. Trade Unions representing staff at Riverside Business and Enterprise College; and representatives of Trade Unions at all other City schools who may be affected by the proposals;
7. Learning and Skills Council;
8. MP's whose constituencies include the schools that are the subject of the proposals or whose constituents are likely to be affected by the proposals (All City and County MPs were informed of the consultation and invited to respond);
9. Any other interested party, for example, the Early Years Development and Child Care Partnership (or any local partnership that exists in place of an EYDCP) where proposals affect early years provision, or those who benefit from a contractual arrangement giving them the use of the premises. (The School was asked to advise the City Council of those who let their premises in advance of consultation launch - none were notified): and
10. Such other persons as appear to the proposers to be appropriate. These were determined to include:
  - (a) Leicester Strategic Partnership
  - (b) Leicester Children and Young People's Strategic Partnership
  - (c) Standing Advisory Council on Religious Education (SACRE)
  - (d) Council of Faiths
  - (e) Schools Forum
  - (f) Admissions Forum
  - (g) Equality and Diversity Partnership
  - (h) Education Improvement Partnerships (EIP)

- (i) Diocesan Authorities
- (j) Voluntary Action Leicester (VAL)
- (k) City of Leicester Governors' Association (COLGA)
- (l) All City Councillors
- (m) School Council - Riverside Business and Enterprise College.

### **(b) minutes of all public consultation meetings:**

Minutes of consultation meetings and all relevant consultation documents are attached to this Detailed Proposal.

- o Minutes of meeting with Staff dated 9<sup>th</sup> June 2009
- o Minutes of meeting with Governing Body dated 11<sup>th</sup> June 2009
- o Minutes of meeting with Parents dated 15<sup>th</sup> June 2009
- o Minutes of meeting with Students dated 23<sup>rd</sup> June 2009

### **(c) the views of the persons consulted**

The majority of respondents did not agree that there were strong educational, financial and business reasons to move to close the School. The following specific concerns were raised:

1. Concerns that the Local Authority has selectively edited source materials
2. That the Business Case and its accompanying Equality Impact Assessments are inadequate
3. That there was a lack of transparency evidenced in the fact that the Local Authority did not make available minutes of the meetings during the course of the consultation itself
4. That there was a failure to compare objectively against other Local Authority schools in terms of school performance, for example, Fullhurst and New College and school places, for example, New College and Babington. That the Local Authority has already made plans to dispose of the site and make use of the land or accompanying revenues.
5. That promises to rebuild Riverside had been broken
6. That the Local Authority Admissions Service had systematically discriminated against Riverside over several years by turning away parents and stating that the school is full.
7. That the Local Authority had failed to translate materials.
8. That the closure of the school will deprive the neighbourhood of the valuable facility and neighbourhood school.
9. That residents were not informed and not provided with an opportunity to respond.
10. That no context or comparator information had been provided for financial data used in the report.
11. That other City schools performing at similar levels (Fullhurst and New College) and with places unfilled (New College and Babington) have not been used for comparative purposes.
12. That the Equality Impact Assessment presented is illegal.
13. That the facts in the Business Case were mistruths.
14. That the impact on the Local area had been overlooked.
15. That subsequent admissions allocation policies have mitigated against the School and that there is a lack of choice without travel.
16. Parents require choice and assistance with increased costs.
17. That the format of the consultation form used was difficult to understand.
18. That the Panel of Local Authority officers were unable to answer many questions by parents – that there is a lack of trust in those carrying out the process.
19. That no opportunity was provided to discuss alternative options.
20. That the Local Authority has consistently failed Riverside school.
21. That current and future turbulence (if school closure occurs) will present a far bigger problem than the Local Authority admits.
22. That lies have been told that the consultation meeting regarding Riverside remaining in the Building Schools for the Future programme.
23. That the Local Authority has a short term focus.

### **(d) copies of all consultation documents and a statement of how these were made available**

The above consultation strategy was communicated to Riverside parents and staff in letters dated 18.05.09 and 19.05.09 respectively. The consultation process itself was promoted via:

- Letters to Riverside parents (and Yr 7 2009/10 Riverside intake parents) dated 07.05.09, 18.05.09 & 29.05.09
- Letters to Riverside staff dated 28.04.09, 19.05.09 & 29.05.09
- Letters to all other principal consultees and all City Councillors dated 29.05.09
- A special meeting of the City Council Schools and Settings Consultative Committee held on 21.05.09
- Press release 2<sup>nd</sup> June 2009 (attached)
- Officer interview on BBC Radio Leicester on 12.06.09 (evening drive time)
- Young persons themselves on Takeover Radio

Copies of all relevant letters to Parents and Staff are attached to this Detailed Proposal. A copy of the full Business Case is available at:

[www.leicester.gov.uk/riversideconsultation](http://www.leicester.gov.uk/riversideconsultation)

All letters and questionnaires Riverside parents and Year 7 2009/10 Riverside intake parents were sent via Royal Mail to registered home addresses.

All letters and questionnaires to Riverside staff were hand delivered to the School for distribution.

Copies of all letters to Riverside parents and Riverside staff, questionnaires and background materials were also made available at [www.leicester.gov.uk/riversideconsultation](http://www.leicester.gov.uk/riversideconsultation).

Copies of the business case were also available in Riverside School, all City Council public libraries and for download at [www.leicester.gov.uk/riversideconsultation](http://www.leicester.gov.uk/riversideconsultation).

Consultees were invited to respond by completing a six question questionnaire. They could do this by completing a printed questionnaire or complete an online questionnaire.

Views could also be registered via a bespoke email address

[riverside.consultation@leicester.gov.uk](mailto:riverside.consultation@leicester.gov.uk)

In addition to the above written communications meetings were arranged to provide Riverside parents (15.06.09), Riverside staff (09.06.09), Riverside governing body (11.06.09) and Riverside pupils (23.06.09) with an opportunity to learn about this matter, express their views and inform their responses. All of these meetings were held at Riverside School and the dates determined following consultation with the Acting Headteacher.

Officers also attended a Braunstone Park and Rowley Fields Ward Meeting held on 16.06.09. The above meetings provided an opportunity to raise issues with officers in Children's Services and inform individual and collective responses to the consultation.

Riverside School also featured on the agenda of the following meetings of Leicester City Council:

- A special meeting of the City Council Schools and Settings Consultative Committee held on 21.05.09
- Children's Services Scrutiny Board 10.06.09



### Objectives

5. The objectives of the proposal.

This proposal has been brought forward to address a collapse in parental preference, associated financial viability concerns, secure sustainable school improvement and open up access to improved educational opportunities for young people.

The proposed closure of Riverside Business and Enterprise College will help ensure more sustainable schools within this immediate part of Leicester.

### Standards and Diversity

6. A statement and supporting evidence indicating how the proposals will impact on the standards, diversity and quality of education in the area.

The proposal to close the school will not have a negative impact on standards or quality of education in the city. The school is currently designated a National Challenge school. Although 2009 provisional GCSE results are above the National Challenge floor target, attainment at Key Stage 3 is low and maintaining standards above floor target would require significant additional resources. Due to low and decreasing numbers on roll the school is likely to require additional funding of approximately £800,000 in the current year in order to maintain an appropriate curriculum. This additional funding comes from the total dedicated schools grant available for all schools and therefore reduces disproportionately the resources available to support raising of standards in other secondary schools in the city. Students in the area will have access to all other community maintained secondary schools in the city and transition plans will be put in place to meet the needs of students required to transfer from Riverside to other schools in the city as a result of the proposals to close the school.

### Provision for 16 -19 year olds

7. Where the school proposed to be discontinued provides sixth form education, how the proposals will impact on—

- (a) the educational or training achievements;
- (b) participation in education or training; and
- (c) the range of educational or training opportunities,

for 16-19 year olds in the area.

**Not applicable**

### Need for places

8. A statement and supporting evidence about the need for places in the area including whether there is sufficient capacity to accommodate displaced pupils.

The forecasts for the City indicate that the total numbers of pupils of secondary age requiring provision will continue to fall until approx 2015.

There will be sufficient capacity to accommodate all displaced pupils within the City, see table on the following page

## APPENDIX B

The forecasts for the City indicate that the total numbers of pupils of secondary age requiring provision will continue to fall until approx 2015.

There will be sufficient capacity to accommodate all displaced pupils within the City, see table below:

Year	Forecasted NOR - <i>Column B</i>	Capacity of schools based on PAN, inc. Riverside	Capacity of schools based on PAN, exc. Riverside - <i>Column D</i>	Difference between Forecasted NOR ( <i>Col B</i> ) & capacity (exc. Riverside) ( <i>Col D</i> )	No of surplus places per year group across the City	
2009/10	16960	18575	17675	715	Yr 7	169
					Yr 8	97
					Yr 9	229
					Yr 10	204
					Yr 11	16
2010/11	16764	18575	17675	911	Yr 7	302
					Yr 8	151
					Yr 9	90
					Yr 10	196
					Yr 11	172
2011/12	16719	18575	17675	956	Yr 7	311
					Yr 8	286
					Yr 9	141
					Yr 10	56
					Yr 11	162
2012/13	16545	18575	17675	1130	Yr 7	428
					Yr 8	296
					Yr 9	278
					Yr 10	108
					Yr 11	20
2013/14	16424	18575	17675	1251	Yr 7	245
					Yr 8	412
					Yr 9	288
					Yr 10	244
					Yr 11	62
2014/15	16304	18575	17675	1371	Yr 7	277
					Yr 8	229
					Yr 9	403
					Yr 10	254
					Yr 11	208

9. Where the school has a religious character, a statement about the impact of the proposed closure on the balance of denominational provision in the area and the impact on parental choice.

**Not applicable**

**Current School Information**

10. Information as to the numbers, age range, sex and special educational needs of pupils (distinguishing between boarding and day pupils) for whom provision is made at the school.

Riverside Business and Enterprise College is an 11 – 16 secondary school providing day provision (no boarding). As of 1st September 2009 there were 442 numbers of pupils on roll at the school. A number of these pupils have special educational needs. Figures for respective year groups as detailed below.

<b>2009/10</b>				
<b>Year Group</b>	<b>Girls</b>	<b>Boys</b>	<b>Total no of pupils per year group</b>	<b>Special Needs</b>
7	13	17	30	11
8	20	38	58	27
9	28	46	74	29
10	66	60	126	49
11	90	64	154	46
<b>Total</b>	<b>217</b>	<b>225</b>	<b>442</b>	<b>162</b>

Assuming no significant change in roll the respective figures for 2010/11 are detailed below:

<b>2010/11</b>				
<b>Year Group</b>	<b>Girls</b>	<b>Boys</b>	<b>Total no of pupils per year group</b>	<b>Special Needs</b>
7				
8	13	17	30	11
9	20	38	58	27
10	28	46	74	29
11	66	60	126	49
<b>Total</b>	<b>127</b>	<b>161</b>	<b>288</b>	<b>116</b>

### Displaced Pupils

**11** Details of the schools or further education colleges which pupils at the school for whom provision is to be discontinued will be offered places, including—

- (a) any interim arrangements;
- (b) where the school included provision that is recognised by the local education authority as reserved for children with special educational needs, the alternative provision to be made for pupils in the school's reserved provision; and
- (c) in the case of special schools, alternative provision made by local education authorities other than the authority which maintains the school.

The local authority has agreed that, subject to paragraph 3.32 of the School Admissions Code, all pupils for whom provision is to be discontinued will be offered a place of their preference at any of the local authority community secondary schools.

**12.** Details of any other measures proposed to be taken to increase the number of school or further education college places available in consequence of the proposed discontinuance.

There is not a need to increase the number of school places available as a consequence of this proposal. See table in Section 8 for capacity of school places in the City.

The proposals for allocating school places for the Year 7 2010 displaced cohort will not result in the overfilling or adjustment of Admission Numbers of any other maintained community secondary schools. To the extent that the proposals in section 11 for displaced pupils will impact upon other maintained community secondary schools in September 2011, these will be managed in accordance with the powers conferred upon the Admission Authority by sections 1.18 to 1.21 Admissions Code 2009.

### Impact on the Community

**13.** A statement and supporting evidence about the impact on the community and any measures proposed to mitigate any adverse impact.

A number of respondents have raised concerns about the impact of school closure upon the immediate school community and the broader west Leicester community. Respondents have drawn attention to the performance of neighbouring City Schools, for example, Fullhurst, Samworth Academy, New College and Babington, and expressed the view that there is a range of divisive community and school based behaviours across west Leicester.

The proposed closure and revised admissions arrangements detailed within this Proposal will help open up access to improved educational opportunities for young people – something that parents within the current priority area who are expressing preference for alternate are clearly trying to achieve. In the last 2 years less than 10% of the possible pupils who could have applied for Riverside School within the priority area have sought and taken a place at the School. The proposed closure of this School contributes not only to improved individual outcomes but greater social mobility, inclusion and ultimately therefore improved community cohesion itself.

The proposed closure of Riverside School will also help ensure more sustainable schools within this immediate part of Leicester.

## APPENDIX B

The City Council acknowledge that school organisation decisions contribute towards community cohesion and community safety outcomes for young people and their families and that there is a need to reconcile this requirement with its duty to secure school improvement, deliver value for money and meet public law obligations. The Council is of the view that the proposed measures and transition arrangements are reasonable given current DCSF guidance and circumstance prevailing.

**14.** Details of extended services the school offered and what it is proposed for these services once the school has discontinued.

Riverside School is part of the south west integrated services cluster. A core offer audit of Extended Services provision at Riverside was carried out in 2008. The School advised that they offered a Breakfast Club, Food Club and a range of after school activities, including a Neighbourhood Monthly Coffee Morning and Lunch Club. In addition, the School also indicated that they provide parenting support via the Literacy Parents Group and Reading Training. There were however no specific funding applications in 2008/09 and 2009/10 relating to extended services provision at Riverside.

The City Council is currently implementing the extended service strategy and is moving towards a neighbourhood model of delivery. The City Council has recently appointed an Extended Services Co-ordinator who will be working in the locality to develop a neighbourhood needs based extended services delivery plan in consultation with key partners and stakeholders. This will enable a more co-ordinated approach to the delivery of extended services across the neighbourhood that will meet the needs of families, children and young people that currently receive extended services through Riverside School.

### Travel

**15.** Details of length and journeys to alternative provision.

At year 7 at September 2009 entry, only 16 young people out of a potential 252 from the assigned Riverside priority area sought and secured a place at the school. Around 29% of pupils travelled outside the City boundary to County Schools with a further 29% preferring two nearby single sex schools. A further 13% travel to the nearby Samworth Enterprise Academy. The remaining pupils travel to a range of City schools with variable journey lengths. This pattern is consistent with that in 2008. It is therefore envisaged that a similar pattern will occur when alternate places are secured under the proposed revised admission arrangements.

**16.** The proposed arrangements for travel of displaced pupils to other schools including how they will help to work against increased car use.

In the last 2 admission rounds, 2008 and 2009, less than 10% of the potential number of pupils within the priority area for Riverside have applied for and secured a place at this school. The impact of the change is therefore not anticipated to have a significant impact on journeys to alternative provision. The City Council will review the preferences expressed by parents of displaced children at September 2010 and will consider the provision of alternative bus transport to schools in excess of the statutory walking distances (3 miles) should this prove to be a viable option.

The City Council will also provide free transport where the distance from home to the new school is more than 2 miles and there is an entitlement to free school meals or the family gets

the maximum level of working tax credit, or where any other of the mandatory qualifying criteria under s.508B and Schedule 35B Education Act 1996 are met.

**Related Proposals.**

17. A statement as to whether in the opinion of the local education authority or governing body, the proposals are related to any other proposals which may have been, are, or are about to be published.

**Not applicable**

**Rural Primary Schools**

18. Where proposals relate to a rural primary school designated as such by an order made for the purposes of section 15 of the EIA 2006, a statement that the local education authority or the governing body (as the case may be) considered—

- (a) the likely effect of discontinuance of the school on the local community;
  - (b) the availability, and likely cost to the local education authority, of transport to other schools;
  - (c) any increase in the use of motor vehicles which is likely to result from the discontinuance of the school, and the likely effects of any such increase; and
  - (d) any alternatives to the discontinuance of the school,
- as required by section 15(4) of the EIA 2006.

**Not applicable**

**Maintained nursery schools**

19. Where proposals relate to the discontinuance of a maintained nursery school, a statement setting out—

- (a) the consideration that has been given to developing the school into a children's centre and the grounds for not doing so;
- (b) the local education authority's assessment of the quality and quantity of the alternative provision compared to the school proposed to be discontinued and the proposed arrangements to ensure the expertise and specialism continues to be available; and
- (c) the accessibility and convenience of replacement provision for local parents.

**Not applicable**

**Special educational provision**

20. Where existing provision for pupils with special educational needs is being discontinued, a statement as to how the local education authority or the governing body believes the proposal is likely to lead to improvements in the standard, quality and/or range of the educational provision for these children.

The City Council has completed a detailed Equality Impact Assessment with regard to the proposed closure of Riverside Business and Enterprise College. A copy of this EIA is attached. The City Council recognise that there may be a particular issue and need for further consideration of the year 10 group who will commence in September 2010 at this School and will plan accordingly.

Strategies to be deployed include:

- 1. The preparation of special education needs plans for September 2010 year 10 cohort;
- 2. Meeting the needs of pupils with hearing impairment through individual education plans;
- 3. Meeting the needs of moderate and learning behaviour pupils through individual transition plans.

**ASCL; ATL; NAHT; NASUWT; NUT; Voice**

# **SSEC Teachers' Panel**

**Unit 3b, Pilot House, 41, King Street, Leicester LE1 6RN**

**Telephone: 0116 2555311. Fax: 0116 2555312**

## **Response to the Statutory Notice to close Riverside Community BEC.**

The teaching unions continue to be opposed to the closure of Riverside BEC. We regard the City Council's decision to propose closure as short-sighted and damaging to the longer term integrity of local education.

Whilst recognising the financial and educational difficulties that Riverside presents in its current configuration **we do not believe that the LA has adequately explored how secondary education on that site fits into the wider context of educational needs across the city.** In June the teaching unions submitted proposals for a more creative use of the school, extending the current provision at Riverside to become an Inclusion Centre of Excellence with extended sporting facilities. This would have helped to address both the financial issues facing Riverside and the problems of public perception that the council has identified as a key issue. We are disappointed that the LA dismissed these proposals. This was a real opportunity that has now been lost to the same knee jerk mentality that previously saw Mary Linwood school close in 1999 only to be replaced 7 years later by an Academy.

The closure of Riverside will have a particular impact on future education provision in the city. The LA will lose a Community Comprehensive School in 2011, 3 years before secondary rolls start to rise. Given that projections on future numbers have themselves been rising due to the extensive number of new arrivals in the city, we need to recognise that current figures are essentially minimum estimations. The City will, therefore, need the equivalent of at least two large new schools or 3 smaller schools before 2017.

Under current legislation the LA is required to put out to tender all proposals for new schools. Religious organisations, charitable trusts such as Oasis and private business organisations etc all have a right to bid to run these schools alongside any LA proposals for Community Schools. The current government prefers private providers. By closing Riverside the LA is reducing its capacity to retain coherent Community Comprehensive Education provision in the city. That is to be regretted.

Furthermore, in opening up the possibility of a series of private sector and religious providers opening up new schools **the LA runs the serious risk of destabilising all current admissions arrangements and creating what amounts to an education free-for-all in the city.** This would be deeply unhelpful to the work being undertaken across city schools to raise standards and create an unquantifiable dynamic in terms of place preferences with all sorts of unforeseen consequences in terms job loss for staff.

By contrast, retaining secondary education provision on the Riverside site, albeit in a revised configuration to take account of student numbers, would allow the authority to expand that provision as required once student numbers begin to grow. We believe that this is demonstrably in the best interests of education in the city, and in particular education on the West side of the city.

Retaining secondary provision at Riverside also has the advantage of retaining the experience and dedication of a staff which this year successfully improved performance at GCSE to 35% (including Maths and English), successfully taking Riverside out of the national Challenge. Such efforts should be applauded and cherished. The LA should not be frittering away this expertise in piecemeal redeployment offers to a staff facing school closure and redundancy in the context of projected major education cuts and a continuing recession.

The proposals we submitted for an Inclusion Centre of Excellence were, in our view, both coherent and relevant to the challenges facing the city. Leicester has for a lengthy period failed to adequately address the issue of inclusion. Here, it has the opportunity to do so not only in line with government expectations, but also in a creative and innovative way that reflects the LA's commitment to collaborative working.

There have been those within the LA who have suggested that it will still be possible to develop an Inclusion Centre after Riverside has closed. In our view that is to fundamentally misunderstand what we have proposed. **The Inclusion Centre of Excellence was NOT simply another Special School under another name.** Rather, it was a radical integrative proposal that would enable two small schools – Riverside and Ellesmere – to exist as an educational continuum on one site, with students accessing provision wherever was most appropriate, subject by subject. There would, therefore, be real inclusion of pupils who have SEN with mainstream students, but in a suitably the context of a small and caring overall environment.

For these reasons the six teaching unions continue to oppose the closure of Riverside BEC. We urge the City Council to withdraw the proposals and to sit down and talk with staff, unions, governors and the secondary Heads and Principals about alternative solutions to the issues facing the school.

SSCC November 2009.

\* \* \*



# Riverside

**Business and Enterprise College**

Acting Principal: Mr. A. Dunsmore

Lyncote Road, Leicester, LE3 2EL

Tel: 0116.2899444

Fax: 0116.2895679

E-mail: riverside@riverside.leicester.sch.uk

Web: www.riverside.leicester.sch.uk

 3020  
 11 NOV 2009

Our Ref: GO/TG

10 November 2009

Dr T Pringle  
 Director of Planning and Commissioning  
 Leicester City Council  
 Children and Young People's Services  
 Marlborough House  
 38 Welford Road  
 Leicester LE2 7AA

Dear Dr Pringle

The Governing Body wishes to make clear its position with respect to the publication by the LA of the notice to discontinue Riverside Business & Enterprise College.

The LA has for some years been aware of falling rolls and the difficulties in raising standards at Riverside since the last reorganisation of secondary education in the city ten years ago which resulted in the closure of Mary Linwood. It has previously failed to address the issue strategically and in partnership with the community and Governing Body. The earlier academy proposal was therefore seen as a positive response and a possible way forwards, which if the LA had chosen to support and back, could have contributed to the revitalisation of secondary education in the local area.

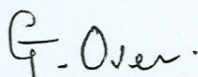
The Governing Body therefore reiterates its concerns and objections previously expressed and conveyed to the LA against the proposal for closure. We were assured by the former Director of Education, now Chief Executive, only three years ago that "closure was not an option". However, in the short space of two years we have progressed from the prospect of a new school that would be "a focus for the regeneration of the community" to closure, which the LA now states will contribute to "greater social mobility, inclusion and ultimately therefore improve community cohesion itself". The Governors consider that there is no sound evidence to support this hypothesis which they therefore refute.

This year's excellent GCSE results achieved by our students have only been begrudgingly acknowledged by the LA and attributed to "small class sizes" and with doubts about future sustainability. Praise indeed for the staff and pupils who have achieved wonders in circumstances not of their own making, and for the only school of four labelled National Challenge schools in the city to have achieved the national targets for GCSE results. We believe that good senior leadership, a clear strategic vision and targeted resources have led to this improvement, which we believe is also sustainable, and could, along with a new build for the school, have led to a turn around in pupil numbers.

It would appear that the Council is reacting to pressures from National Government to reduce surplus places with a distinct lack of vision and regardless of local needs. The closure of Riverside further reduces the choices for secondary education in the immediate neighbourhood and removes the potential for developing the earlier vision of education 3 to 16 years proposed by the Chief Executive.

The Governing Body further reiterates all its objections and concerns about the closure as previously expressed during the course of the consultations. It is the firm conviction of the Governing Body that the decision of the LA to pursue the closure of Riverside Business & Enterprise College is entirely misjudged.

Yours sincerely



Mr G Over  
 CHAIR OF GOVERNORS

Inspiring Achievement



Specialist Schools  
 and Academies Trust  
 EXCELLENCE AND DIVERSITY



Business &  
 Enterprise



INVESTOR IN PEOPLE



SPORT  
 ENGLAND  
 SPORTSMARK



UFA  
 UNIVERSITY  
 OF THE FUTURE  
 ACCREDITED  
 NATIONAL



Acting Vice Principal: Mr. G. Williams

Assistant Principals: Mrs. M. Campion, Mr. B. Kumar, Mr. L. Fairclough &amp; Ms. J. Cooper

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4.2 Representations from Schools and Settings Consultative Committee Teachers Panel (ASCL, ATL, NAHT, NASUWT, NUT, VOICE) – Appendix C

Ref.	Schools and Settings Consultation Committee Teachers' Panel representation (page 2 of Report)	Local Authority Response
a.	<p>State the action proposed is short sighted and damaging to the longer-term integrity of local education</p>	<p>The local authority has explored a wide range of options at Riverside including the potential creation of a City Academy, however, circumstances have changed with the collapse of parental preference.</p> <p>The local authority has been keen to work with the School to find solutions to its longer term future and to support the School until such time as the trend of low numbers could be reversed. Regrettably parents have not reciprocated by sending their children to Riverside School.</p>
b.	<p>Contend that the LA has not adequately explored how secondary education on that site fits into the wider context of education needs across the City.</p>	<p>It is clear from looking at the expression of parental preference that the education offered at Riverside School does not meet the aspirations or expectations of parents within the immediate area far less pupils across the City. (Further detail on parental preferences given below). An alternative proposal for education provision on this site has been suggested previously by the Schools and Settings Teachers' Panel during the course of the consultation exercise. The City Council has noted that the Teachers' Panel has previously indicated that "the teaching unions recognise that on current student number projections, Riverside Business and Enterprise College is not sustainable, both financially and in curriculum terms. We further recognise that in these circumstances the local authority has a duty to act to resolve the situation in the best interests of students and education in the City".</p> <p>These comments are predicated upon recognition that viability cannot be secured within the current 11 – 16 model and Teachers' Panel proposed an alternative "innovative and coherent alternative to closure retaining secondary education at Riverside". The respondents proposed an alternative model based upon a continuum of provision of mainstream and special education around that offered at Ellesmere School. The original proposal also proposed an intensive language intervention centre as part of this continual provision and that collectively this comprised a Centre of Excellence complex. This has been dropped from the representations received in response to the statutory notice and detailed proposal. This reflected a re-presentation of option 4 within the original business</p>

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		<p>case, that of establishing, flexible, collaborative arrangements amongst local authority maintained schools.</p> <p>Although respondents posed the inclusion of an intensive language intervention centre, the local authority responded that this ran contrary to national guidance upon inclusion and the placement of new arrivals. Reports to Scrutiny and Cabinet on 23<sup>rd</sup> September and 5<sup>th</sup> October respectively, stressed that in any event the material factors cited within the business case (collapse of parental preference and financial viability) remained unchanged and that such a development was unlikely to secure increased parental support and would do little to address the pressing immediate need to secure improved, sustained learning outcomes for Riverside students.</p> <p>The recasting of the Centre of Excellence in the most recent representation received does not change this judgement and indeed, raises further questions about the viability of the proposal.</p>
c.	<p>State that the LA will lose a Community comprehensive school in 2011, 3 years before secondary rolls start to rise.</p>	<p>Members' attention is drawn to the guidance published by the Department for Children, Schools and Families in connection with the removal of surplus places and the exercise of increased choice and diversity within the education sector. Members' attention is also drawn to the funding issues discussed within the initial business case and the funding gap that presents itself.</p>
d.	<p>It is argued that the City will need the equivalent of at least two large new schools or 3 smaller schools before 2017.</p>	<p>As part of its planning for Strategy for Change and the Primary Capital Programme, the City Council continues to review demographic projections for the City as these are integral to its pupil place planning strategy. Although research indicates that pupil numbers will increase over the next 10 years, it is apparent that this will only materialise following a period of demographic decline that will inevitably impact upon the Dedicated Schools Grant made available to the Council over these years.</p> <p>For Riverside and other secondary schools, this means that the numbers of pupils will continue to fall for the next 6 – 9 years and then begin to rise and to continue to rise for some time. It is also clear however that the current economic downturn will result in reduced housing gain overall across the City during this period too. There is therefore currently not projected pupil increase within the immediate locality of the school within the next few years that might result in a marked increase in pupil uptake that will alleviate the issues noted in the Riverside business case, consultation and proposal before Committee.</p> <p>Scrutiny and Cabinet members will of course need to be aware of the duty of the Council</p>

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		<p>under the Education and Inspections Act 2006 to exercise their powers with a view to securing diversity in the provision of schools and increasing opportunities for parental choice.</p>
<p>e.</p>	<p>Assert that future schools will need to be open to competition and be established by alternative promoters. By closing Riverside the LA is reducing its capacity to retain coherent community comprehensive education provision in the City.</p>	<p>The provisions of the Education and Inspections Act 2006 (discussed above) require all new schools to be established by competition unless the promoter is seeking to establish a voluntary aided school. The ability of the Council to promote a new school itself as a promoter will depend upon the capacity and OfSTED judgement of the local authority. Scrutiny and Cabinet members will wish to note that the requirements of the Education and Inspections Act 2006 are applicable <u>regardless</u> of the position adopted with respect to Riverside. Committee members will wish to note that the Cabinet has published a range of criteria that promoters and partners are encourage to adhere to and this of course includes a commitment to comprehensive education.</p>
<p>f.</p>	<p>In opening up the possibility of schools provided by alternative promoters (e.g. faith/ private sector) it is asserted that the LA runs the risk of seriously destabilising all current admission arrangements and creating an education free for all in the City.</p>	<p>Scrutiny and Cabinet will wish to note that parent's already have the ability to express a preference to any school across the City and, as detailed below, it is clear that 90% of Riverside parents are already taking this opportunity to seek a place elsewhere in the City.</p> <p>A range of admission options are proposed as part of the detailed proposal and these will form the basis of alternative school allocation procedures in the event of a decision taken to close Riverside School. These will have the effect of increasing the choice available to current Riverside students.</p>
<p>g.</p>	<p>Contend that the above will impact on standards, place preferences and have unforeseen consequences in terms of job losses for staff.</p>	<p>The City Council is mindful of the need to minimise adverse impact upon standards, admissions to City schools and impact upon staff employed at Riverside School. Respective measures are detailed in the equality impact assessment at Appendix F to this Report.</p> <p>In the event of a closure decision being taken the City Council will work closely with trades unions and professional associations to identify and deploy strategies to minimise impact on staff. As stated within the main body of the Report, the City Council will also establish a stakeholder Working Group to assist pupils and parents with the transition.</p>
<p>h.</p>	<p>State that the alternative proposal for an Inclusion Centre of Excellence would provide a more creative response to the situation and evidence local authority commitment to collaborative working involving both special and mainstream provision within a caring environment.</p>	<p>This item is addressed at (b) above.</p>

5. Representation from the Governing Body of Riverside Business and Enterprise College

Ref.	Governing Body representation (page 2 of Report)	Local Authority Response
a.	<p>Assert that the local authority lacks vision and has been aware of falling rolls and the difficulties in raising standards at Riverside for some years.</p>	<p>The local authority has supported Riverside intensely over the last 3 years, including the provision of additional financial resources detailed in the original business case. Regrettably, despite improvements in the School and standards achieved, parents have not had sufficient confidence in the School to request places for their children.</p> <p>As a consequence the local authority has been required to review the situation and, following consideration of consultation responses upon a number of options, has recommended an alternative solution for the young people in this area and at Riverside Business and Enterprise College.</p>
b.	<p>Assert that the local authority has failed to address the issue strategically and in partnership with the community and Governing Body.</p>	<p>The local authority has explored a wide range of options at Riverside including the potential creation of a city academy. However, circumstances have changed with the collapse of parental preference and confidence and this has required a more robust response.</p> <p>The local authority has been keen to work with the School to find solutions to secure a longer term future and to support the School until such time as the trend of low numbers could be reversed. It was for this reason that local authority officers worked to identify additional financial support for the School, which has now been secured for the next two years and why the City Council explored the inclusion of the School in plans for a potential city academy, as detailed in the business case and response to the subsequent consultation. Low and falling numbers led to both potential sponsors and the DCSF questioning its viability as an academy. There is little prospect of increasing pupil numbers to a viable level and it is difficult to justify continued high levels of subsidy to sustain Riverside as this will disproportionately reduce the resources available for other secondary school pupils across the City.</p> <p>Councillors are reminded that officers explored six different options in the initial business case including potential federation, flexible collaborative arrangements, and the establishment of a collaborative academy.</p>

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		<p>Although federation and collaborative working were supported by school governors, staff and trades unions, it was judged that the potential of these to address fundamentally low pupil numbers were not adequate to secure recovery.</p>
<p>c.</p>	<p>States that the closure of Riverside reduces secondary choice in the immediate neighbourhood and removes the potential for developing an earlier vision of 3 – 16 education proposed by the former Director of Children’s Services</p>	<p>The proposal for an academy was opposed by staff and trades unions.</p> <p>The City Council must pay regard to guidance from the Department for Children, Schools and Families that local authorities should take action to remove empty places at schools that are unpopular with parents and which do little to raise standards or improve choice (paragraph 4.35). Regrettably, Riverside School has 86% of year 7 places currently empty and overall 35% of all places are empty. This situation cannot be sustained.</p> <p>The fundament issue here is a collapse in parent support for this School within the immediate neighbourhood. In the last two years more than 90% of local people living within the school priority area have expressed a preference for another school for their child at secondary transfer, even if this means a journey outside the area.</p> <p>The Education and Inspections Act 2006 places a duty on local authorities to exercise their powers with a view to securing diversity in the provision of schools and implies that local authorities should take action to reduce capacity at schools that are unpopular with parents.</p> <p>References are made to an earlier vision of 3 – 16 education on this site proposed by the former Director of Children’s Services. This aspect was addressed and acknowledged by some respondents during the consultation exercise and it has been acknowledged that development of this age range within this part of the City at this time could only be achieved by impacting upon the provision of other schools.</p>
<p>d.</p>	<p>State that an earlier Academy proposal could have contributed to the revitalisation of the secondary education in the area.</p>	<p>The City Council notes the view of the Governing Body about the role a city academy might play in the revitalisation of secondary education in the area, however, members’ attention is drawn to the fact that current government policy reflects the view that an academy should have more than 600 on roll.</p> <p>Clearly Riverside does not meet this criteria and, as noted above, experiences additional difficulties in attracting potential sponsors.</p>

<p>e.</p>	<p>Refute the local authority comments that the proposal will contribute to “greater social mobility, inclusion and ultimately therefore improve community cohesion itself”.</p>	<p>If this proposal is implemented some pupils will undoubtedly seek and secure an alternative place outside West Leicester.</p> <p>The proposed revised admission arrangements for year 7 pupils at September 2010 and any other displaced pupils are documented in the detailed proposal (Appendix B) and commented upon in paragraphs 6.2 to 6.4 of this Report. These arrangements will enable parents to express a preference for any other City community maintained secondary school and these parents will be accorded a higher priority when places are allocated. It is important to note however that the majority of parents within the Riverside priority area already choose to send their children elsewhere.</p> <p>In 2008 and 2009 over 90% of pupils within the Riverside priority area expressed a preference to attend a school other than Riverside Business and Enterprise College. In choosing a school for their child, parents of course take a wide range of factors into account.</p> <p>The original business case and subsequent consultation provided information that indicated that the numbers of pupils travelling from across the City to Riverside School had declined significantly. It is clear from the equality impact assessment that has been undertaken that the Riverside cohort that will still be in the School in September 2010 will evidence the following characteristics: –</p> <ul style="list-style-type: none"> <li>○ The number of boys is higher than the City average particularly in those groups who will be in years 8, 9 and 10 in September 2010;</li> <li>○ The ethnic make up of most groups reflect the local cohort rather than the rest of the City – the majority of pupils come from white British backgrounds;</li> <li>○ There are no pupils who are registered disabled;</li> <li>○ There are more pupils with special educational needs than in the same year groups across the City;</li> <li>○ There are significant groups of pupils who currently require “school action”;</li> <li>○ The majority of pupils with identified special educational needs have moderate learning difficulties, speech and language associated difficulties or behaviour, social and emotional difficulties;</li> <li>○ The social context of these cohorts shows that a higher proportion than in the rest of the City come from the 10% most deprived nationally lower super output areas. This is also the case for pupils living in the 5% more disadvantaged.</li> </ul>
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		<p>The proposed closure of Riverside School will help ensure more sustainable schools in Leicester and will open up through, revised admission policies, student access to a wider range of schools and a more inclusive setting where young people will be exposed to other community groups and thus have richer personal experiences and development opportunities.</p>
<p>f.</p>	<p>Asserts that the local authority has failed to adequately acknowledge 2009 GCSE results, the importance new build would have made and the capacity of the leadership team and staff to turn around pupil numbers.</p>	<p>The City Council has readily acknowledged the achievement of staff and pupils at the School in the 2009 GCSE cohort. The City Council is pleased to acknowledge the progress made by pupils at Riverside School this summer, but remains of the view that progress to this degree cannot be sustained given the collapse in roll and the resources deployed to bring this about.</p> <p>In revising admission arrangements to accord displayed Riverside pupils a higher priority in all other City school, it is judged that this will be the best long term interest of these pupils and support improved educational outcomes and opportunities for them.</p> <p>Despite assertions from stakeholders that Riverside has been removed from the Building Schools for the Future programme, assurances have been provided that this is not the case at public meetings. The sequencing of development at Riverside has of course been the subject of discussion and agreement with City Headteachers. The Strategic Business Case for Building Schools for the Future sets out proposals for the re-building and refurbishment of all the local authority secondary schools, including Riverside. To date the local authority has not amended this decision and Riverside is still part of the BSF programme.</p>
<p>g.</p>	<p>Reaffirms all previous objections and concerns stated during the recent consultation period.</p>	<p>Issues raised previously by the Riverside Business and Enterprise College Governing Body have been addressed separately in reports to Scrutiny and Cabinet in September and October 2009 respectively.</p>

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## Outcome of consultation and proposal to close Riverside Business and Enterprise College

### EQUALITY IMPACT ASSESSMENT

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#### Introduction

The accompanying report recommends that Cabinet publish a Statutory Notice and Detailed Proposal stating the intent of the City Council to close Riverside Business and Enterprise College over the period September 2010 - August 2012.

This recommendation follows the recent presentation and consultation upon a business case that concluded there are strong educational, financial and business reasons to close this School.

The business case and details of the consultation themselves can be found at:

[www.leicester.gov.uk/riversideconsultation](http://www.leicester.gov.uk/riversideconsultation)

Closure is proposed at this point following a collapse in parental secondary transfer preferences, associated financial concerns, low educational attainments and central government policy guidance in this particular area.

Further detail is contained within the accompanying report.

Public authorities have a legal duty to conduct Equality Impact Assessments on key policies and programmes in relation to disability, ethnicity and gender. This document meets this requirement.

Equality Impact Assessments are not about compliance, they are about ensuring the life chances of every child and family are maximised by helping decision makers to identify and address potential barriers to improved outcomes.

This Equality Impact Assessment is based on guidance prepared by the Department for Children, Schools and Families Equality and Diversity Unit. It has been prepared following an *initial screening* exercise that has determined that there could be both negative and positive impacts associated with the proposal to close Riverside Business and Enterprise College.

As a result the City Council has completed a full Equality Impact Assessment on this proposed course of action with a view to identifying problems and opportunities that can be addressed to ensure more young people reach their potential and associated staff needs are met as far as practicably possible.

Throughout this assessment two key questions are asked with respect to three separate dimensions of equality – disability, ethnicity and gender.

## Key questions

- *Could the closure of Riverside Business and Enterprise College have a negative impact on one or more of the dimensions of equality? If so, how can the City Council implement its proposal to minimise impact or justify it?*
- *Could the closure of Riverside Business and Enterprise College have the potential to have a positive impact on equality by reducing and removing inequalities and barriers that already exist? If so, how can the City Council maximise this potential?*

## Key principles informing assessment

This Equality Impact Assessment reflects certain key principles and criteria. These are:

1. *All learners are of equal value* and should benefit from this proposal equally regardless of their disability, ethnicity, culture, religious affiliation and faith, national origin or national status and their gender.
2. *Relevant differences should be recognised such that the proposal does not discriminate and is differentiated as necessary* to take account of differences of life experience, outlook and background in relation to disability, ethnicity and gender.
3. *Workforce Development. This proposal should not adversely impact upon any particular group within the workforce* in terms of their employment, and disability, ethnicity, culture, religious affiliation and faith, national origin or national status or gender.
4. *Positive attitudes and relationships should be fostered towards disabled people and good relations between disabled and non-disabled people.* The proposal must foster positive interaction and good relationships between groups and communities that are distinctly different from each other in terms of ethnicity, culture, religious affiliation and faith, national origin or national status. The proposal should promote mutual respect and good relations between boys and girls and women and men.
5. *Society as a whole should benefit.* This proposal should benefit society as a whole both locally and across the City by fostering greater cohesion and participation by disabled people, people from a wide range of ethnic cultural and religious backgrounds and boys and girls and women as well as men.
6. *Current inequalities and barriers should be addressed and reduced.*
7. *Proposal should acknowledge consultation concerns and seek to secure involvement through both direct and representative organisations based on transparency and accountability.* Reflect the views of disabled people, people of minority ethnic cultural and religious backgrounds and women as well as men.

## Summary issues for consideration

From consideration of the principles the following questions arise:

<b>Key topics</b>	<b>Disability</b>	<b>Ethnicity</b>	<b>Gender</b>
<i>1. Outcomes for learners</i>	Does the proposal benefit all learners and potential learners or are disabled learners potentially excluded, disadvantaged or marginalised?	Does the proposal benefit all learners and potential learners, whatever their ethnic, cultural or religious background? Or are people from certain backgrounds losing out?	Does the proposal benefit all learners and potential learners, whichever their gender? Or are outcomes different for females and males, with some being disadvantaged?
<i>2. Recognising relevant differences</i>	Is due account taken of the specific needs and experiences of disabled people? Or is a 'one size fits all' approach adopted?	Is due account taken of different cultural backgrounds? Or is a 'one size fits all' approach adopted?	Is due account taken of girls and boys differing experiences? Or is a 'one size fits all' approach adopted?
<i>3. Impact upon the workforce</i>	Does the proposal affect all members of the workforce equally; are reasonable adjustments for disabled staff being made?	Does the proposal affect all members of the workforce equally, whatever their ethnic, cultural or religious background? Or are some excluded?	Does the proposal affect all members of the workforce equally, whichever their gender? Or are there differential impacts, both positive and negative?
<i>4. Impact upon attitudes, relationships and community cohesion</i>	Does the proposal promote positive attitudes towards disabled people, and good relations between disabled and non-disabled people? Or does it result in negativity and little mutual contact?	Does the proposal promote positive interaction and good relations between different groups and communities? Or are there tensions and negative attitudes?	Does the proposal promote good relations between girls and boys and women and men?
<i>5. Benefits for society</i>	Does the proposal benefit society as a whole by encouraging participation or are disabled people excluded or marginalised?	Does the proposal benefit society as a whole by encouraging participation in public life of citizens from a wide range of backgrounds? Or are certain communities excluded or marginalised?	Does the proposal benefit society as a whole by encouraging participation of girls as well as boys/ men of women? Or are girls/ women excluded or marginalised?
<i>6. Positive impact on equality</i>	Does this proposal help to reduce and remove inequalities between disabled and non-disabled people that currently exist? Or does inequality for disabled people continue?	Does this proposal help to reduce and remove inequalities and poor relations between different communities that currently exist? Or do barriers and inequalities continue?	Does this proposal help to reduce and remove inequalities between women and men and girls and boys that currently exist? Or do inequalities continue?
<i>7. Consultation, involvement and accountability</i>	Is this proposal based on involvement of and consultation with disabled people? Or are the views and experiences of disabled people not sought or not heeded?	Is this proposal based on involvement of and consultation with people from a range of backgrounds? Or are certain views and experiences not sought or not heeded?	Is this proposal based on involvement of and consultation with both women and men and girls and boys? Or are the views and experiences of women or men not sought or heeded?

To address the above a broad evidence base must be interrogated and cohort level data reviewed.

## The evidence base

This Assessment is informed by the following evidence:

- Data from School & LA management information systems with respect to disability, ethnicity, gender and social deprivation by postcode\*.
- Special Educational Needs register
- Free School meals entitlement data
- Outcomes from the City Council's HR system – Resource Link\*

\* Although current legislation relates only to disability, ethnicity and gender the City Council is mindful of the local context and plans being developed by the new Equality and Human Rights Commission (EHRC) for the future. The City Council has therefore included reference to special educational needs and social deprivation within this assessment with regard to pupil cohorts. Similarly workforce analysis has paid due regard to age.

### **Riverside Business and Enterprise College: Pupil Cohort and staff profiles 2010 - 2012**

Respective pupil cohort profiles for the following can be found at **Schedule 1** to this Assessment:

These profiles address:

- Gender
- Ethnicity
- Disability
- Special Educational Needs
- Social deprivation

Respective staff profiles can be found on page 8.

**Key Issues for consideration****Children, young people and families****Pupil cohort 2010 - 2012****Methodology**

Pupil data has been examined at respective cohort level for each year group from September 2010 onwards.

i.e.

September 2009 year 7 intake which will form Year 8 cohort Autumn 2010  
 September 2009 year 8 intake which will form Year 9 cohort Autumn 2010  
 September 2009 year 9 intake which will form Year 10 cohort Autumn 2010  
 September 2009 year 10 intake which will form Year 11 cohort Autumn 2010

(Comparisons have been drawn against relevant City wide cohorts using data current at 17 August 2009.)

**Key facts – pupil cohort**

The Riverside cohorts vary but across the cohorts that will still be in the School in September 2010, if this proposed closure is agreed, the following issues will need to be considered:

- The number of boys is higher than the city average particularly in those groups who will be in Y8, Y9 and Y10 in September 2010.
- The ethnic make-up of most groups reflect the local cohort rather than the rest of the city. The majority of pupils come from White British backgrounds.
- There are no pupils who are registered disabled (- however 2 have hearing impairments - 1 in Y9 this autumn and 1 in year 10.)
- There are more pupils with special educational needs than the same year groups across the City. Particular consideration will need to be made for the group who will begin Y10 in 2010.
- There are also significant groups of pupils who currently require *school action*. The majority of pupils with identified special educational needs have moderate learning difficulties, speech and language associated difficulties or behaviour, social and emotional difficulties.
- The social context of these cohorts shows that a higher proportion than in the rest of the City come from the 10% most deprived (nationally) Lower Super Output Areas. This is also the case for pupils living in the 5% most deprived.

Pupil Cohort: 2010 – 2012:

Strategies to address potential equality issues

*Analysis of the evidence has identified:*

1. A requirement to pay particular need to the special educational needs in transitional planning. In particular regard will need to be paid to the needs of the September 2010 Year 10 cohort.
2. Issues in connection with pupils with hearing impairment will be addressed through individual education plans.
3. The number of pupils presenting with moderate learning and behaviour difficulties suggests that this aspect too should feature in transitional plans.
4. The above suggest that consideration should be given to providing a mechanism whereby friendship groups be maintained where practicably possible in admissions allocations. This cannot, of course, be guaranteed.
5. Given the number of pupils within all cohorts who reside in the top 10% of deprived lower super output areas there is a clear need to provide consideration to issues in connection with the promotion and provision of transport assistance as required.

Summary conclusions – pupil cohort:

Development and incorporation of strategies in connection with the (1) – (5) above will help mitigate negative effects of change if this proposal is implemented.

Potential strategies include:

- All pupils to have a personalised transfer and transition plan;
- The LA to work closely with families and other schools to ensure that the best placement and provision is secured;
- The LA to work closely with the school to ensure a curriculum to meet the needs of all pupils during the time leading up to closure, including continued high-quality support for pupils with SEN;

Given the above the City Council would expect all pupils to make at least the same progress as if they remained at Riverside, and that many pupils will make better progress. In future, pupils who would have gone to Riverside will go to schools where they will make better progress. So the impact on equalities is positive for most pupils.

It is noted that a number of respondents within the recent consultation have raised concerns about the impact of school closure upon the immediate school community and the broader West Leicester community. Concerns have been raised about divisive community and school based behaviours across West Leicester – an area characterised by poor educational achievement and attainment. This finds expression in a view expressed that primary schools have specifically briefed against Riverside at secondary transfer option and concerns about behaviour management and bullying in other secondary schools within the area. These reflect deep-seated tensions within communities and themselves mitigate against community cohesion.



The proposed closure of Riverside School will help ensure more sustainable schools within this immediate part of Leicester.

The proposed closure and revised admission arrangements documented in the accompanying Detailed Proposal will also help open up access to improved educational opportunities for young people – something that parents within the current priority area who are expressing first preferences for alternative schools are clearly trying to achieve.

In this sense the proposed closure of this school contributes not only to improved individual outcomes but greater social mobility, inclusion and ultimately improved community cohesion itself.

***With regard to the provision of education for young people an adverse impact is therefore unlikely; on the contrary, the proposal has the clear potential to have a positive impact by reducing and removing barriers and inequalities that currently exist.***

## Key Issues for consideration

### Workforce

Analysis of Resource Link has identified the following:

#### RIVERSIDE COMMUNITY SCHOOL –TEACHING STAFF PROFILE

Age groups	Male	Male	Female	Female	Total	Total
	Posts	People	Posts	People	Posts	People
20-30	6	6	3	3	9	9
31-40	8	6	8*	8*	16	14
41-50	4	3	14	14	18	17
51-60	5	5	11	10	16	15
Above 61	0	0	0	0	0	0
TOTAL	23	20	36	35	59	55

#### RIVERSIDE COMMUNITY SCHOOL –SUPPORT STAFF PROFILE

Age groups	Male	Male	Female	Female	Total	Total
	Posts	People	Posts	People	Posts	People
20-30	4	4	8	8	12	12
31-40	3	3	19	17*	22	20
41-50	5	5	29	23	34	28
51-60	8	6	16	16	24	22
Above 61	2	2	3	3	5	5
TOTAL	22	20	75	67	97	87

#### RIVERSIDE COMMUNITY SCHOOL – ALL STAFF PROFILE

Age groups	Male	Male	Female	Female	Total	Total
	Posts	People	Posts	People	Posts	People
20-30	10	10	11	11	21	21
31-40	11	9	27	25	38	34
41-50	9	8	43	37	52	45
51-60	13	11	27	26	40	37
Above 61	2	2	3	3	5	5
TOTAL	45	40	111	102	156	141*(142)

Gender, disability and ethnicity: The majority of employees within both the teaching and support staff are female and therefore school closure will naturally impact greater upon this group. This position is more pronounced amongst support staff which is 77% female.

Age: 27% of teaching staff are currently aged 51 and above. 31% of support staff are currently aged 51 and above and overall 29.7% of all staff are currently aged 51 and above.

No staff members have a registered disability on the Council Resource Link system. There is therefore no anticipated impact upon this target group.

Information with regard to ethnicity is very patchy as staff have self declared and a full profile is not known. There is therefore no anticipated impact upon this target group.

**Workforce: 2010 – 2012:****Strategies to address potential equality issues**

- Careful consideration would need to be given to staffing matters including meeting the welfare needs of all staff affected. The provision of welfare, counselling, training, development and careers advice and guidance to staff would form part of the strategy to mitigate adverse impact for staff. Interviewing skills training will form part of a targeted approach.
- The City Council would undoubtedly wish to retain as many staff as possible within other schools and would need to broker agreements to this effect to reduce possibility of compulsory redundancy.
- Dedicated support from the Human Resources team would provide assistance in either redeployment to other educational establishments within the city or support in the event of termination of contract.

**Summary conclusions - workforce**

*Analysis of the evidence and proposed strategies has determined that there is no one employee group more than another likely to be adversely affected by these proposals.*

While the City Council recognise that it is preferable that school organisation decision contribute towards community cohesion and community safety for young people and their families, and that there is an accord with all stakeholders on this, there is of course also a requirement upon the Authority to reconcile this with its duty to secure school improvement, deliver value for money and meet public law obligations.

With regard to the workforce an adverse impact is probable for all groups however the proposal as a whole can nevertheless be justified.

**Relationship of Equality Impact Assessment to current proposal**

This Assessment has been prepared in accordance with current guidance from the Department for Children, Schools and Families. This assessment is intended to inform planning, independent scrutiny and decision taking by elected members.

The findings of this Equality Impact Assessment have informed the transitional plans within the accompanying Detailed Proposal.

As a result of this process it is recommended that a stakeholder transition group be established to advise upon operational issues associated with this particular school closure and to assist the smooth transition of pupils to other schools and reconciliation of workforce related matters.

This Group would work closely with local schools, agencies and services to ensure that curriculum offer and extended services offered to pupils formally at Riverside would be maintained and wherever possible improved and staff interests protected.

**Trevor Pringle  
Divisional Director  
Planning & Commissioning**

**September 2009**

## Schedule 1

### Pupil Cohort Analysis 2010 – 2012

#### Year 8 Cohort – September 2010

##### Number on role

There are 30 pupils currently registered to enter Riverside in September 2009 who will form the September 2010 Year 8 cohort.

##### Gender

Of these pupils 43% are girls and 57% are boys.

##### Ethnicity

The pupils' ethnic make up is predominantly White (87%). However there are 3 boys from non-white ethnic minorities - 1 Indian and 2 Black African other.

There is only one non-white girl - Asian Indian.

This ethnic make up is very different from the other year groups currently within the school.

It is also different to the rest of the city where within the Year 7 intake for 2009 there are 58% of pupils from non-white ethnic groups - 42% from White ethnic groups.

##### Disability

There are no registered disabled pupils in the September 2009 Year 7 intake group

##### Special Educational Needs

37% the pupils have an identified special educational need. 23% of girls are at school action, whilst 24% of boys are at school action with an equal number being at school action plus.

There are no statemented pupils.

There are three children each of whom have a different identified need - one Behaviour, social and emotional difficulties, 1 with moderate learning difficulties and one with other needs.

This SEN data shows that fewer of the intake have a recognised SEN than in other year groups within the school.

Across the new year 7 intake for the local authority as a whole there are 27% of pupils with an identified special educational need. Of these 15% are at school action, 8% at school action plus and 3% are statemented

There are no pupils in this intake group who are identified as being gifted and talented.

### School meal eligibility

40% of the new cohort is eligible for Free School Meals - this represents 53% of boys and 23% of girls. This is the second highest level of free school meals in a cohort.

Across the Local Authority there are 25% of the year 7 cohort who are eligible for FSM (this is higher than other cohorts). 25.3% of boys and 24.9% of girls are eligible.

### Social Deprivation

Deprivation analysis show that there is no significant difference between the IDACI\* average score and other year groups - however boys entering year 7 have a significantly higher, and therefore more deprived IDACI score (0.51) than girls (0.33).

*(\*IDACI = the Income Deprivation Affecting Children Index which is a supplementary index to the Indices of Multiple Deprivation and focuses on aspects affecting children.)*

The percentage of new Y7 pupils who live in the 5% most deprived lower super output areas (LSOAs) is 10% which is significantly lower than that for other year groups see (2) and (3). Compared to the local authority percentage of pupils in the 5% most deprived LSOAs in the same year group (15%) this group is less deprived.

The percentage of new Y7 pupils who live in the 10% most deprived lower super output areas (LSOAs) is 37% which is also significantly lower than that for other year groups see (2) and (3). Compared to the local authority percentage of pupils in the 10% most deprived LSOAs in the same year group (33%) this group is slightly more deprived.

## **Year 9 Cohort – September 2010**

### Number on roll

There are 58 pupils currently registered to begin Year 8 in September 2009 - these will be Year 9 at the beginning of the autumn term 2010

### Gender

Of these pupils 35% are girls and 66% are boys. This is a significant variance from the local authority.

### Ethnicity

The pupils ethnic make up is predominantly White (80%). Of the 21% of pupils from non-white backgrounds 12% are of Asian Indian backgrounds. Other groups represented are 3 Black African pupils (1 Somali) and 1 mixed white and black african pupil. A third (26% of all pupils) are of White European or White Other backgrounds.

This ethnic make up is similar to older year groups within the school.

It is different to the rest of the City where within the Year 8 cohort for September 2009 there are 61% of pupils from non-white ethnic groups - 32% Asian Indian. Of the 39% from White ethnic groups 4% are not White British.

### Disability

There are no registered disabled pupils in the September 2009 Year 8 group

### Special Educational Need

47% the pupils have an identified special educational need. 25% of girls are at school action with 10% (2) at school action plus and 10% have a Statement of SEN, whilst 34% of boys are at school action, 11% at school action plus and 1 boy has a Statement.

This year group has the highest proportion of pupils with SEN.

Across the year 8 cohort for the local authority as a whole there are 31% of pupils with an identified special educational need. Of these 19% are at school action, 9% at school action plus and 4% are statemented. There are 5 pupils identified as having moderate learning difficulties, one with speech and language difficulties and one with other needs.

3.4% of pupils in this intake group are identified as being gifted and talented.

### Free school meal eligibility

47% of the Y8 cohort is eligible for Free School Meals - this represents 47% of boys and 45% of girls. This is the highest level of free school meals for any cohort - see (2) and (3)

Across the Local Authority there are 27% of the year 8 cohort who are eligible for FSM. 26.3% of boys and 27.8% of girls are eligible.

### Social Deprivation

Deprivation analysis show that there is no significant difference between the IDACI average score and other year groups or between the genders however the Riverside cohort scores 0.05 above the figures for the same cohort in the LA.

The percentage of Year 8 pupils who live in the 5% most deprived lower super output areas (LSOAs) is 21% which is line with older year groups. This is much higher than the same cohort for the LA which is 15%.

The percentage of September 2009 Y8 pupils who live in the 10% most deprived lower super output areas (LSOAs) is 47%. Compared to the local authority percentage of pupils in the 10% most deprived LSOAs in the same year group (32%) this group is more deprived.

## **Year 10 Cohort – September 2010**

### Number on roll

There are 74 pupils currently registered to begin Year 9 in September 2009 - these will be Year 10 at the beginning of the autumn term 2010

### Gender

Of these pupils 38% are girls and 62% are boys. This is a significant variance from the local authority.

### Ethnicity

The pupils' ethnic make up is predominantly White (66%). Of the 34% of pupils from non-white backgrounds 9% are of Asian Indian backgrounds and 10% are of Black African ethnicity (1girl and 8 boys) - (3% Somali). Other pupils are from mixed heritage backgrounds (6 pupils). A fifth (20% of all pupils) are of White European or White Other backgrounds.

This ethnic make up is similar to older year groups within the school.

It is different to the rest of the city where within the Year 9 for September 2009 there are 61% of pupils from non-white ethnic groups 33% Asian Indian. Of the 39% from White ethnic groups 4% are not White British.

### Disability

There are no registered disabled pupils in the September 2009 Year 9 group

### Special Educational Needs

39% the pupils have an identified special educational need. 21% of girls are at school action with 4% (1) at school action plus and none have a Statement of SEN, whilst 13% of boys are at school action, 24% at school action plus and 11% have a Statement. There are 9 pupils with Behaviour, Social and Emotional Difficulties, 1 hearing impaired, 11 with moderate learning difficulties. 1 other difficulties, 4 with Speech, language and communication needs and 2 with speech and language difficulties. This is across 16 pupils, 12 of whom have more than one special educational need.

This year group has the highest proportion of pupils with Statements of Special Educational Needs.

Across the year 9 cohort for the local authority as a whole there are 27% of pupils with an identified special educational need. Of these 16% are at school action, 8% at school action plus and 4% are statemented.

9.5% of pupils in this intake group are identified as being gifted and talented.

### Free school meal eligibility

35% of the Year 9 cohort is eligible for Free School Meals - this represents 46% of boys and 21% of girls.

Across the Local Authority there are 25% of the year 9 cohort who are eligible for FSM. 26% of boys and 25% of girls are eligible.



### Social Deprivation

Deprivation analysis show that there is no significant difference between the IDACI average score and other year groups. However this cohort shows a variance of 0.1 between boys and girls with girls having a lower IDACI score - 0.4 - this is still more deprived than the girls across the LA.

The percentage of Year 9 pupils who live in the 5% most deprived lower super output areas (LSOAs) is 22% which is line with other year groups. This is much higher than the same cohort for the LA which is 16%.

The percentage of September 2009 Y9 pupils who live in the 10% most deprived lower super output areas (LSOAs) is 55%. Compared to the local authority percentage of pupils in the 10% most deprived LSOAs in the same year group (32%) this group is more deprived.

### **Year 11 Cohort – September 2010**

#### Number on roll

There are 126 pupils currently registered to begin Year 10 in September 2009 - these will be Year 11 at the beginning of the autumn term 2010

#### Gender

Of these pupils 52% are girls and 48% are boys. This is slightly different from the local authority for the same cohort which is 48% girls.

#### Ethnicity

The pupils' ethnic make up is predominantly White (79%). Of the 21% of pupils from non-white backgrounds 9% are Asian (6% Indian) and 6% are of Black African ethnicity. Other pupils are from mixed heritage backgrounds (5%). 28% of all pupils are of White European or White Other backgrounds.

This ethnic make up is similar to other year groups within the school.

It is different to the rest of the city where within the Year 10 for September 2009 there are 60% of pupils from non-white ethnic groups 32% of Asian Indian heritage. Of the 40% from White ethnic groups 4% are not White British.

#### Disability

There are no registered disabled pupils in the September 2009 Year 10 group

#### Special Educational Needs

39% the pupils have an identified special educational need. 22% of girls are at school action with 5% at school action plus and 2% have a Statement of SEN, whilst 25% of boys are at school action, 17% at school action plus and 8% have a Statement. There is one pupil with a hearing impairment, 4 with behaviour, social and emotional difficulties, 1 has

an autistic spectrum condition, 10 with moderate learning difficulties, 2 with other needs and 1 with speech and language difficulties across 17 pupils 2 with additional needs.

Across the year 10 cohort for the local authority there are 27% of pupils with an identified special educational need. Of these 15% are at school action, 8% at school action plus and 4% are statemented.

5.6% of pupils in this cohort are identified as being gifted and talented.

### Free school meal eligibility

31% of the Y10 cohort is eligible for Free School Meals - this represents 33% of boys and 29% of girls.

Across the Local Authority there are 23% of the year 10 cohort who are eligible for FSM. 24% of boys and 23% of girls are eligible.

### Social Deprivation

Deprivation analysis show that there is no significant difference between the IDACI average score and other year groups or between the genders.

The percentage of Year 10 pupils who live in the 5% most deprived lower super output areas (LSOAs) is 25% which is the highest across the year groups. This is much higher than the same cohort for the LA which is 15%.

The percentage of September 2009 Year 10 pupils who live in the 10% most deprived lower super output areas (LSOAs) is 48%. Compared to the local authority percentage of pupils in the 10% most deprived LSOAs in the same year group (32%) this group is more deprived.

## Comparative cohort and Leicester City data tables

**Gender**

Year cohort as at Sept 09	F	M	All Pupils	Girls	Boys
7	13	17	30	43.3%	56.7%
8	20	38	58	34.5%	65.5%
9	28	46	74	37.8%	62.2%
10	66	60	126	52.4%	47.6%
All pupils	114	144	258	44.2%	55.8%

**Social Deprivation**

Yr7 Deprivation	Up to 5% most deprived	5 - 10% most deprived	Up to 10% most deprived
F	15.4%	15.4%	30.8%
M	5.9%	35.3%	41.2%
All Y7	10.0%	26.7%	36.7%

Yr8 Deprivation	Up to 5% most deprived	5 - 10% most deprived	Up to 10% most deprived
F	15.0%	25.0%	40.0%
M	23.7%	26.3%	50.0%
All Y8	20.7%	25.9%	46.6%

Yr 9 Deprivation	Up to 5% most deprived	5 - 10% most deprived	Up to 10% most deprived
F	25.0%	17.9%	42.9%
M	19.6%	43.5%	63.0%
All Y9	21.6%	33.8%	55.4%

Yr10 Deprivation	Up to 5% most deprived	5 - 10% most deprived	Up to 10% most deprived
F	22.7%	25.8%	48.5%
M	26.7%	21.7%	48.3%
All Y10	24.6%	23.8%	48.4%

Y7	Average IDACI score	Y9	Average IDACI score
Girls	0.33	Girls	0.40
Boys	0.51	Boys	0.50
Cohort Average	0.43	Cohort Average	0.46

Y8	Average IDACI score	Y10	Average IDACI score
Girls	0.45	Girls	0.45
Boys	0.44	Boys	0.45
Cohort Average	0.44	Cohort Average	0.45

## APPENDIX F

### Ethnicity

Yr 7 Intake ethnicity	Girls	Boys	All Y7
AIND - Indian	1	1	2
BAOF - Other Black African		2	2
WBRI - British	11	13	24
WEUR - White European	1	1	2
No of Y7	13	17	30
Yr 8 ethnicity	Girls	Boys	All Y8
AIND - Indian	5	2	7
BAOF - Other Black African	1	1	2
BSOM - Somali		1	1
MWBA - White/Black African		1	1
OOTh - Any other Ethnic Group		1	1
WBRI - British	11	20	31
WEUR - White European	2	5	7
WIRI - Irish	1		1
WOTW - Other White		7	7
No of Y8	20	38	58
Yr 9 Ethnicity	Girls	Boys	All Y9
AIND - Indian	2	5	7
APKN - Pakistani	1		1
BAOF - Other Black African	1	4	5
BCRB - Black Caribbean		2	2
BSOM - Somali		2	2
MOTH - Any other Mixed backgro		1	1
MWBA - White/Black African	1		1
MWBC - White/Black Carribbea	2		2
OOTh - Any other Ethnic Group	2	2	4
WBRI - British	12	22	34
WEUR - White European	1	2	3
WOTW - Other White	6	6	12
No of Y9	28	46	74
Yr 10 Ethnicity	Girls	Boys	All Y10
AAFR - African Asian	1		1
AIND - Indian	5	3	8
AOTA - Other Asian	1		1
APKN - Pakistani	2		2
BAOF - Other Black African	2	1	3
BCRB - Black Caribbean		2	2
BOTH - Any other Black backgro	2		2
BSOM - Somali		1	1
MOTH - Any other Mixed backgro	3		3
MWAS - White/Asian		1	1
MWBC - White/Black Carribbea	1	1	2
WBRI - British	33	32	65
WEUR - White European	5	9	14
WIRI - Irish	1	1	2
WOTW - Other White	10	9	19
No of Y10	66	60	126

Girls	Boys	All
7.7%	5.9%	6.7%
0.0%	11.8%	6.7%
84.6%	76.5%	80.0%
7.7%	5.9%	6.7%
7.7%	17.6%	13.3%
Girls	Boys	All
25.0%	5.3%	12.1%
5.0%	2.6%	3.4%
0.0%	2.6%	1.7%
0.0%	2.6%	1.7%
0.0%	2.6%	1.7%
55.0%	52.6%	53.4%
10.0%	13.2%	12.1%
5.0%	0.0%	1.7%
0.0%	18.4%	12.1%
30.0%	15.8%	20.7%
Girls	Boys	All
7.1%	10.9%	9.5%
3.6%	0.0%	1.4%
3.6%	8.7%	6.8%
0.0%	4.3%	2.7%
0.0%	4.3%	2.7%
0.0%	2.2%	1.4%
3.6%	0.0%	1.4%
7.1%	0.0%	2.7%
7.1%	4.3%	5.4%
42.9%	47.8%	45.9%
3.6%	4.3%	4.1%
21.4%	13.0%	16.2%
32.1%	34.8%	33.8%
Girls	Boys	All
1.5%	0.0%	0.8%
7.6%	5.0%	6.3%
1.5%	0.0%	0.8%
3.0%	0.0%	1.6%
3.0%	1.7%	2.4%
0.0%	3.3%	1.6%
3.0%	0.0%	1.6%
0.0%	1.7%	0.8%
4.5%	0.0%	2.4%
0.0%	1.7%	0.8%
1.5%	1.7%	1.6%
50.0%	53.3%	51.6%
7.6%	15.0%	11.1%
1.5%	1.7%	1.6%
15.2%	15.0%	15.1%
25.8%	15.0%	20.6%

**Special Educational Needs**

Special Educational Needs Status	No of Y7	No identified SEN	School Action	School Action Plus	Statemented
F	13	76.9%	23.1%	0.0%	0.0%
M	17	52.9%	23.5%	23.5%	0.0%
All Y7	30	63.3%	23.3%	13.3%	0.0%

Special Educational Needs Status	No of Y8	No identified SEN	School Action	School Action Plus	Statemented
F	20	55.0%	25.0%	10.0%	10.0%
M	38	52.6%	34.2%	10.5%	2.6%
All Y8	58	53.4%	31.0%	10.3%	5.2%

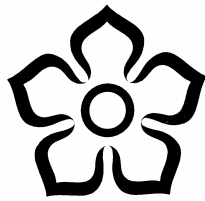
Special Educational Needs Status	No of Y9	No identified SEN	School Action	School Action Plus	Statemented
F	28	75.0%	21.4%	3.6%	0.0%
M	46	52.2%	13.0%	23.9%	10.9%
All Y9	74	60.8%	16.2%	16.2%	6.8%

Special Educational Needs Status	No of Y10	No identified SEN	School Action	School Action Plus	Statemented
F	66	71.2%	22.7%	4.5%	1.5%
M	60	50.0%	25.0%	16.7%	8.3%
All Y10	126	61.1%	23.8%	10.3%	4.8%

**Gifted and talented by year group and gender**

NCY	All pupils	All G&T pupils		All G&T pupils
		Girls	Boys	
8	58	1.7%	1.7%	3.4%
9	74	6.8%	2.7%	9.5%
10	126	3.2%	2.4%	5.6%
All G&T	258	3.9%	2.3%	6.2%

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Leicester  
City Council

At a meeting of the LEICESTER CITY COUNCIL held at the Town Hall at FIVE O'CLOCK in the afternoon on 25 November 2009 duly convened for the business hereunder mentioned.

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**BUSINESS**

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**1. LORD MAYOR'S ANNOUNCEMENTS**

**2. BY-ELECTION - CASTLE WARD**

**3. DECLARATIONS OF INTEREST**

**4. MINUTES OF PREVIOUS MEETING**

**5. PETITIONS**

- Presented by Councillors
- Presented by Members of the Public

**6. QUESTIONS**

- From Members of the Public
- From Councillors

**7. REPORTS OF CABINET**

**7.1** Outcome of Consultation on Proposed Move to Close Reiverside Business and Enterprise College

**7.2** Gambling Policy – Renewal

**7.3** Leicester's Bid to Become a Candidate Host City for the 2018 and 2022 FIFA World Cup

**8. REPORTS OF THE SOLICITOR**

**8.1** Member Development Progress Report

## **9. REPORT OF THE CHAIR OF AUDIT COMMITTEE**

### **9.1 Annual Report of the Audit Committee**

## **10. CABINET AND COMMITTEES**

To vary the composition and fill any vacancies of Cabinet and any Committee of the Council.

## **11. NOTICES OF MOTION**

Proposed by Councillor Coley, seconded by Councillor Hunt:-

### **This Council notes that:-**

1. Climate change predictions show that without severe cuts in greenhouse gas emissions, the world will be hit by drought, flooding and famine affecting all of us, the poorest countries in particular. Some of these countries are already suffering from the effects of climate change. This is an issue of social justice as well as a call to take environmental action
2. Under the UK Climate Change Act 2008 the UK is due to cut its emissions by 34% by 2020, but that, according to climate change scientists, a cut of 10% in 2010 is in line with what is now needed to avert runaway climate change.
3. The United Nations Framework Convention on Climate Change, which meets in Copenhagen in December of this year, may be the world's last chance to negotiate a deal that will avert the worst consequences of climate change.
4. To ensure a breakthrough at the critical Copenhagen conference government ministers need to know that the British public support more dramatic cuts in emissions than have hitherto been proposed.
5. There are more than 20 councils amongst those who have already signed up to the "10:10 Campaign" which seeks to persuade individuals, businesses, organisations and the UK government to reduce their CO2 emissions by 10% in 2010: The campaign has wide support and is backed by both the Energy Savings Trust and the Carbon Trust

This Council supports the aims and ambitions of the 10:10 Campaign and therefore authorises the Council to sign up for the 10:10 campaign and execute any necessary documentation to record this.

## **12. ANY OTHER URGENT BUSINESS**



**PRESENT:**

**ROGER BRIAN BLACKMORE LORD MAYOR**  
**CHAIR**

**Abbey Ward**

ANNETTE DAWN BYRNE  
COLIN STUART MARRIOTT

**Aylestone Ward**

NIGEL CARL PORTER

**Beaumont Leys Ward**

VIOLET GEDDES GRAHAM DEMPSTER  
KEITH JOHN LLOYD-HARRIS  
PAUL THOMAS WESTLEY

**Belgrave Ward**

RASHMIKANT JOSHI  
JOHN WILLIAM THOMAS

**Braunstone Park and Rowley Fields**

MICHAEL ERNEST COOKE  
ANNE ELIZABETH GLOVER  
WAYNE JAN NAYLOR

**Castle Ward**

LYNN SENIOR  
PHILIP ROLAND GORDON  
PATRICK JOSEPH KITTERICK

**Charnwood Ward**

PAUL DARREN NEWCOMBE  
ABDUL RAZAK OSMAN

**Coleman Ward**

MARY ELAINE DRAYCOTT  
MIAN MOHAMMED MAYAT

**Freeman Ward**

DALE DEREK KEELING  
WILLIAM HENRY SHELTON

**Humberstone and Hamilton Ward**

JOHN VINCENT MUGGLESTONE  
BARBARA ANNE POTTER  
RAMILA SHAH

**Knighton Ward**

ANDREW JAMES BAYFORD  
ROSS IAN GRANT  
GARY GLENDON HUNT

**Latimer Ward**

VEEJAY PATEL  
MANJULA PAUL SOOD

**New Parks Ward**

JOHN STEPHEN BLACKMORE  
STEPHEN PETER CORRALL  
COLIN JOHN HALL

**Rushey Mead Ward**

CULDIPP SINGH BHATTI  
PIARA SINGH CLAIR  
ROSS WILLMOTT

**Spinney Hills Ward**

HANIF AQBANY  
SHOFIQUUL ISLAM CHOWDHURY  
MOHAMMED DAWOOD

**Stoneygate Ward**

IQBAL ALIBHAI DESAI  
PARMJIT SINGH GILL  
HUSSEIN ISMAIL SULEMAN

Evington Ward

DEEPAK BAJAJ  
MICHAEL HOWARD JOHNSON

Eyres Monsell Ward

KIMBERLEY BLOWER  
RORY PALMER

Fosse Ward

MANISH ACHARYA SOOD  
ROBERT WANN

Thurncourt Ward

JOHN GRANT ALLEN  
CAROLINE LOUISE SCUPLAK

Wescotes Ward

ANDREW IAN CONNELLY  
SARAH CHRISTINE RUSSELL

Western Park Ward

PETER COLEY

### **3. DECLARATIONS OF INTEREST**

The Lord Mayor invited Members to declare any interests they might have in the business on the agenda.

Councillor Allen	Has signed the petition relating to the Markets
Councillor Connelly	Children attend a school which is in the preferential area for Riverside Business and Enterprise College
Councillor Gill	Has signed the petition relating to the Markets
Councillor Grant	Has signed the petition relating to the Markets Season ticket holder for Leicester Tigers Has signed the 'Back the Bid' Campaign
Councillor Hall	Season ticket holder for Leicester City Football Club
Councillor Kitterick	Holds a door supervisors licence – personal and prejudicial interest in item 7.2 Gambling Policy and will leave the Chamber for that item
Councillor Naylor	Has signed the petition relating to the Markets Has signed the 'Back the Bid' Campaign
Councillor Porter	Would not be participating in the item 7.3 as he had not been able to access the full FIFA documentation
Councillor Potter	Son in full time education Has signed the petition relating to the Markets Has signed the 'Back the Bid' Campaign
Councillor Shelton	Season ticket holder for Leicester City Football Club

### **7. REPORTS OF CABINET**

#### **7.1 OUTCOME OF CONSULTATION ON PROPOSED MOVE TO CLOSE RIVERSIDE BUSINESS AND ENTERPRISE COLLEGE**

At its meeting on 5 October 2009, Cabinet considered a report which informed Members of the outcome of the recent consultation and issues raised, and sought a decision on the proposed closure of Riverside Business and Enterprise College.

A copy of the report was attached.

The report was also the subject of an objection from the following five Members of the Council, Councillors Coley, Suleman, Gill, Keeling and Hunt, on the grounds that the report failed to give an adequate response to the consultation.

Moved by Councillor Dempster, seconded by Councillor Willmott and carried:-

28. "That the City Council endorse the recommendations of Cabinet at its meeting on 5 October 2009 as set out below in relation to the proposed closure of Riverside Business and Enterprise College".

RESOLVED that Cabinet:

- 1) notes the outcome of the recent consultation and officers' response to issues raised; and
- 2) agrees to move forward proposals to close Riverside Business and Enterprise College and authorises the publication of the Statutory Notice and Detailed Proposal based upon their preferred option at 9.7 and Appendix E to the amended report.
- 3) agrees to seek to protect the interests of current Riverside pupils who may be displaced by ceasing all further admissions to all 2009/10 year groups at Riverside with immediate effect until 14 December 2009 (or date of final Cabinet decision upon closure) to avoid prejudicing potential outcomes for those currently at the School. The moratorium will of course be lifted on 15 December 2009 or other date should Cabinet decide at this point not to close the School.
- 4) endorses the exercise by the Director of Children's Services of powers conferred upon her under the Admissions Code 2009 to offer places of September 2010 for displaced pupils at Riverside Business and Enterprise College at any maintained community secondary school within the city.
- 5) agrees to receive a fresh report on responses following the publication of the Statutory Notice and Detailed Proposal and representations made during the formal representation period. This report to be received on 14 December 2009.

**The Lord Mayor declared the meeting closed at 8.46 p.m.**

## Appendix H

### Extract from DCSF Guidance for Decision Makers on Closing a Maintained School

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#### Checks on Receipt of Statutory Proposals

4.7 There are 4 key issues which the Decision Maker must consider before judging the respective factors and merits of the statutory proposals:-

- Is any information missing? If so, the Decision Maker should write immediately to the proposer specifying a date by which the information must be provided;
- Does the published notice comply with statutory requirements? (see paragraph 4.8 below);
- Has the statutory consultation been carried out prior to the publication of the notice? (see paragraph 4.9 below); and
- Are the proposals “related” to other published proposals? (see paragraphs 4.10 - 4.14 below) and should therefore be considered together.

#### Does the Published Notice Comply with Statutory Requirements?

4.8 The Decision Maker should consider whether the notice is valid as soon as a copy is received. Where a published notice does not comply with statutory requirements - as set out in The School Organisation (Establishment and Discontinuance of Schools)(England) Regulations 2007 (SI:2007 - 1288) (as amended) - it may be judged invalid and the Decision Maker should consider whether they can decide the proposals.

#### Has the Statutory Consultation Been Carried Out Prior to the Publication of the Notice?

4.9 Details of the consultation should be included in the proposals. The Decision Maker must be satisfied that the consultation meets statutory requirements (see Stage 1 paragraphs 1.2 – 1.6). If some parties submit objections on the basis that consultation was not adequate, the Decision Maker may wish to take legal advice on the points raised. If the requirements have not been met, the Decision Maker may judge the proposals to be invalid and should consider whether they can decide the proposals. Alternatively the Decision Maker may take into account the sufficiency and quality of the consultation as part of their overall judgement of the proposals as a whole.

#### Are the Proposals Related to Other Published Proposals?

4.10 Paragraphs 9 and 19 of Schedule 2 to the EIA 2006 provide that any proposals that are “related to” particular proposals (e.g. for a new school, school closure or proposals by the LSC to deal with inadequate 16-19 provision proposals) must be considered together. Where the proposals are related to the establishment of a new school, and the schools adjudicator must decide the new school proposals (see paragraph 4.4 above) the schools adjudicator must decide the related proposals together. Paragraphs 4.11 – 4.14 provide statutory guidance on whether proposals should be regarded as “related”.

4.11 Generally, proposals should be regarded as “related” if they are included on the same notice (unless the notice makes it clear that the proposals are not “related”). Proposals should be regarded as “related” if the notice makes a reference to a link to other proposals. If the statutory notices do not confirm a link, but it is clear that a decision on one of the proposals would be likely to directly affect the outcome or consideration of the other, the proposals should be regarded as “related”. Proposals for a school competition should be considered together with proposals for any school closure where there is a clear link.

4.12 Where proposals are “related”, the decisions should be compatible e.g. if one set of proposals is for the removal of provision, and another is for the establishment or enlargement of provision for displaced pupils, both should be approved or rejected.

4.13 Where proposals for a closing school are “related” to proposals published by the local LSC, which are to be decided by the Secretary of State, the Decision Maker should defer taking a decision until the Secretary of State has taken a decision on the LSC proposals. This applies where the proposals before the Decision Maker concern:

- a. the school that is the subject of the LSC proposals;
- b. any other secondary school, maintained by the same LA that maintains a school that is the subject of the LSC proposals; or
- c. any other secondary school in the same LA area as any FE college which is the subject of the LSC proposals.

4.14 The proposals will be regarded as “related” if their implementation would prevent or undermine effective implementation of the LSC proposals.

### **Statutory Guidance – Factors to be Considered by Decision Makers**

4.15 Paragraphs 8(6) and 17 of Schedule 2 to the EIA 2006 provides that both the LA and schools adjudicator are required to have regard to guidance issued by the Secretary of State when they take a decision on proposals. Paragraphs 4.16 to 4.62 below contain the statutory guidance on considering proposals for school closure.

4.16 The following factors should not be taken to be exhaustive. Their importance will vary, depending on the type and circumstances of the proposals. All proposals should be considered on their individual merits.

### **EFFECT ON STANDARDS AND SCHOOL IMPROVEMENT**

#### **A System Shaped by Parents**

4.17 The Government's aim, as set out in the Five Year Strategy for Education and Learners and the Schools White Paper *Higher Standards, Better Schools For All*, is to create a school system shaped by parents which delivers excellence and equity. In particular, the Government wishes to see a dynamic system in which:

- weak schools that need to be closed are closed quickly and replaced by new ones where necessary;
- the best schools are able to expand and spread their ethos and success; and

- new providers have the opportunity to share their energy and talents by establishing new schools - whether as voluntary schools, Trust schools or Academies - and forming Trusts for existing schools.

4.18 The EIA 2006 amends the Education Act 1996 to place new duties on LAs to secure diversity in the provision of schools and to increase opportunities for parental choice when planning the provision of schools in their areas. In addition, LAs are under a specific **duty** to respond to representations from parents about the provision of schools, including requests to establish new schools or make changes to existing schools. The Government's aim is to secure a more diverse and dynamic schools system which is shaped by parents. The Decision Maker should take into account the extent to which the proposals are consistent with the new duties on LAs.

## **Standards**

4.19 The Government wishes to encourage changes to local school provision which will boost standards and opportunities for young people, while matching school place supply as closely as possible to pupils' and parents' needs and wishes.

4.20 Decision Makers should be satisfied that proposals for a school closure will contribute to raising local standards of provision, and will lead to improved attainment for children and young people. They should pay particular attention to the effects on groups that tend to under-perform including children from certain ethnic groups, children from deprived backgrounds and children in care, with the aim of narrowing attainment gaps.

4.21 Decision Makers should be satisfied that when proposals lead to children being displaced, any alternative provision will meet the statutory SEN improvement test (see paragraphs 4.55 to 4.61).

4.22 Where a school is to be closed so that it may be amalgamated with a more successful and/or popular school, the Decision Maker should again normally approve these proposals, subject to evidence being provided by the LA and other interests that the development will have a positive impact on standards.

## **Fresh Start and Collaborative Restarts**

4.23 Fresh Start and Collaborative Restart provide for poorly performing schools which are struggling to improve, to close and be replaced with new school provision, usually on the same site. When considering the closure of any school causing concern and, where relevant, the expansion of other schools, the Decision Maker should take into account the popularity with parents of alternative schools.

4.24 For all closure and Fresh Start proposals involving schools causing concern, copies of the Ofsted monitoring letters for the relevant schools should be made available. The Decision Maker should have regard to the length of time the school has been in special measures, needing significant improvement or otherwise causing concern, the progress it has made, the prognosis for improvement, and the availability of places at other existing or proposed schools within a reasonable travelling distance. There should be a presumption that these proposals should be approved, subject only to checking that there will be sufficient accessible places of an acceptable standard available in the area to meet foreseeable demand and to accommodate the displaced pupils.

## **Academies**

4.25 Academies are publicly-funded independent schools established in partnership with business and voluntary sector sponsors. They will normally replace one or more poorly-performing schools or will meet demand for new school places in diverse communities where there is only limited access to free high quality school places. Academies may be established in rural as well as urban areas. All Academies should contribute to a strategic approach to diversity in their area. The involvement of business and other non-Government partners will enable Academies to develop and implement new approaches to governance, teaching and learning in order to raise standards. All Academies will be required to share their facilities and expertise with other local schools and the wider community.

4.26 Where an Academy is to replace an existing school or schools, the proposals for the closure of those schools should indicate whether pupils currently attending the schools will transfer to the Academy and, if appropriate, what arrangements will be made for pupils who are not expected to transfer.

4.27 If provision for pupils at a school proposed for closure is dependent on the establishment of an Academy, any approval of the closure proposals should be conditional on the Secretary of State making an agreement for an Academy (see paragraph 4.64), but there should be a general presumption in favour of approval.

### **Diversity**

4.28 The Government's aim is to transform our school system so that every child receives an excellent education – whatever their background and wherever they live. A vital part of the Government's vision is to create a more diverse school system offering excellence and choice, where each school develops its own ethos, sense of mission and a centre of excellence or specialist provision.

4.29 Decision Makers should consider how proposals will impact on local diversity. They should consider the range of schools in the relevant area of the LA and how they will ultimately impact on the aspirations of parents and help raise local standards and narrow attainment gaps.

### **Balance of Denominational Provision**

4.30 In deciding proposals to close a school with a religious character, the Decision Maker should consider the effect that this will have on the balance of denominational provision in the area.

4.31 The Decision Maker should not normally approve the closure of a school with a religious character where the proposal would result in a reduction in the proportion of denominational places in the area. This guidance does not however apply in cases where the school concerned is severely under-subscribed, standards have been consistently low or where an infant and junior school (at least one of which has a religious character) are to be replaced by a new all-through primary school with the same religious character on the site of one on the predecessor schools.

### **Every Child Matters**

4.32 The Decision Maker should consider how the proposals will help every child and young person achieve their potential in accordance with Every Child Matters' principles which are: to be healthy; stay safe; enjoy and achieve; make a positive contribution to the community and society and achieve economic well-being. This should include considering



how displaced pupils will continue to have access to extended services, opportunities for personal development, access to academic and vocational training, measures to address barriers to participation and support for children and young people with particular needs e.g. looked after children or children with special educational needs (SEN) and disabilities.

## **NEED FOR PLACES**

### **Provision for Displaced Pupils**

4.33 The Decision Maker should be satisfied that there is sufficient capacity to accommodate displaced pupils in the area, taking into account the overall supply and likely future demand for places. The Decision Maker should consider the quality and popularity with parents of the schools in which spare capacity exists and any evidence of parents' aspirations for those schools.

### **Surplus Places**

4.34 It is important that education is provided as cost-effectively as possible. Empty places can represent a poor use of resources - resources that can often be used more effectively to support schools in raising standards. The Secretary of State wishes to encourage LAs to organise provision in order to ensure that places are located where parents want them. LAs should take action to remove empty places at schools that are unpopular with parents and which do little to raise standards or improve choice. The removal of surplus places should always support the core agenda of raising standards and respect parents' wishes by seeking to match school places with parental choices.

4.35 The Decision Maker should normally approve proposals to close schools in order to remove surplus places where the school proposed for closure has a quarter or more places unfilled, and at least 30 surplus places, and where standards are low compared to standards across the LA. The Decision Maker should consider all other proposals to close schools in order to remove surplus places carefully. Where the rationale for the closure of a school is based on the removal of surplus places, standards at the school(s) in question should be taken into account, as well as geographical and social factors, such as population sparsity in rural areas, and the effect on any community use of the premises.

## **IMPACT ON THE COMMUNITY AND TRAVEL**

### **Impact on Community**

4.36 Some schools may already be a focal point for family and community activity, providing extended services for a range of users, and its closure may have wider social ramifications. In considering proposals for the closure of such schools, the effect on families and the community should be considered. Where the school was providing access to extended services, some provision should be made for the pupils and their families to access similar services through their new schools or other means.

4.37 The information presented by those bringing forward proposals to close such schools, particularly when they are in receipt of funding as part of regeneration activity, should therefore include evidence that options for maintaining access to extended services in the area have been addressed. The views of other relevant agencies and partnerships with responsibility for community and family services should be taken into account, alongside those of the local police, Government Offices and Regional Development Agencies having responsibility for the New Deal for Communities.

## **Community Cohesion and Race Equality**

4.38 When considering proposals to close a school the Decision Maker should consider the impact of the proposals on community cohesion. This will need to be considered on a case by case basis, taking account of the community served by the school and the views of different sections within the community. In considering the impact of the proposals on community cohesion the Decision Maker will need to take account of the nature of the alternative provision to be made for pupils displaced by the closure and the effects of any other changes to the provision of schools in the area.

## **Travel and Accessibility for All**

4.39 In considering proposals for the reorganisation of schools, Decision Makers should satisfy themselves that accessibility planning has been properly taken into account. Facilities are to be accessible by those concerned, by being located close to those who will use them, and the proposed changes should not adversely impact on disadvantaged groups.

4.40 In deciding statutory proposals, the Decision Maker should bear in mind that proposals should not have the effect of unreasonably extending journey times or increasing transport costs, or result in too many children being prevented from travelling sustainably due to unsuitable routes e.g. for walking, cycling etc. The EIA 2006 provides extended free transport rights for low income groups – see Home to School Travel and Transport Guidance ref 00373 – 2007BKT-EN at [www.teachernet.gov.uk/publications](http://www.teachernet.gov.uk/publications). Proposals should also be considered on the basis of how they will support and contribute to the LA's duty to promote the use of sustainable travel and transport to school.

## **Equal Opportunity Issues**

4.41 The Decision Maker should consider whether there are any sex, race or disability discrimination issues that arise from the changes being proposed, for example, that where there is a proposed change to single sex provision in an area, there is equal access to single sex provision for the other sex to meet parental demand. Similarly there needs to be a commitment to provide access to a range of opportunities which reflects the ethnic and cultural mix of the area, while ensuring that such opportunities are open to all.

## **Rural Schools and Sites**

4.42 In considering statutory proposals to close a rural school, the Decision Maker should have regard to the need to preserve access to a local school for rural communities. There is therefore a presumption against the closure of rural schools. This does not mean that a rural school should never close, but the case for closure should be strong and the proposals clearly in the best interests of educational provision in the area. The presumption will not apply in cases where a rural infant and junior school on the same site are being closed to establish a new primary school. In order to assist the Decision Maker, those proposing closure should provide evidence to the Decision Maker to show that they have carefully considered:

- a. Alternatives to closure including the potential for federation with another local school to increase the school's viability; the scope for an extended school or children's centre to provide local community services and facilities e.g. child care facilities, family and adult learning, healthcare, community internet access etc;

- b. The transport implications as mentioned in paragraphs 4.39 to 4.40; and
- c. The overall and long term impact on local people and the community of closure of the village school and of the loss of the building as a community facility.

4.43 When deciding proposals for the closure of a rural primary school, the Decision Maker should refer to the Designation of Rural Primary Schools (England) 2007 to confirm that the school is a rural school. The list of rural primary schools can be viewed on line at: [www.dcsf.gov.uk/publications/otherdocs.shtml](http://www.dcsf.gov.uk/publications/otherdocs.shtml)

4.44 In the case of secondary schools, it is the responsibility of the Decision Maker to decide whether a school is to be regarded as rural for the purpose of considering proposals for closure under this guidance and in particular the presumption against closure. The Department's register of schools - Edubase - includes a rural/urban indicator for each school in England based on an assessment by the Office for National Statistics. The Decision Maker should have regard to this indicator. Where a school is not recorded as rural on Edubase, the Decision Maker may nonetheless wish to consider evidence provided by interested parties that a particular school should be regarded as rural.

## **TYPES OF SCHOOLS**

### **Boarding School Provision**

4.45 In making a decision on proposals to close a school that includes boarding provision, the Decision Maker should consider whether there is a state maintained boarding school within one hour's travelling distance from the school. The Decision Maker should consider whether there are satisfactory alternative boarding arrangements for those currently in the school and those who may need boarding places in the foreseeable future, including the children of service families.

## **SPECIFIC AGE PROVISION ISSUES**

### **Early Years Provision**

4.46 In considering proposals to close a school which currently includes early years provision, the Decision Maker should consider whether the alternative provision will integrate pre-school education with childcare services and/or with other services for young children and their families; and should have particular regard to the views of the Early Years Development and Childcare Partnership.

4.47 The Decision Maker should also consider whether the alternative early years provision will maintain or enhance the standard of educational provision and flexibility of access for parents. Alternative provision could be with providers in the private, voluntary or independent sector.

### **Nursery School Closures**

4.48 In deciding whether to approve any proposals to close a nursery school, the Decision Maker should be aware that nursery schools generally offer high quality provision, and have considerable potential as the basis for developing integrated services for young children and families. There should be a presumption against the closure of a nursery school unless the case for closure can demonstrate that:

- a. the LA is consistently funding numbers of empty places;

- b. full consideration has been given to developing the school into a Sure Start Children's Centre, and there are clear, justifiable grounds for not doing so, for example: unsuitable accommodation, poor quality provision and low demand for places;
- c. plans to develop alternative provision clearly demonstrate that it will be at least as equal in terms of the quantity and quality of early years provision provided by the nursery school with no loss of expertise and specialism; and that
- d. replacement provision is more accessible and more convenient for local parents.

## 14-19 Curriculum and Collaboration

4.49 The Government has ambitious plans to increase post-16 participation rates and improve the skills of learners. The foundation for making progress is a transformed, coherent 14-19 phase offering a rich mix of learning opportunities from which young people can choose tailored programmes and gain qualifications appropriate to their aptitudes, needs and aspirations. This will be achieved by better collaboration between local providers, including schools, colleges, training providers and employers. Decision Makers should therefore consider what measures are being proposed to ensure that opportunities available to students in this age group are not reduced by the school closure, although the absence of such measures should not prevent the closure of a poorly-performing school.

## 16-19 Provision – General

4.50 The pattern of 16-19 provision differs across the country. Many different configurations of school and college provision deliver effective 14-19 education and training. An effective 14-19 organisation has a number of key features:

- standards and quality: the provision available should be of a high standard – as demonstrated by high levels of achievement and good completion rates;
- progression: there should be good progression routes for all learners in the area, so that every young person has a choice of the full range of options within the 14-19 entitlement, with institutions collaborating as necessary to make this offer. All routes should make provision for the pastoral, management and learning needs of the 14-19 age group;
- participation: there are high levels of participation in the local area; and,
- learner satisfaction: young people consider that there is provision for their varied needs, aspirations and aptitudes in a range of settings across the area.

4.51 Where standards and participation rates are variable, or where there is little choice, meaning that opportunity at 16 relies on where a young person went to school, the case for reorganisation, or allowing high quality providers to expand, is strong.

4.52 Where standards and participation rates are consistently high, collaboration is strong and learners express satisfaction that they have sufficient choice, the case for a

different pattern of provision is less strong. The Decision Maker therefore will need to take account of the pattern of 16-19 provision in the area and the implications of approving new provision.

### **LSC Proposals to Close Inadequate 16-19 Provision**

4.53 The Learning and Skills Act 2000 (as amended by the Education Act 2005) gives the Learning and Skills Council (LSC) powers to propose the closure of 16-19 schools judged to require Special Measures. Where a 16-19 school is proposed for closure in such circumstances there should be a presumption to approve the proposals, subject to evidence being provided that the development will have a positive impact on standards.

### **Conflicting Sixth Form Reorganisation Proposals**

4.54 Where the implementation of reorganisation proposals by the LSC conflict with other published proposals put to the Decision Maker for decision, the Decision Maker is prevented (by the School Organisation Proposals by the LSC for England Regulations 2003) from making a decision on the “related” proposals until the Secretary of State has decided the LSC proposals (see paragraphs 4.13 to 4.14 above).

## **SPECIAL EDUCATIONAL NEEDS (SEN) PROVISION**

### **Initial Considerations**

4.55 When reviewing SEN provision, planning or commissioning alternative types of SEN provision or considering proposals for change, LAs should aim for a flexible range of provision and support that can respond to the special educational needs of individual pupils and parental preferences, rather than necessarily establishing broad categories of provision according to special educational need or disability. There are a number of initial considerations for LAs to take account of in relation to proposals for change. They should ensure that local proposals:

- take account of parental preferences for particular styles of provision or education settings;

- offer a range of provision to respond to the needs of individual children and young people, taking account of collaborative arrangements (including between special and mainstream), extended school and Children’s Centre provision; regional centres (of expertise ) and regional and sub-regional provision; out of local authority day and residential special provision;

- are consistent with the LA’s Children and Young People’s Plan;

- take full account of educational considerations, in particular the need to ensure a broad and balanced curriculum, including the National Curriculum, within a learning environment in which children can be healthy and stay safe;

- support the LA’s strategy for making schools and settings more accessible to disabled children and young people and their scheme for promoting equality of opportunity for disabled people;

- provide access to appropriately trained staff and access to specialist support and advice, so that individual pupils can have the fullest possible opportunities to make progress in their learning and participate in their school and community;

ensure appropriate provision for 14-19 year-olds, taking account of the role of local LSC funded institutions and their admissions policies; and

- i. ensure that appropriate full-time education will be available to all displaced pupils. Their statements of special educational needs will require amendment and all parental rights must be ensured. Other interested partners, such as the Health Authority should be involved.

4.56 Taking account of the considerations, as set out above, will provide assurance to local communities, children and parents that any reorganisation of SEN provision in their area is designed to improve on existing arrangements and enable all children to achieve the five Every Child Matters outcomes.

### **The Special Educational Needs Improvement Test**

4.57 When considering any reorganisation of SEN provision, including that which might lead to some children being displaced through closures or alterations, LAs, and all other proposers for new schools or new provision, will need to demonstrate to parents, the local community and Decision Makers how the proposed alternative arrangements are likely to lead to improvements in the standard, quality and/or range of educational provision for children with special educational needs. All consultation documents and reorganisation plans that LAs publish and all relevant documentation LAs and other proposers submit to Decision Makers should show how the key factors set out in the paragraphs below (4.58 to 4.61) have been taken into account. Proposals which do not credibly meet these requirements should not be approved and Decision Makers should take proper account of parental or independent representations which question the LA's own assessment in this regard.

### **Key Factors**

4.58 When LAs are planning changes to their existing SEN provision, and in order to meet the requirement to demonstrate likely improvements in provision, they should:

- identify the details of the specific educational benefits that will flow from the proposals in terms of:
  - a) improved access to education and associated services including the curriculum, wider school activities, facilities and equipment, with reference to the LA's Accessibility Strategy;
  - b) improved access to specialist staff, both education and other professionals, including any external support and/or outreach services;
  - c) improved access to suitable accommodation; and
  - d) improved supply of suitable places.
- LAs should also:
  - i. obtain a written statement that offers the opportunity for all providers of existing and proposed provision to set out their views on the changing pattern of provision seeking agreement where possible;

- ii. clearly state arrangements for alternative provision. A 'hope' or 'intention' to find places elsewhere is not acceptable. Wherever possible, the host or alternative schools should confirm in writing that they are willing to receive pupils, and have or will have all the facilities necessary to provide an appropriate curriculum;
- iii. specify the transport arrangements that will support appropriate access to the premises by reference to the LA's transport policy for SEN and disabled children; and
- iv. specify how the proposals will be funded and the planned staffing arrangements that will be put in place.

4.59 It is to be noted that any pupils displaced as a result of the closure of a BESD school (difficulties with behavioural, emotional and social development) should not be placed long-term or permanently in a Pupil Referral Unit (PRU) if a special school place is what they need. PRUs are intended primarily for pupils who have been excluded, although LAs can and do use PRU provision for pupils out of school for other reasons such as illness and teenage pregnancies. There may of course be pupils who have statements identifying that they have BESD who have been placed appropriately in a PRU because they have been excluded; in such cases the statement must be amended to name the PRU, but PRUs should not be seen as an alternative long-term provision to special schools.

4.60 The requirement to demonstrate improvements and identify the specific educational benefits that flow from proposals for new or altered provision as set out in the key factors are for all those who bring forward proposals for new special schools or for special provision in mainstream schools including governors of foundation schools and foundation special schools. The proposer needs to consider all the factors listed above.

4.61 Decision Makers will need to be satisfied that the evidence with which they are provided shows that LAs and/or other proposers have taken account of the initial considerations and all the key factors in their planning and commissioning in order to meet the requirement to demonstrate that the reorganisation or new provision is likely to result in improvements to SEN provision.

## **OTHER ISSUES**

### **Views of interested parties**

4.62 The Decision Maker should consider the views of all those affected by the proposals or who have an interest in them including: pupils; families of pupils; staff; other schools and colleges; local residents; diocesan bodies and other providers; LAs; the LSC (where proposals affect 14-19 provision) and the Early Years Development and Childcare Partnership if one exists, or any local partnership or group that exists in place of an EYDCP (where proposals affect early years and/or childcare provision). This includes statutory objections and comments submitted during the representation period. The Decision Maker should not simply take account of the numbers of people expressing a particular view when considering representations made on proposals. Instead the Decision Maker should give the greatest weight to representations from those stakeholders likely to be most directly affected by the proposals.

### **Types of Decision**

4.63 In considering proposals for a school closure the Decision Maker can decide to:

- reject the proposals;
- approve the proposals;
- approve the proposals with a modification (e.g. the school closure date); or
- approve the proposals subject to them meeting a specific condition (see paragraph 4.64).

### Conditional Approval

4.64 The regulations provide for a conditional approval to be given where the Decision Maker is otherwise satisfied that the proposals can be approved, and approval can automatically follow an outstanding event. Conditional approval can only be granted in the limited circumstances specified. Conditional approval cannot be granted where proposals are decided under Paragraph 19 of Schedule 2 (i.e. where there are no objections) – see paragraph 4.3 above. For school closures the following conditions can be set:

- a. the making of any agreement under section 482(1) of the 1996 Act for the establishment of an Academy, where the proposals in question provide for some or all of the pupils currently at the school which is the subject of the proposals to transfer to the Academy;
- b. the agreement to any change to admission arrangements specified in the approval, relating to another school;
- c. where the proposals depend upon conditions being met, by a specified date, for any other school or proposed school, the occurrence of such an event.

4.65 The Decision Maker **must** set a date by which the condition should be met but will be able to modify the date if the proposers confirm, before the date expires, that the condition will be met later than originally thought. The proposer should inform the Decision Maker and the Department (School Organisation Unit, DCSF, Mowden Hall, Staindrop Road, Darlington, DL3 9BG) or by email to [school.organisation@dcsf.gsi.gov.uk](mailto:school.organisation@dcsf.gsi.gov.uk) when a condition is met. If a condition is not met by the date specified, the proposals should be referred back to the Decision Maker for fresh consideration.

### Decision

4.66 All decisions **must** give reasons for the decision (i.e. irrespective of whether the proposals were rejected or approved) indicating the main factors/criteria for the decision.

4.67 A copy of the decision **must** be forwarded to:

- the person or body who published the proposals;
- each objector except where a petition has been received. Where a petition is received a decision letter should be sent to the person who submitted the petition, or where this is unknown, the signatory whose name appears first on the petition;
- the Secretary of State (via the School Organisation Unit, DCSF, Mowden Hall, Darlington DL3 9BG or by email to [school.organisation@dcsf.gsi.gov.uk](mailto:school.organisation@dcsf.gsi.gov.uk) );
- where the school includes provision for 14-16 education or sixth form education, the



LSC;

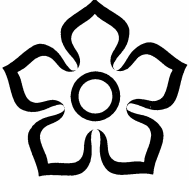
- the local CofE diocese;
- the Bishop of the RC diocese.

4.68 Where proposals are decided by the LA a copy of the decision **must** be sent to the Office of the Schools Adjudicator, Mowden Hall, Darlington DL3 9BG. Where proposals are decided by the schools adjudicator a copy of the decision **must** be sent to the LA who maintain the school.

### **Can proposals be withdrawn?**

4.69 Proposals may be withdrawn at any point before a decision is taken. Written notice should be given to the LA, or governing body, if the proposals were published by the LA. Written notice should also be sent to the schools adjudicator (if proposals have been sent to him) and the Secretary of State – i.e. via the School Organisation Unit, DCSF, Mowden Hall, Darlington DL3 9BG or by e-mail to [school.organisation@dcsf.gsi.gov.uk](mailto:school.organisation@dcsf.gsi.gov.uk) Written notice should also be placed at the main entrance to the school, or all the entrances if there are more than one.

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Leicester  
City Council

**WARDS AFFECTED**  
All Wards

## **FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:**

**Scrutiny  
Cabinet**

**10<sup>th</sup> December 2009  
14th December 2009**

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### **MyPlace Youth Hub**

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#### **Report of Strategic Director - Children**

##### **1. Purpose of Report**

The purpose of this report is to:

- 1.1 Update Cabinet on the latest position of the MyPlace Youth Hub project, and seek approval to proceed with the project, subject to confirmation of funding from the BIG Lottery's MyPlace Programme.
- 1.2 To outline opportunities and risks/mitigations associated with this project. These opportunities and risks will be communicated on an ongoing basis to cabinet.

##### **2. Summary**

- 2.1 The MyPlace Leicester Youth Hub project team have been developing a project to convert the Haymarket Theatre into a Youth Hub under a national scheme funded through the BIG Lottery Fund for the Department for Children Schools and Families (DCSF) for facilities for young people. The project is currently awaiting confirmation of award of the £5 million grant from BIG Lottery and subject to Cabinet approval, will proceed as soon as this has been received.

##### **3. Recommendations**

- 3.1 CYP Scrutiny is recommended to consider this report and advise Cabinet of any observations it wishes to make.
- 3.2 Cabinet is recommended to:
  - i) Consider the risks and funding implications set out in this report.
  - ii) Subject to confirmation of a successful funding application from BIG Lottery Fund;
    - a. Delegate authority to the Divisional Director – Access, Inclusion and Participation

- in consultation with the Cabinet Member for Children and Schools, the Chief Operating Officer, the Director – Strategic Asset Management and the Director – Legal Services to agree the final terms for the revised leasehold of the Haymarket Theatre and to finalise the terms of any sub leases required with Partner organisations;
- b. Delegate authority to the Divisional Director – TLE in consultation with the Cabinet Member for Children and Schools, the Chief Operating Officer, the Director – Strategic Asset Management and the Director – Legal Services to enter into the various contracts for site preparations and Construction;
  - c. Authorise the Director – Legal Services in consultation with the Divisional Director – TLE, the Director – Strategic Asset Management and the Cabinet Member for Children and Schools to enter into all necessary contracts and agreements necessary to complete the project in accordance with the timescale set out in paragraph 4.4, with the Director – Legal Services and the Director – Strategic Asset Management being satisfied on the terms and form of the legal documentation; and
  - d. Approve the addition of the £5 million of Lottery funding to the Capital Programme. Together with the £1.5m already identified in the Capital programme this will be the total capital spend - £6.5m
  - e. Establish a Members’ Steering Group to oversee the project.
  - f. Secure the support and commitment of the Leicester Partnership to the project, initially by means of a presentation.

#### **4. Report**

##### Background

- 4.1. Following a successful bid in September 2008, the MyPlace Leicester project team has been working to deliver the second stage of information required by the Big Lottery Fund, which is delivering the MyPlace Programme on behalf of the Department for Children Schools and Families (DCSF). This project will deliver the local manifesto commitment to a Children and Young People’s Hub in the centre of the city.
- 4.2. The project is also aligned to the Integrated Youth Support Strategy, and the Youth Hub will form a key component of the overall strategy for delivery of services and activities for young people across Leicester. The Youth Hub will provide a strong city centre presence that currently does not exist, in conjunction with the neighbourhood facilities that will be developed under the Integrated Youth Support Strategy.
- 4.3. It is anticipated that the MyPlace project will act as a ‘catalyst’ for regenerating this area of the city around the former Haymarket theatre.
- 4.4. At the end of September 2009, a submission was made to Big Lottery containing the following elements:
  - Business Plan

- Capital Delivery Plan
- Draft Partnering Agreements

4.5. The project is currently awaiting feedback from this submission, which it is hoped will lead to the confirmation of the allocation of the £5 million funding to proceed with the Youth Hub development. The project is scheduled for completion in September 2011.

#### Project Partners

- 4.6. The project has identified a number of partner organisations with specialist skills and experience to enhance the delivery of services within the Youth Hub. This will include full partnering agreements with organisations such as Connexions, NHS Leicester, 2Funky Arts (Creative Zone) and Leicester STRIDE (Café delivery). Furthermore, Service Level Agreements will be in place with external organisations and Memoranda of Understanding for internal Council departments for the delivering of specific activities and services.
- 4.7. By partnering with organisations that already have strong associations with Leicester City Council, the youth hub will benefit from experienced, proven specialists in working with young people in the city. Furthermore, by partnering with organisations that have existing strong relationships with Leicester's Young People, the project will further enhance the numbers of young people that are likely to use the facility. Young People themselves, through the Young People's Council and MyPlace Young People's Board will play a full and active role in the design and management of the building.

#### Lease Agreements

- 4.8. Due to the change in use of the building, a lease of additional premises (essentially of the ground and first floor area adjoining the Centre's Belgrave Gate entrance) is required to establish the Youth Hub in the building. This (together with supplementary agreements including a licence to carry out alterations to the theatre to permit the youth hub use) is being negotiated and drawn up with ING the building owners, although the final additional lease and other documents will not be completed until the funding from BIG Lottery has been confirmed.
- 4.9. The Council will also need to grant sub-leases or tenancies to Partner organisations which will be renting space within the Youth Hub – this is likely to include Connexions and NHS Leicester. This will provide them with dedicated space within the Youth Hub to deliver youth provisions, with Connexions relocating from their existing Halford House site on Charles Street into the Youth Hub. The grant of these sub-leases will be subject to the consent of ING as the landlord.

#### Project Programme

- 4.10. The current programme is for the Youth Hub to open by September 2011, following an approximate 16 month construction period beginning in May/June 2010. This programme is predicated on the confirmation of funding from Big Lottery by the end of December 2009 which would allow for procurement of the building contractor during the

first quarter of 2010, along with the implementation of enabling works. The project programme is included at Appendix A.

### Project Design

- 4.11. The facility has been designed with substantial consultation with young people, and this consultation and engagement of young people will continue and increase as the project progresses. Proposed partner organisations and other users of the facility have also been consulted. The design involves almost total refurbishment of the building to accommodate the various zones and activities, whilst working around the existing structural elements and limitations of the building.
- 4.12. Design meetings with architects, project team members and service providers take place on a regular basis to look in detail at areas such as access and security, accessibility, ICT and staffing. These meetings also include stakeholder “walk throughs” of the building with refinements to the architects’ plans as required.
- 4.13. Through this open and iterative process, MyPlace Leicester has developed a design that meets the needs and high expectations of our various stakeholders. Our partnering agreement, individual statements of service and letters of support from both users and providers also attest to their satisfaction with the current proposals.
- 4.14. The Youth Hub will be accessed through the existing entrance point on Belgrave Gate, although a lift will be installed adjacent to the existing stairs to enable access for disabled users. The existing foyer area will become the social zone – with space for young people to relax, meet and “chill out”. This area will also have a café facility and ICT provision allowing Internet access, digital jukebox and console gaming.
- 4.15. The main auditorium will be retained for small scale performances; presentation ceremonies etc. as part of the “Creative Zone”, and will have suitable audio visual equipment installed as described in the project ICT specification. The existing stage will be reduced in size by a wall to separate off the current “front stage” and “back stage” areas. This “back stage” area will become the Active Zone with capacity for indoor football, basketball, table tennis etc. although due to restrictions on space these will not meet regulation size facilities. The current workshop area behind the stage will be converted into music recording facilities and practice space that again forms part of the creative zone.
- 4.16. The current office space in the building will be refurbished and re-used as office space to accommodate Connexions and the Children’s Information Service, with the existing dressing rooms downstairs being used as changing room facilities.
- 4.17. On the top floor, the current studio will be converted into a “Youth Disco” for disco nights and band performance evenings. This is something that was very important to young people to have in the building. There will also be technology-rich training rooms, and a Boardroom for Young People’s Council meetings and external training usage as required.
- 4.18. The Property Services Team is developing this scheme in accordance with best practice measures and with an emphasis on longevity, flexibility and the reduction of

energy use. Wherever possible sustainable principles will be incorporated into the design such as:

- using wood from sustainable sources
- using locally sourced construction materials for all cladding and joinery works
- installing gas fired condensing boilers to replace existing oil fired
- Building Energy Management System (BMS)
- heat recovery ventilation systems
- zone control to as many areas as possible
- improving levels of insulation
- installing secondary glazing and solar shading to existing windows
- solar panels where practical
- blended hot and cold water to hot taps 43°c
- minimising water use by incorporating low flush WC's, and low use spray showers with push taps
- recycling rainwater
- minimising the exportation of construction waste.

4.19. The latest plans that were submitted at the end of September are appended to this report in Appendix B.

Project Costs and Funding

4.20. The capital funding expected to be available is £6.5 million, being £5 million from the BIG Lottery Fund and £1.5 million from the Council's capital programme. It is intended to use this funding to meet the costs of constructing the Youth Hub, including the directly related professional costs such as architects. The scheme is at outline design stage and the accuracy of cost estimates reflect this. The costs will need to be carefully managed as the design is further developed.

4.21. In addition to the direct construction and related costs, expenditure is also being incurred on project management and development estimated at around £700,000. This has included the costs of developing the project to date, and into the future it will provide for on-going project development and management, including the early appointment of a Centre Manager, Project Manager and meeting legal costs. These costs will be met from a range of sources, including the CYPs reserves, the Positive Activities for Young People funding in the Area Based Grant, the Youth Capital Fund and a proposed early release of part of the revenue growth provision in the Council's corporate budget plan.

On-going Revenue Costs and Funding

4.22. A five year revenue strategy was developed as part of the Business Plan document submitted at the end of September 2009. A summary of this revenue plan is shown below:

	2011/12	2012/13	2013/14	2014/15	2015/16
<b>Expenditure</b>					

Staffing Costs	£506,500	£634,200	£643,600	£653,300	£663,200
Premises Costs	£341,600	£348,400	£356,500	£364,800	£373,500
Operational Costs	£208,200	£272,700	£299,100	£303,400	£306,500

<b>Total Expenditure</b>	<b>£1,056,300</b>	<b>£1,255,300</b>	<b>£1,299,200</b>	<b>£1,321,500</b>	<b>£1,343,200</b>
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<b>Income</b>					
<b>LCC Revenue Support</b>	<b>£400,000</b>	<b>£400,000</b>	<b>£400,000</b>	<b>£400,000</b>	<b>£400,000</b>

<b>Other Funding</b>					
PAYP Funding	£300,000	£300,000	£300,000	£300,000	£300,000
Rental Income	£73,400	£127,700	£129,800	£131,600	£133,700
Activity Charges, New Grants, Events	£312,200	£427,600	£469,400	£489,900	£509,500
<b>Other Funding Sub-Total</b>	<b>£685,600</b>	<b>£855,300</b>	<b>£899,200</b>	<b>£921,500</b>	<b>£943,200</b>

<b>Total Income</b>	<b>£1,085,600</b>	<b>£1,255,300</b>	<b>£1,299,200</b>	<b>£1,321,500</b>	<b>£1,343,200</b>
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<b>Surplus</b>	<b>£29,300</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>
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Note – the revenue forecast takes into account the current proposed opening of September 2011, meaning the Youth Hub will only be operational for 7 months in financial year 2011/12.

- 4.22 As can be seen from the summary table above, LCC has committed £400,000 per annum from 2011/12, which is included in the Council's forward corporate financial plan.
- 4.23 Although incomes from activities in year 1 are reduced by the Youth Hub only being open for 7 months of the financial year, it is anticipated that many of the other key incomes will exist for the full year – this includes the income of new grants from additional funding areas as they arise via the dedicated Revenue and Funding Generation Officer that will be in place. This officer will be tasked with identifying new grant funding from sources such as government initiatives, internal fundraising etc to support the revenue costs of the Youth Hub throughout the first financial year and beyond.
- 4.24 In addition, Positive Activities for Young People (PAYP) funding will be applied; any transfer of current activities into the centre will be accompanied by the associated funding; and the Centre is part of the on-going review and development of an Integrated Youth Support Service in Leicester, which will place it as a key service delivery point within the mainstream Youth Support Service.
- 4.25 Sensitivity Analysis has been carried out as part of the revenue strategy within the Business Plan, at a 5% and 10% reduction of incomes (i.e., assumed for funding other than the Council's agreed contribution), with the following forecast revenue funding shortfalls:

Sensitivity applied	Funding Shortfall				
	2011/12	2012/13	2013/14	2014/15	2015/16



5%	-£34,280	-£42,765	-£44,960	-£46,075	-£47,160
10%	-£68,560	-£85,530	-£89,920	-£92,150	-£94,320

- 4.26 Sales and charges are sources of income such as those generated via activities, hire of facilities, the Youth Disco nights, café trading etc. and have been built up with partner organisations and internal service providers based on assumptions for charges, rates of useage and proposed timetables for activities.
- 4.27 It should be noted that there are a number of financial risks associated with funding. Funding agreements have not yet been concluded with partners, the expectation is that public spending will be reduced in future and this may affect PAYP funding and the income forecasts for this new facility cannot be made with any certainty. The business plan will be further developed as the project progresses.

### MyPlace Business Plan

- 4.28 The MyPlace Business Plan was produced as one of the core documents required by the BIG Lottery Fund to assess the project for funding. Furthermore, it is a document for Leicester City Council describing the financial and operational requirements of the facility, combined with the benefits and outcomes that will be delivered.

The Business Plan incorporates the following sections:

Project Overview	An Executive Summary of the project, the scope, delivery plans and beneficiaries
Organisation Summary	How Leicester City Council as an organisation aligns with the project, including governance arrangements between the project and existing Council governance arrangements
Strategic Context	Puts the project into context in relation to the need of the population, highlighting the many consultations with young people that have identified the need for a city centre provision. This section also assesses other complementary and potentially conflicting projects throughout the city and addresses how the Youth Hub will interact with them.
Project Delivery	Information on the project location, how the construction will be delivered, along with how the centre will operate – opening times, target user groups, activities provision etc.
Risk Analysis	A summary of key project development and operational delivery risks, including risks relating to partners. Also includes a SWOT and PEST analysis of the project conducted within the project team.
Marketing and Communications	Summarises the Marketing and Communications plan that has been developed for the project including key stakeholders and routes to communicate with them.
Capability and Staffing	Describes the staffing requirements to deliver the facility in terms of premises management and activity provision, including line management structures and brief outline job descriptions for each post.

Collaborations and Partnerships	Summarises the intended partnership organisations, and their involvement with the project, along with Service Level Agreements that will be implemented with other organisations for the provision of activity delivery within the Youth Hub.
Finance and Funding	This section summarises the five year revenue strategy along with the assumptions for each of the income and expenditure items captured in the revenue summary.

### Communications

- 4.29 A Communications plan has been developed to ensure that all relevant internal and external stakeholders are kept informed and involved in the key issues of delivering the project during its development.
- 4.30 The plan includes the utilisation of existing communication networks within Leicester, and the adoption of new methods specifically for the Youth Hub. Accordingly there is a MyPlace presence on Facebook and Twitter, along with a dedicated website at [www.hayouthub.org](http://www.hayouthub.org).

## **5. Financial and Legal Implications**

### **5.1 Financial Implications**

The report has set out the costs and funding of the project and the on-going operation of the centre. The key points to note are that the capital resources available total £6.5 million, which will be used to fund the construction costs; project management and development costs which are estimated at around £700,000 and will be met from a range of sources; and that the on-going revenue costs once the centre is operational are estimated at £1.3 million per year, which will be funded by the Council (existing youth support service budgets and additional funding), Positive Activities for Young People funding in the Area Based Grant, rental income and the proceeds of sales, charges and new grants.

The key financial risks are around the ongoing revenue affordability once the centre has opened, in particular:

- Variations in the forecast income and expenditure, recognising that this is a significant new facility and that the projections are estimates, albeit on robust bases.
- The potential impact of future restrictions on public spending, which could affect the £400,000 set aside by the Council, the PAYP funding in the Area Based Grant and the ability of partners to maintain their commitments.

It is unlikely that activities or opening hours could be curtailed without putting the Council at risk of clawback of the lottery funding. Ultimately there will be a minimum level of service and associated cost to meet the requirements of the project funders and of the young people, and the Council will need to commit to meeting the net cost of the hub (spending less available income) into the future

Colin Sharpe, Head of Finance and Efficiency CYPS, Ext. 297750

## 5.2 Legal Implications

The development of the existing Theatre and the additional premises for conversion into a youth hub will be subject to the consent of the Centre's landlord, both for the grant of the lease of the additional premises, but also in respect of the alterations to be undertaken. The Council will also be responsible for the landlord's professional costs in connection with consent being obtained and also in respect of the additional documents referred to below.

The existing lease contains restrictions on underletting, and negotiations are currently ongoing with the landlord's agents to agree appropriate terms to permit the Council to underlet premises to its partner organisations. However although there are legal obligations on the landlord to act reasonably in granting consent, the landlord may still be entitled to refuse consent on reasonable grounds.

It is usual for the terms of lottery funding to provide for the repayment or clawback of capital grant in the event that grant is not used for the purpose for which the grant was made, or in the event that the proposals and objectives as set out in the business plan, are not met.

The award of contracts for works for the refurbishment of the existing theatre and the redevelopment of the additional premises will need to be procured in accordance with the Council's obligations under the procurement rules, and also in accordance with the Council's Contract Procedure Rules. Any contracts that may be in excess of the EU competition threshold will need to be awarded in accordance with EU regulations on procurement.

It is a term of the lease documentation that the Council will obtain all consents, licences and approvals required in order to carry out alterations to the property and in respect of its future use, before any lease of the additional premises is granted.

John McIvor, Team Leader, Legal Services, Ext. 297035

## 6. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References Within Supporting information
Equal Opportunities	Yes	
Policy	Yes	
Sustainable and Environmental	Yes	

Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	No	

## 7. Risk Assessment Matrix

Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/appropriate)
Insufficient capital available to deliver the proposed scheme	M	H	<ul style="list-style-type: none"> <li>• Detailed costing exercise with Quantity Surveyors and Construction Project Team</li> <li>• Allocate contingency within capital costs</li> <li>• Engage with contractor at earliest possible stage to ensure accurate pricing</li> </ul>
Loss of project personnel at key stages during development and operation	M	M	<ul style="list-style-type: none"> <li>• Develop continuity strategy for key posts</li> <li>• Develop plans for engagements with consultants and specialists beyond submission stage</li> <li>• Ensure detailed job descriptions of operational centre are maintained and up to date</li> </ul>
Shortfall in revenue funding due to change in government policy withdrawal of funding, or lower sales than anticipated.	M	H	<ul style="list-style-type: none"> <li>• Continue to develop business plan and match income and expenditure through review of service levels, costs and income generating opportunities. Ultimately there will be a minimum level of service (and cost) to meet the requirements of funders and the Council will need to commit to meeting these costs in the future by reprioritisation of resources.</li> <li>• Seek commitment from LCC for on-going revenue funding in light of any changes</li> <li>• Ensure revenue income estimates are realistic and robust</li> </ul>
Obtaining relevant consent from the Landlord within the timescales	M	H	<ul style="list-style-type: none"> <li>• Provide ING and their legal representatives with</li> </ul>

			information as early as possible • Engage with Shopping Centre Manager on local level
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## 8. Background Papers – Local Government Act 1972

- MyPlace Leicester Business Plan
- MyPlace Capital Grant Submission

## 9. Consultations

- 9.1 One of the fundamental elements of all the projects under the MyPlace scheme is the involvement of Young People in the process. As a result of this, the project team has held a number of consultations involving young people. In the first instance, this was via the Young People’s Council, who were involved in the assessment of potential projects at bid stage in the summer of 2008.
- 9.2 Subsequently, further consultations have taken place with the Young People’s Council, as well as wider consultation events with young people from other youth organisations across Leicester. This has also been supported by a questionnaire that was distributed as part of Shine Week in July 2009 to young people asking for their views on a city centre youth facility.
- 9.3 Going forward, the project is seeking to establish a formal MyPlace Young People’s Board that will include representatives from the Young People’s Council, including those who are coming to an end of their current term and may not wish to be re-elected to the Young People’s Council. This Board will also involve representatives from other organisations, including the Disabled Children and Young People’s Forum, and will be key in consultations with young people as the project progresses.

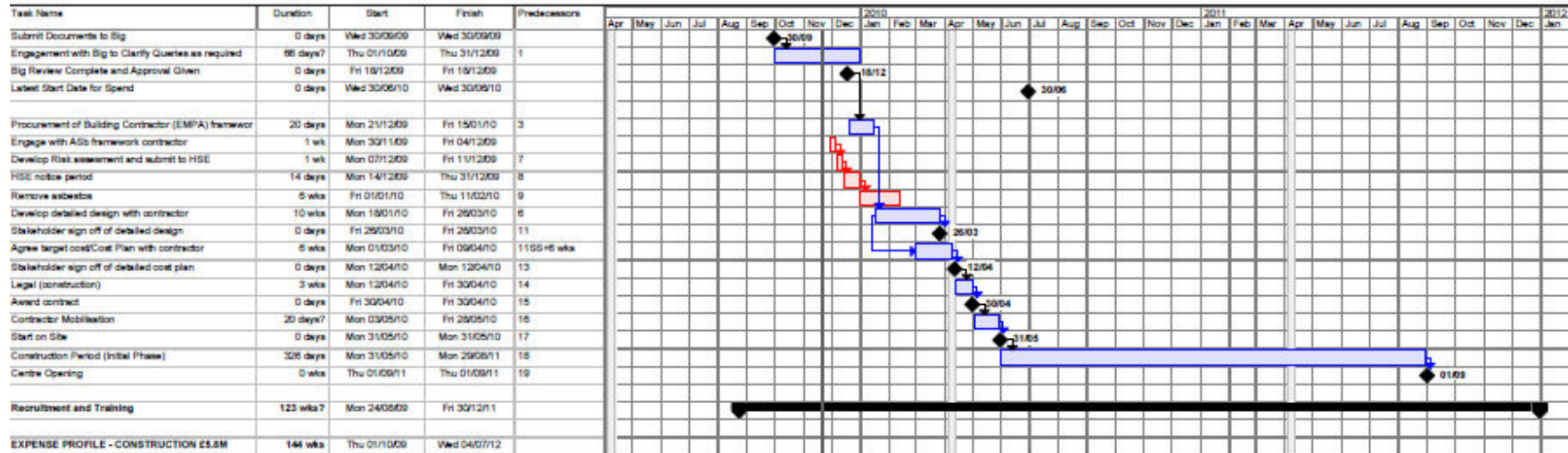
## 10. Report Authors

Helen Ryan, Divisional Director, Learning Environment, Tel: 252 8791  
 Stephen Pain, Business Analyst, Serco Consulting  
 John Garratt, 11-19 Programme Director, Tel 0116 2211654, Extn 391654

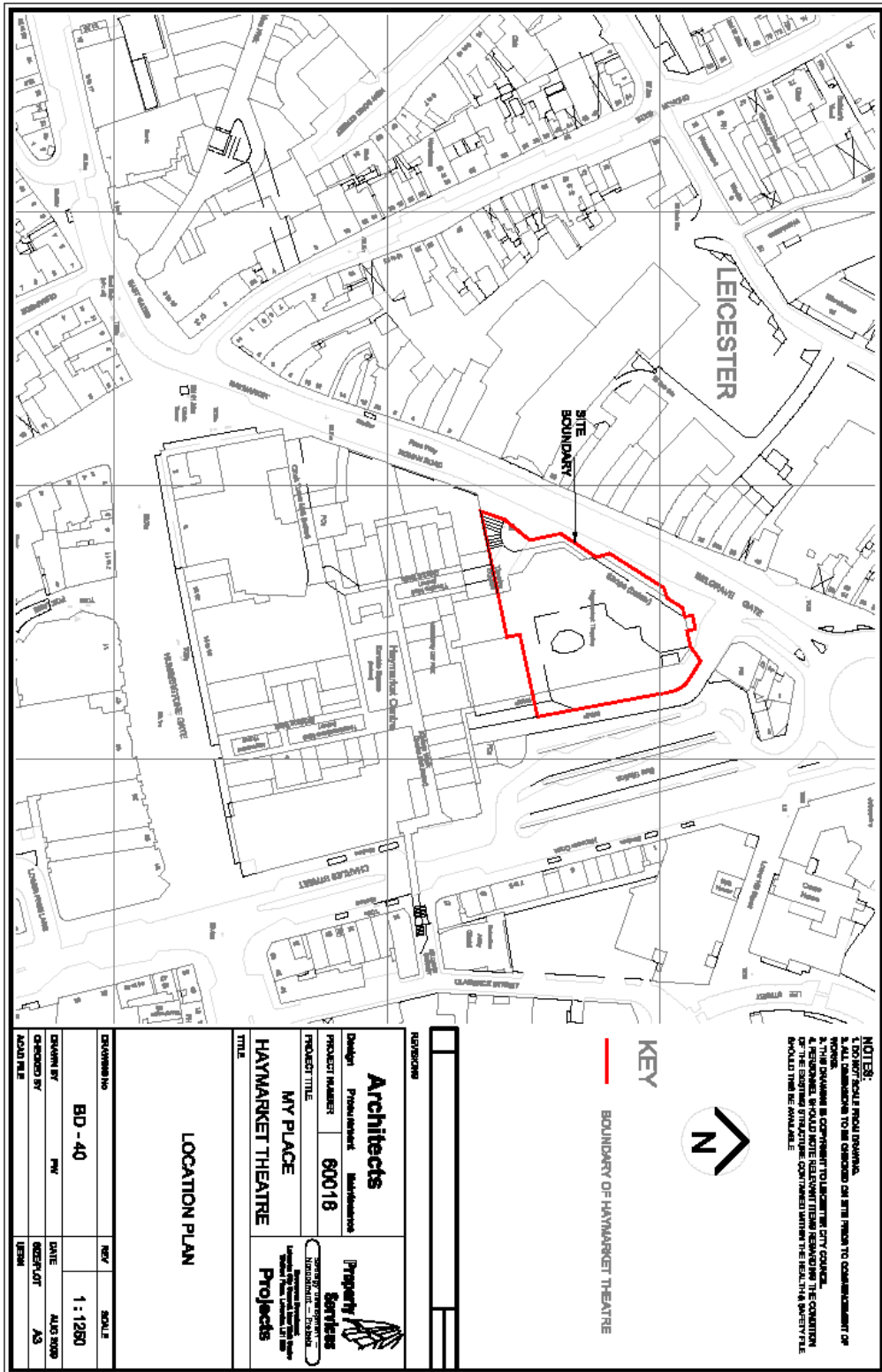
<b>Key Decision</b>	Yes
<b>Reason</b>	Is significant in terms of its effect on communities living or working in an area comprising more than one ward
<b>Appeared in Forward Plan</b>	Yes
<b>Executive or Council Decision</b>	Executive (Cabinet)

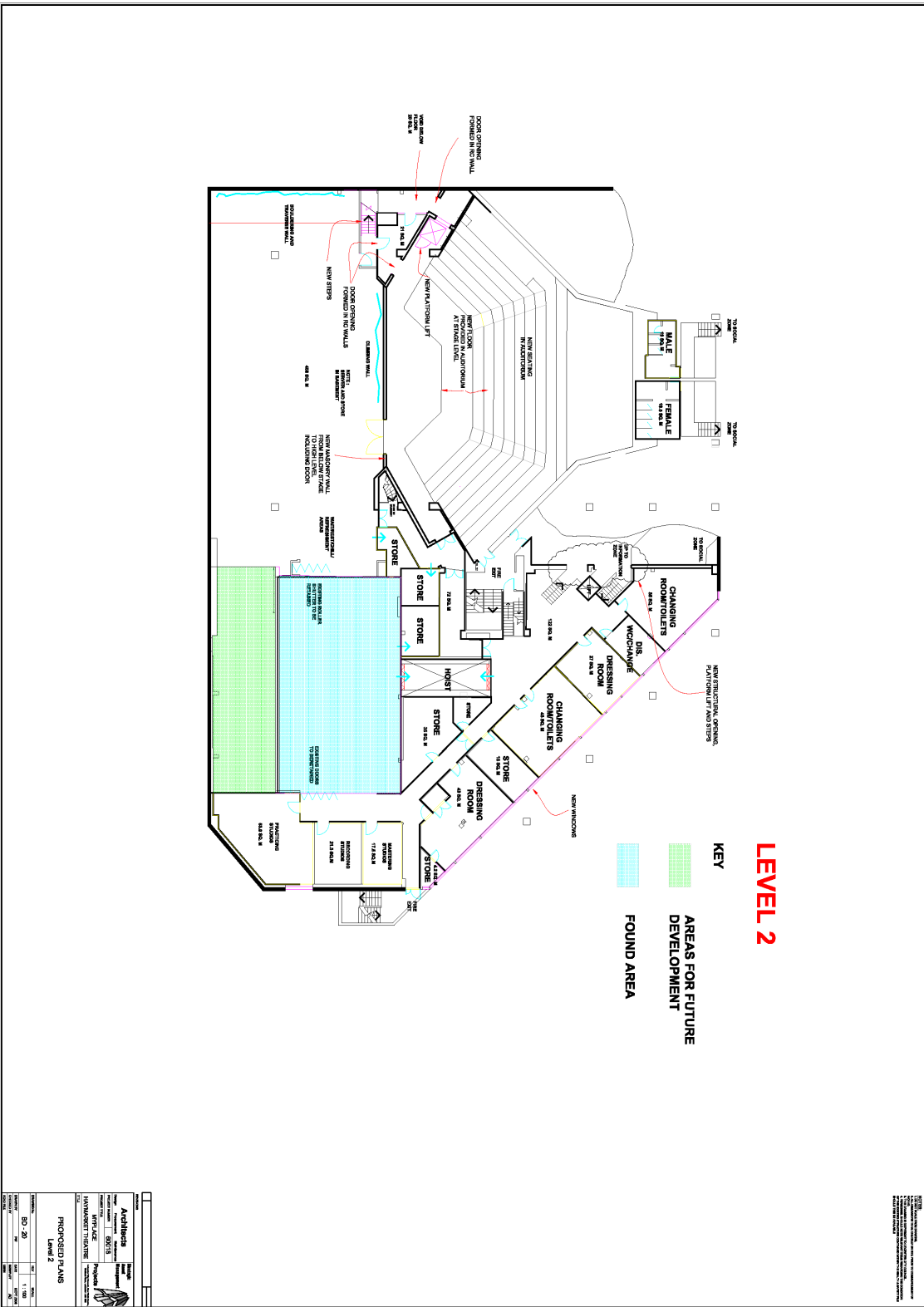
# Appendix A – Draft Project Construction Timeline

## MYPLACE CHILDRENS HUB



# Appendix B – Current Plans





## LEVEL 2

**KEY**

AREAS FOR FUTURE DEVELOPMENT

FOUND AREA

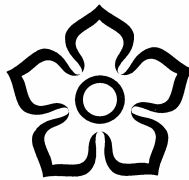
ARCHITECT: [Name]  
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 CHECKED BY: [Name]  
 DATE: [Date]  
 PROJECT: [Project Name]

<b>Architects</b>	
NAME	ROLE
<small>         PROJECT NO: [Number]          DATE: [Date]          SCALE: 1:1000          SHEET NO: [Number] OF [Total]       </small>	
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Level 2	
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Leicester  
City Council

Cabinet

14<sup>th</sup> December 2009

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## NHS Campus Re-provision Programme (Health Homes) – Procurement Requirements for Adults with Severe Learning Disabilities

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### Report of the Strategic Director for Adults and Communities

#### 1 PURPOSE OF THE REPORT

- 1.1 This report seeks to inform Cabinet of emerging Health Homes procurement issues and to secure approval to include an addition to the Procurement Plan for 2009/2010. The Council is required to re-provide services for people with severe learning disabilities, who will become the responsibility of the Council following discharge from the NHS. The 61 adults concerned will require 24 hour supported living services to be provided in City and County geographical locations.
- 1.2 The Procurement Plan serves two purposes:
- (a) To inform the market of future procurement, to enable potential suppliers to prepare for a future procurement process.
  - (b) To provide members with greater overview of procurement activity, as recommended by the District Auditor in his report on housing contracts.
- 1.3 The original 2009/10 Procurement Plan was approved by Cabinet on 30<sup>th</sup> March 2009, and listed probable procurement exercises above the EU thresholds (currently, £139,893 for supplies and services and £3,497,313 for works).

#### 2 REPORT

- 2.1 Working in partnership with the Leicestershire County Council and the NHS the City Council plans to develop new services to replace Learning Disability NHS Campus accommodation by 2010. The requirement to re-provide all NHS Campus Accommodation stems from 'Our Health Our Care Our Say' (DoH 2006) and Valuing People Now (DOH 2007). It contributes to the One Leicester themes of Improving Health and Well-Being and impacts directly on the Local Area Agreement settled accommodation target (NI 145). Once discharged from the NHS the 61 people currently living in health homes will become the responsibility of the local authorities. In order to complete our Campus Closure Programme, new supported living services must be

procured from the Independent Sector. Due to the value of the contract involved and the need for economies of scale and value for money in the procurement process, it has been agreed by Directors that the City Council will lead a cross authority procurement exercise, based on the Council's Contract Procedure Rules. The Programme Plan indicates that services will largely be coming on stream from October 2010, and due to the long lead in time required for a European Union compliant tender exercise, the tender is required to be advertised imminently.

- 2.2 Section 2 10.5 of the Contract Procedure Rules, states that "Cabinet approval must be obtained prior to undertaking any procurement exercise over the EU threshold. This can be by inclusion of the requirement in the Procurement Plan, which is prepared periodically by the Head of Corporate Procurement. Contract Awards must be approved by Cabinet prior to commencement of the Alcatel standstill period. The Cabinet has delegated approval of contract awards to individual Cabinet leads for procurement exercises included in the Procurement Plan".
- 2.3 In order for the Council to be able to meet the mandatory Department of Health Deadline for the re-provision of people living in health homes by December 2010, urgent approval is sought from Cabinet to prevent any slippage to the Programme. Cabinet is requested to note that the lead in time for the start of service provision post contract award is long. This is because Providers will both have to recruit new staff, and manage the TUPE transfer of unqualified employees from the NHS. It is imperative therefore that the procurement process starts imminently and officers are hoping with Cabinet Approval to place an OJEU notice for a target date of 14<sup>th</sup> December 2009.

### **3 RECOMMENDATIONS**

#### **3.1 Cabinet is recommended to:**

- a) **Approve the additions to the Corporate Procurement Plan as set out in the appendix of this report**
- b) **Note the strategic dependency of this work on the Council achieving the re-provision deadline of December 2010.**

### **4 CONSULTATION**

- 4.1 Geoff Organ, Head of Corporate Procurement  
Angela Sutaria, Health Homes Project Manager

### **5 FINANCIAL, LEGAL AND OTHER IMPLICATIONS**

#### **5.1 Financial Implications**

As the existing health homes service is being de-commissioned by the NHS the expectation of Council Directors is that the Primary Care Trusts will fund the revenue costs of re-provision. The City Council is represented on the

multi-agency Finance Sub Group to ensure the Council's interests in this area are protected. Supported living is more expensive than traditional institutional care models, although the outcomes for individuals are significantly improve as services are based on individually tailored hours. Work is underway to determine the precise revenue implications of the contract, but initial work shows that it far exceeds the European threshold, due to the impact of the TUPE transfer and the fact that 24 hour services are needed.

## 5.2 Legal Implications

The purpose of this report is to seek Cabinet's approval to add this procurement activity to the Procurement Plan. As such, the legal implications are that since all the procurement activities are above the EU Public Procurement thresholds, as well as compliance with the Council's Contract Procedure Rules, the relevant law is contained in the Public Contracts Regulations 2006 and the Commissions Interpretative Communication of July 2007. Each procurement will need to follow due process in accordance with our internal and legislative requirements, with advice from the Corporate Procurement Team and Legal Services. Although the Council is not a legal party to the Transfer of Undertakings and Protection of Employment Legislation 2006 (TUPE) the City Legal Team has confirmed that it is applicable in this case.

Beena Adatia, Senior Solicitor/Team Leader, Commercial, Contracts and General Team, Legal Services ext. 29 6378

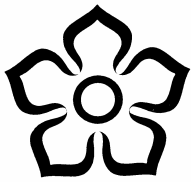
## 5.3 Other Implications

Other Implications	Yes/No	Paragraph References within this Report
Equal Opportunities	Yes	The Health homes re-provision is essentially a rights based agenda aimed at improving the lives of some of the most socially excluded people with learning disabilities. A full equalities impact assessment has been conducted in relation to the programme.
Policy	Yes	
Sustainable and Environmental	Yes	
Crime and Disorder	No	
Human Rights Act	Yes	
Elderly Persons/People on Low Incomes	Yes	All new build accommodation developed in the programme will comply with the Homes and Communities Agencies Standards and Sustainability Toolkit the majority being to Leicester City Wheelchair Standards.

## 6 REPORT AUTHOR

Kim Curry, Strategic Director Adults & Communities Ext 29 8300.

<b>Key Decision</b>	No
<b>Reason</b>	N/A
<b>Appeared in Forward Plan</b>	N/A
<b>Executive or Council Decision</b>	Executive (Cabinet)



Leicester  
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Appendix

**LEICESTER CITY COUNCIL PROCUREMENT PLAN 2009/2010  
FINANCIAL YEAR APRIL 2009 TO MARCH 2010**

**PORTFOLIO – ADULTS & COMMUNITIES**

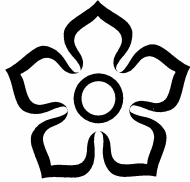
**1**

Division:	Personalisation and Business Support
Section	Service Contracting and Procurement Unit
Name of Contract:	<b>Health Homes – Supported Living Services for Adults with Learning Disabilities</b>
Description of Contract:	Provision of 24 hour Supported Living Services for Adults with learning disabilities currently living in NHS Campus accommodation (Health Homes). All adults have severe learning disabilities and complex health needs. The Council is required to re-provide services for these adults by December 2010 (DoH target linked to LAA indicator). Unqualified staff will be TUPE transferred to successful independent sector care providers. .
Expiry Date of existing Contract:	These will be 9 new contracts.
Anticipated start of new Contract:	June 2010
Duration of new Contract:	2 +1 +1 years
Value of new Contract:	Above EU Thresholds
Lead Officer:	Angela Sutaria

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Leicester  
City Council

OSMB  
CABINET

WARDS AFFECTED - ALL

9 DECEMBER 2009  
14 DECEMBER 2009

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## PRIVATE SECTOR DECENT HOMES : LOANS PILOT

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### Report of the Strategic Director for Adults and Communities

#### 1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to propose a scheme for providing loans to private homeowners to make homes decent. This is in the context of an allocation from DCLG, through the Regional Housing Group (RHG), for loan finance together with a reduction in the available capital for grants.
- 1.2 This allocation can be used to provide continued support for the One Leicester outcomes that more people will live in decent homes and that people can continue to live independently at home.
- 1.3 The report also proposes that Renewal Services are withdrawn in those areas where a high level of improvement has been achieved.

#### 2. SUMMARY

- 2.1 The Regional Housing Group has introduced a pilot loans fund for Decent Homes. The pilot is limited to four authorities, including Leicester, and runs until March 2011. A total of £2m is available which is additional to the private sector renewal allocations made to the individual authorities. The report proposes how loans can be used in Leicester to support our One Leicester outcomes.
- 2.2 Leicester's private sector renewal allocation for 2009-10 was lower than anticipated. This resulted in a reduction in the capital programme (from £1.95m per annum planned to £1.68m per annum), which will delay progress with dealing with Decent Homes in the private sector. Work can continue in existing declared areas but progress will be slower. It is expected that the 2010-11 allocation will be further reduced.
- 2.3 The Government is promoting loans to take the pressure off a declining capital budget, whilst still being able to assist vulnerable homeowners to bring their homes up to the decent homes standard. Where vulnerable people are not eligible for the loans, perhaps because they do not have sufficient equity, they will be offered grant assistance.

- 2.4** The Corporate Plan target for 2009-10 is to bring 350 private sector homes per annum up to the decent homes standard and 400 per annum after that. The target is unlikely to be achieved with the level of resources currently available.
- 2.5** The proposed principle is that households will be assessed in the first instance for a loan. Grant assistance will only be considered where a loan is not affordable or the maximum loan is not sufficient to bring the home up to the decent homes standard. This is a major change in the approach previously adopted in Leicester's Renewal Strategy.

### **3. RECOMMENDATIONS**

#### **Private Sector Decent Homes**

- 3.1** That the current policy of prioritising investment in Home Improvement Areas continues. The Home Improvement areas are: Swainson Road, Abbey Lane North, Windsor Avenue North, Halifax Drive and Belgrave Village.
- 3.2** That the Council introduce a new system of offering 'affordable' loans and/or grants to homeowners in order to achieve Decent Homes.
- 3.3** That the general policy for offering assistance through Decent Home Loans is as set out in Appendix A, and the Divisional Director, Housing Strategy & Options, is given delegated authority, in consultation with the Cabinet Lead for Housing, to amend the details of the policy in response to outcomes and changing conditions.
- 3.4** That the loan products to be made available are as described in Appendix B.
- 3.5** That the scheme is publicised as the "East Midlands Regional Loan Fund: Administered by Leicester City Council".
- 3.6** That loans to make homes decent are made available to owners of suitable empty homes that agree to lease their empty properties to "Home Come". The loans will be repayable over the five years of the lease.
- 3.7** That whilst the above recommendations described discretionary services to be provided by the Council in general, all valid applications will be considered on their individual circumstance and merit. In exceptional cases the Divisional Director, Housing Strategy & Options, to have delegated authority to approve applications outside of the general policy.
- 3.8** That the Council withdraws 'Renewal Services' in the following renewal areas, where a high level of improvement has already been achieved; Evington Valley Renewal Area ph2; New Humberstone non-statutory Renewal Area; and St Saviours non-statutory Renewal Area.

### **4. REPORT**

- 4.1** Providing a decent home with good energy efficiency supports the One Leicester vision themes of “Improving well-being and health”; “Reducing our carbon footprint”; and “Creating thriving safe communities”. The work of improving private sector homes, and improving the older areas more generally, are included in the list of agreed five-year outcomes. However the Corporate Plan targets are unlikely to be achieved with the level of resources available this year and anticipated to be available next year.
- 4.2** Providing loans to homeowners instead of grants will make funding more secure in the longer term, as when loans are repaid the finance can be reused. However, this ‘recycling’ will not help in the short term. Also there may be an initial resistance to taking loans, which could impact on outputs. The loan allocation from the RHG is ring fenced and cannot be used for providing grant assistance.
- 4.3** Not only has the private sector renewal allocation reduced but the credit crunch and subsequent collapse in the housing market has reduced the capital receipts available to help fund the Housing Capital Programme as was done in previous years. The Housing Capital Programme for 2009-10 agreed in January 2009 was based on an estimated allocation from the Regional Housing Group (RHG) of £2.5m. The confirmed allocation was £2.1295m. The two issues have combined to substantially reduce the funding available for Private Sector Decent Homes.

#### **The Affordable Loan/ Grant Option for Decent Homes**

- 4.4** The Regional Housing Group (RHG) has established a fund of £2m for a pilot loans scheme 2009-11. Leicester, Derby, Nottingham and Mansfield are involved. The intention is that loans should be offered instead of grants where;
- a) there is a safety margin of equity in the home (20% equity after the loan has been taken), and
  - b) the owner can afford repayments, or
  - c) is eligible for an equity share type loan
- 4.5** The loans will be administered through a specialist lender, Art Homes Ltd (AHL), who are FSA regulated and are able to offer financial advice to potential borrowers as well as being able to sell the most appropriate products. AHL are a non-profit making subsidiary of the Midland Heart Housing Association. They were set up by a consortium of 7 Local Authorities in the West Midlands and have operated successfully since 2004. The East Midlands Regional Housing Board has brought the model to this region. The range of subsidised loan types requiring different levels of loan repayments are set out in Appendix B. An undertaking of not seeking repossession is provided.
- 4.6** Where none of the products are affordable or there is insufficient equity, a grant or mixture of grant and loan assistance will still be offered. A proposed Loan/ Grant option for Leicester is shown in Appendix A.

- 4.7** In order to be confident that the funded works will be completed to a satisfactory standard and to time, homeowners taking up the offer of loans will be required to use our in-house Home Improvement Agency service. The costs for this service will not be added to the loan. The Home Improvement Agency will draw up the specification, obtain quotes from selected builders and supervise and inspect the work, before releasing the payment to the builder, with the agreement of the owner.
- 4.8** Moving to the principle of “loan first” is a major change to the basis of Leicester’s renewal programme and its strategy for tackling decent homes in the private sector. However, it is set in the context of;
- a) the need to use limited resources as effectively as possible, and
  - b) the change in the ratio between the value of homes and the cost of work. For example, the average level of grant aid used to be some £13k on houses valued at under £30k. The average grant is now £7k on a properties usually valued at over £100k.
- 4.9** The proposed scheme will ensure that vulnerable households living in homes below the decent homes standard, with insufficient equity or are unable to afford repayments will still receive grant aid.
- 4.10** The majority of loans to be made are expected to be of the equity share type. However for those people who can afford a repayment loan the interest rate will be 1½% over bank base rate. At present that means the rate would be 2% but it will vary as bank base rate changes.
- 4.11** The RHG has asked that the scheme be ‘branded’ as recommended to assist with the roll out of the scheme across the region as/when that is decided upon. The Leicester scheme is based on the experience of other local authorities that have already introduced loans based policies.

### **Withdrawal of Renewal Services**

- 4.12** Leicester deals with private sector decent homes on an area by area basis by declaring Home Improvement Areas (formerly Renewal Areas). Once substantial improvement has been achieved the programme moves on. It is recommended that home improvement grants and environmental works cease in the older renewal areas. This is because a high level of individual home improvement and general environmental improvement has already been achieved. More details are set out in Appendix C.
- 4.13** In these areas it is proposed that enquiries for assistance with home improvements from eligible homeowners that had been received by 1<sup>st</sup> October 2009 will still be dealt with.

## **5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS**

### **5.1. Financial Implications – Danny McGrath**

- 5.1.1** The current year's Capital Programme contains provision of £50,000 for the loan scheme. The Council will administer the scheme in Leicester but Art Homes Ltd will actually make the loans.
- 5.1.2** All the improvements through the loan scheme will be managed by the Home Improvement Agency but the fee of 12% of the cost, together with the loan set-up costs, will be met by the Council from the capital provision for Renovation Grants.
- 5.1.3** The amount available for loans in future years will be dependant upon the allocation of funds through the Regional Housing Group.

## **5.2 Legal Implications - Zoe Ayris**

Local authorities have powers to provide loans and grants to private sector home owners under the Housing Grants, Construction and Regeneration Act 1996. This was amended by the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 in order to widen the circumstances in which authorities could offer assistance. However the powers of the Act and Regulations are only exercisable if the authority has adopted an appropriate policy for the provision of such assistance and have given public notice of the adoption of the policy.

The proposed loan scheme is initially to be run as a 2 year pilot and operated by this and 3 other councils, the lead council being Nottingham City. Nottingham City Council will hold the fund for the pilot scheme.

Although ART will administer the scheme for the Council, there has been no procurement exercise by the Council as Nottingham City has led on the pilot scheme. Some form of initial waiver of Contracts Procedure Rules may therefore be necessary in order for the Council to enter into the appropriate agreement with ART in respect of the 2 year pilot. If in the future the Council intends to extend the scheme, it would be advisable for a full procurement exercise to take place, dependent on the proposed value of service to be provided at that time.

The loan will be secured by a legal charge on the property between ART Homes and the home owner(s). The Council will however have an agreement with ART Homes which will require that any money recovered under their legal charge will be re-invested into the loan scheme to fund future loans. At the time of writing, Legal Services has only recently received the form of agreements proposed to be entered into, and therefore no detailed implications on that documentation can be made.

**6. OTHER IMPLICATIONS**

OTHER IMPLICATIONS	YES/NO	Paragraph References Within Supporting information
Equal Opportunities		
Policy	YES	
Sustainable and Environmental		
Crime and Disorder		
Human Rights Act		
Elderly/People on Low Income	YES	

**7. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972**

Housing Grants, Construction and Regeneration Act 1996  
 The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 – SI 1860/2002  
 “Financial Assistance for Private Sector Renewal in Leicester” - Richard Groves, Doug Wright and Deborah Carlo (Centre for Urban and Regional Studies at University of Birmingham) 2006

**8. CONSULTATIONS**

Regional Housing Group  
 Regional Loans Pilot Steering Group  
 ART Homes Ltd

**9. OFFICERS TO CONTACT ABOUT THIS REPORT**

Ann Branson, Divisional Director of Housing Strategy & Options  
 x296802 or 0116 252 6802 E-mail: [ann.branson@leicester.gov.uk](mailto:ann.branson@leicester.gov.uk)

Martin Bromley, Head of Renewal & Grants Service  
 x394132 or 0116 229 4132 E-mail: [martin.bromley@leicester.gov.uk](mailto:martin.bromley@leicester.gov.uk)

<b>Key Decision</b>	Yes
<b>Reason</b>	Is significant in terms of its effect on communities living or working in an area comprising more than one ward
<b>Appeared in Forward Plan</b>	Yes
<b>Executive or Council Decision</b>	Executive (Cabinet)

**PROPOSED SCHEME FOR LEICESTER**

**1. Owner Occupiers**

Assistance is to be offered to vulnerable homeowners on a 'loan first' basis. Grant aid will only be offered if no loan can be provided or is insufficient to bring the home up to the decent homes standard. In Home Improvement Areas (HIAs) low-income households can also be considered for assistance. The grant aid to be provided in qualifying cases will be limited to £10,000.

In the HIAs assistance will be offered through a Discounted Loan, that is that 20% of the eligible cost will be grant aided with 80% to be loan funded. Applicants can also be considered for loan assistance towards improvement work beyond the decent homes standard, such as energy efficiency measures beyond 'thermal comfort' and replacing all the windows to achieve a standard appearance and specification rather than just those in need of replacement.

The financial adviser working for AHL will determine the most appropriate loan type that can be afforded by individual applicants (see Appendix B).

The major difference with the current policy is that assistance will be 'loan first' in place of grant only. Assistance will continue to be targeted to Home Improvement Areas and vulnerable households throughout the city. The current policy of offering modest grants of £2,100 to vulnerable households towards works that make a property 'wind & watertight' has proved very effective in achieving decent homes or at least making incremental improvements that move the property towards that standard. These small grants will be replaced by providing interest free unsecured loans of up to £3,000 which are repayable over three years.

The administrative costs of setting loans up will be borne by the council so that borrowers use their loan funding solely towards the cost works on their home.

**2. Landlords of Long Standing Empty Homes**

The Corporate Plan has a target of reducing the number of Empty Homes that have been empty for 5 years. HomeCome already has a scheme for leasing properties from landlords which are then offered nominations from the Council's Housing Register. Many homes that have been empty for long periods of time do not meet the Decent Homes standard and the work involved cannot be taken on by HomeCome. It is proposed that a capital and interest loan be offered to the landlord where they agree at least a 5 year lease to HomeCome.

Loan Type	Eligible households	Purpose	Maximum Loan	Minimum Loan	Eligible areas
Discounted Property Appreciation Loan – discounted by 20%	Vulnerable and low-income households. Must be owner occupiers	Bringing the property up to the decent homes standard.	£15,000 or 80% of free equity in the property if less	£3,000	Declared HIAs only
Standard Property Appreciation Loan	Vulnerable households. Must be owner occupiers	Bringing the property up to the decent homes standard	£15,000 or 80% of free equity in the property if less	£3,000	Citywide
Capital and Interest Repayment Loan/ Interest Only Loan/ Interest Roll Up Loan	Vulnerable households. Owner occupiers (all types) HomeCome lessors capital and interest only	Bringing the property up to the decent homes standard	£15,000 or 80% of free equity in the property if less	£3,000	Citywide but in HIAs the loan will be subject to discount
Unsecured Loan	Vulnerable households.	Incremental improvements that make a property wind & watertight or to deal with dangerous wiring or to improve energy efficiency beyond thermal comfort	£3,000	£500	Citywide



## **LOAN PRODUCTS**

There are five basic loan products. These are:

1. Capital and Interest Repayment Loan
2. Interest Only Loan
3. Interest Roll Up Loan
4. Equity Share Loan e.g. 'The Property Appreciation Loan' (PAL)
5. Discounted Property Appreciation Loan
6. Unsecured Loan

### 1 Capital and Interest Repayment Loan

This is a traditional loan with monthly repayments of interest and capital required over a set term. An affordable loan ought to have an interest rate below that available in the commercial sector.

### 2 Interest Only Loan

This again is a traditional product, available both through commercial lenders and through "affordable" lenders. There is a requirement with this product for interest payments to be met on a monthly basis. In respect of the vulnerable client group this product is mainly relevant to homeowners who can qualify to receive the interest being paid by the Department for Work and Pensions (DWP).

In these circumstances it can be a suitable option for vulnerable homeowners.

### 3 Interest Roll Up Loan

This product works by the interest being charged on the loan not being paid as a regular payment of any type, but being added to the loan itself. The original loan increases each year by the amount of interest charged. The loan is normally called an "interest roll up" loan or a "no service" loan.

This is only really suitable for loans that will be repaid within a limited period, say less than 10 years.

### 4 Property Appreciation Loan (PAL) or Equity Share Loan

The PAL is a loan product that does not have any monthly repayment requirements nor is there any interest charged on the loan. The loan provides a return to the lender by linking the loan to house price inflation. The loan is repaid upon the eventual sale of the property; when ownership changes hands; or when the borrower decides to redeem.

The PAL loan is expressed as a percentage of the value of the property and when the loan is redeemed, the same percentage is repaid but of the increased value. In the event that the value falls in the interim, then the same capital sum as the original loan would need to be repaid.

For example, a £5,000 loan on a £100,000 house becomes a 5% PAL loan. If the house has increased in value to £150,000 when the loan is redeemed, then 5% of the increased value i.e. £7,500 will need to be repaid.

#### 5 Discounted Property Appreciation Loan

The discounted PAL works in exactly the same way as the PAL outlined above, with the exception that the council agrees to give the homeowner a discount on the loan.

So in the example above, instead of taking a 5% stake on a £5,000 loan against a £100,000 property, the council could agree to take a 4% stake in the property. This 4% stake would have a value of £4,000; therefore the homeowner would have effectively received a £1,000 contribution towards the cost of the works.

#### 6 Unsecured Loan

For small loans (less than £3,000) it is more cost effective to offer unsecured loans that can be repaid on a monthly basis over three years.

**EXIT STRATEGY FOR WITHDRAWING SERVICES FROM RENEWAL AREAS**

Leicester deals with private sector decent homes on an area by area basis by declaring Home Improvement Areas (formerly Renewal Areas). Once substantial improvement has been achieved the programme moves on. During the life of a Home Improvement Area (HIA) contact is made with all households within the area. Advice and assistance is provided to ensure that all eligible households of given every opportunity to apply for grants and other forms of assistance. The main targets are all vulnerable households living in non-decent homes. Over time significant improvements in both housing conditions and the environment more generally are achieved.

The rate of new grant enquiries within Evington Valley Renewal Area ph2; New Humberstone non-statutory Renewal Area; and St Saviours non-statutory Renewal Area has now stopped and all eligible households that were interested in obtaining assistance have been dealt with. By ceasing the availability of home improvement grants and environmental works in these older areas resources can be better targeted to the newer HIAs and potentially further HIAs can be declared.

<b>Declared Areas</b>	<b>Date declared</b>	<b>Number of dwellings</b>
Evington Valley Renewal Area ph2	November 1999	437
New Humberstone non-statutory Renewal Area	January 2001	768
St Saviours non-statutory Renewal Area	March 2002	779
Swainson Road Home Improvement Area	February 2006	198
Abbey Lane North Home Improvement Area	November 2006	339
Windsor Avenue Home Improvement Area	November 2006	304
Halifax Drive Home Improvement Area	June 2008	266
Belgrave Village Home Improvement Area	June 2008	142

After withdrawing renewal services from the three renewal areas residents will still have access to services under the citywide home maintenance strategy and action with any empty homes will continue. The three areas will be brought into the 'Hot Lofts' programme so that any homes still with below standard levels of insulation can be dealt with.

<b>Renewal Area</b>	<b>Homes made Decent with grant aid</b>
Evington Valley ph2 RA	67%
New Humberstone RA	50%
St Saviours RA	46%

The detailed summary of activity in the New Humberstone RA is shown overleaf and is typical of the three areas.

<b>Summary for New Humberstone Renewal Area</b>	
Total number of Dwellings	768
Owner-Occupied Dwellings	473
Customers who completed grant enquiry forms	330
Number of properties fully improved at date of declaration	66
Number of properties now fully improved	235

76 households could not get a grant because of issues with their means tested contribution to the costs of work and 89 others did not feel able to go ahead with improvements for a variety of reasons.

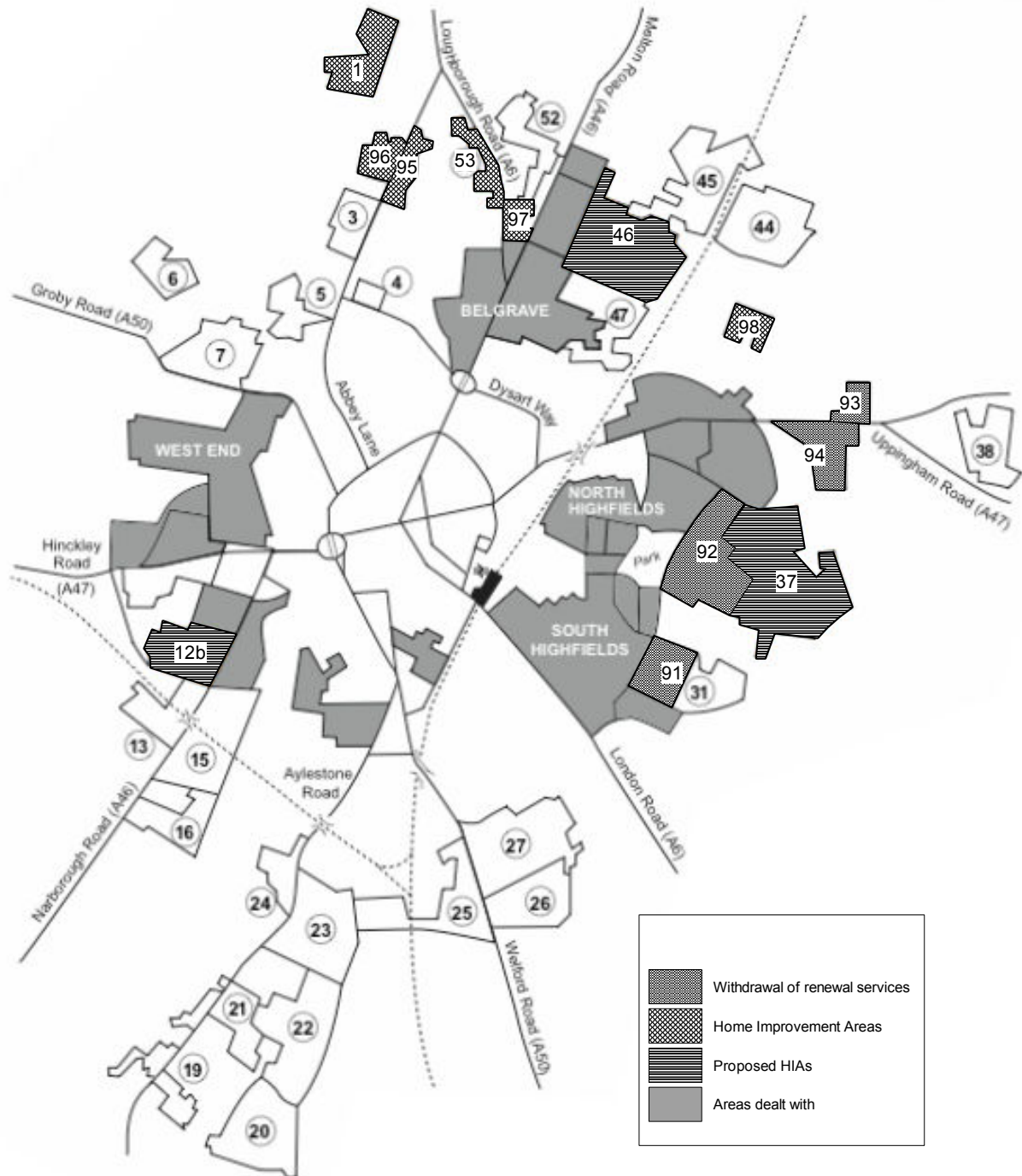
More than 500 dwellings in the area have benefitted from environmental schemes, including front wall schemes, facelift schemes and alleyway improvements.

The total expenditure on environmental works in the three renewal areas to date is:

<b>Renewal Area</b>	<b>Environmental Works Expenditure £s</b>
Evington Valley Renewal Area Ph2	1,103,609
St. Saviours Renewal Area	473,000
New Humberstone Renewal Area	1,062,085

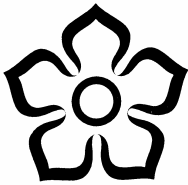
Work will continue in the Home Improvement Areas, namely Swainson Road, Abbey Lane North, Windsor Avenue North, Halifax Drive and Belgrave Village.

# Home Improvement Area Programme



Withdrawal of renewal services		HIAs – Loans to be targeted		Proposed HIAs	
92	St Saviours	53	Belgrave Village	37	Crown Hills
93	Uppingham Road	95	Abbey Lane North	12b	Westcotes Central
91	Evington Valley	97	Windsor Avenue	46	Catherine Street North
		98	Swainson Road		
		1	Halifax Drive		





Leicester  
City Council

Overview and Scrutiny Management Board  
Cabinet

9<sup>th</sup> December 2009  
14<sup>th</sup> December 2009

## EXTERNAL CASH COLLECTION FACILITIES

### REPORT OF CHIEF FINANCE OFFICER

#### 1. PURPOSE OF THE REPORT

- 1.1 This report provides members with an update of the use being made of the external cash collection facility by customers since it became operational in April 2009 and proposes to extend this facility beyond Council Tax, Business Rates and Housing Rents to other sources of income.

#### 2. BACKGROUND

- 2.1 In March 2008, members agreed to the procurement of an external cash collection facility to increase the range of opportunities for customers to pay Council Tax, Business Rate and Rent payments to around 200 outlets within Leicester and its immediate vicinity. The external cash collection facility also gives customers a wider choice of times to make their payments due to the extended opening hours of these outlets.
- 2.2 The facility was targeted to those customers who made payments to the Neighbourhood Housing Offices and /or the central cash office previously situated at Welford House, now housed in New Walk Centre, 'A' block. In 2008/09 the total collected at these establishments was as follows:

Table 1	Council Tax		N.N.D.R.		Housing Rents		Total	
	£000	No of Transactions	£000	No of Transactions	£000	No of Transactions	£000	No of Transactions
NHO	14,416	185,342	1,331	5,658	16,349	259,203	32,096	450,203
Cash Office	7,320	73,377	11,979	12,524	2,402	32,034	21,701	117,935
Total	21,736	258,719	13,310	18,182	18,751	291,237	53,797	568,138

- 2.3 The Council's preferred method of payment is direct debit, but this is not possible for all types of payments and there will always be customers who will elect for alternative methods of payment. This facility targets them.

2.4 The external facility was seen to offer greater choice for the customer i.e. more locations for cash collection and extended opening hours in some locations and at a lower cost per transaction than the Neighbourhood Housing Offices and central cash office.

### 3. SUMMARY

3.1 The extended cash collection facility selected was PayPoint. PayPoint operates across 152 sites within the City including 48 post offices.

3.2 The table below shows the amount collected between April and September 2009 through PayPoint and at our Neighbourhood Housing Offices and the central cash office, compared to the corresponding period in 2008.

Table 2	Council Tax		N.N.D.R.		Housing Rents		Total	
	2008 £000	2009 £000	2008 £000	2009 £000	2008 £000	2009 £000	2008 £000	2009 £000
NHO	8,805	5,958	806	555	8,472	6,004	18,083	12,517
Cash Office	4,527	2,948	7,566	9,022	937	804	13,030	12,774
PayPoint	-	1,506	-	69	-	1,454	-	3,029
Post Office	-	1,954	-	149	-	1,127	-	3,230
Total	13,332	12,366	8,372	9,795	9,409	9,389	31,113	31,550

3.3 It can be seen that the level of payments is broadly the same over the two years as at the end of September. However, £6million has been collected through the external cash collection facility (PayPoint, including post offices) during 2009 with a corresponding reduction collected through the NHOs and the central cash office and this would suggest that the facility is popular with customers. It would also seem appropriate to extend this to other sources of income.

3.4 Table 3 below shows the level of transactions at each of these facilities for April – September 2009 and for the corresponding period in 2008.

Table 3	Levels of transactions April – September 2008/2009							
	Council Tax		N.N.D.R.		Housing Rents		Total	
	2008	2009	2008	2009	2008	2009	2008	2009
NHO	115,928	73,895	3,504	2,484	138,508	97,162	257,940	173,541
Cash Office	45,266	26,239	7,707	5,861	12,456	9,637	65,429	41,737
PayPoint	-	21,438	-	679	-	25,701	-	47,818
Post Office	-	23,694	-	636	-	19,459	-	43,789
Total	161,194	145,266	11,211	9,660	150,964	151,959	324,369	306,885

3.5 There appears to be a direct correlation between the level of transactions for the external cash collection facility (almost 92,000) with a similar reduction in the number of transactions at the NHOs and the cash office. There has also been a reduction of over £6 million of Council Tax and Housing Rents collected at the NHOs and central cash office, though interestingly there was an increase of almost £1.5 million in NNDR collected at the central cash office.



- 3.6 The transaction costs of the external cash collection facilities are 40p for PayPoint and 45p for Post Offices, which compare favourably to the internal cash offices which are 63p per transaction for NHOs and 62p for central cash office. The costs of transactions reduce even further once the level reaches 100,000 per annum. There is, however, an additional cost for the external cash collection facilities which is due to the cash collected being held by the external provider for at least one day longer than cash collected through the internal cash offices. It is anticipated that based on the current bank interest rate of 0.5%, for every £1,000 paid, the cost to the Council will be 1p (In September 2007, the prevailing bank rate was 5.75% - for every £1,000 paid, the Council would have been 16p).
- 3.7 In addition to the savings, many people paying cash will have had to travel by bus or car to their nearest cash office. The increase in the number of payment outlets means that more people are able to walk to their nearest payment outlet. This will reduce CO<sub>2</sub> emissions.
- 3.8 The Council can also be seen to be supporting small businesses, providing additional footfall and possibly other purchases being made as a result of using PayPoint.
- 3.9 It is clear, even at this early stage, that the external cash collection facility is having a considerable impact on the current facilities (i.e. NHOs and central cash office) offered by the council, both in terms of the reduction in the number of customers paying at these premises and a reduction in the amounts collected. If this service is to be expanded to cover other forms of income then there is likely to be an even bigger drop in numbers and amounts collected. An analysis of the impact of the new facility on individual premises is being carried out which will enable members to consider the future role of these facilities.

#### **4. CONCLUSION**

- 4.1 The external cash collection facility provides a greater number of facilities and extended opening hours and is a lower cost per transaction to the Council.
- 4.2 The external cash collection facility has proved to be very popular. Between April – September 2009 £6,259,000 has been collected through this facility in respect of Council Tax, Housing rent and NNDR with very little difficulty.
- 4.3 The trial can be considered a success and consideration should be given to extending the service to other forms of income.
- 4.4 The introduction of the facility has had an impact on the central cash office and the NHOs and the future of the current facilities needs to be considered in more detail.

## 5. RECOMMENDATIONS

5.1 Cabinet are recommended to:

- a) confirm the continuation of the external cash collection facility and
- b) approve the extension of this means of payment to other types of income
- c) commission a further report to consider the future of the Neighbourhood Cash Offices in the light of the experience of Paypoint.

5.2 Overview and Scrutiny Management Board are asked to give its comments to help inform Cabinet's decision.

## 6. Financial Implications

6.1 This report is exclusively concerned with financial issues.

## 7. Legal Implications

7.1 There are no legal issues.  
(Peter Nicholls, Director of Legal Services, x 29 6302)

## 8. Other Implications

Other Implications	Yes/No	Paragraph References
Equal Opportunities	No	
Policy	No	
Sustainable & Environment	No	
Crime & Disorder	No	
Human Rights Act	No	
Elderly people on low income	No	

**9. Consultation**

Housing Services

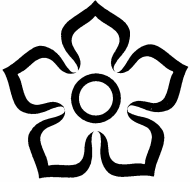
Revenues and Benefits

**10. Report Author**

**Name** Steve Charlesworth  
**Job Title** Head of Strategy and Development  
**Extension** 29 7495  
**Email** [steve.charlesworth@leicester.gov.uk](mailto:steve.charlesworth@leicester.gov.uk)

<b>Key Decision</b>	No
<b>Reason</b>	N/A
<b>Appeared in Forward Plan</b>	N/A
<b>Executive or Council Decision</b>	Executive (Cabinet)

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Leicester  
City Council

**WARDS AFFECTED**  
All Wards

**FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:  
CABINET**

**14<sup>th</sup> DECEMBER, 2009**

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## **CONTRACT MANAGEMENT AND PROCUREMENT**

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### **REPORT OF THE DIRECTOR OF LEGAL SERVICES**

#### **1. PURPOSE OF REPORT**

To report progress made in improving the Authority's Contract Management and Procurement standards and to recommend further action.

#### **2. RECOMMENDATION**

Cabinet is asked to note the report, progress which has been made and agree that further action be addressed via the Commissioning and Procurement Project.

#### **2. REPORT**

The District Auditor has carried out an audit of progress being made in implementing the DA's recommendations following a Public Interest Report in 2007. A full copy of the DA's progress report is available on request. .

The report featured in the DA's Annual Letter for 2008/9 which was presented to the Audit Committee on 30<sup>th</sup> June.

In response to the DA's Public Interest Report, 2007, a corporate officer group was established which created and oversaw the implementation of an Improvement Plan which is shown as **Appendix A**. This plan is now complete except that there is a need to arrange for further assurances to be provided by Divisional Directors in December, 2009. An audit in March identified some serious gaps in the assurances which have been provided by Directors to date.

The overall picture presented by the DA in the progress report is positive but it does include recommendations:

## **DA's recommendations and action to be taken**

**Recommendation 1 – Ensure that procurement training is provided to members and that all members involved in the procurement process attend as appropriate.**

The Head of Corporate Procurement, Support and Income Services is organising training for Labour Group members and this will be offered subsequently to other groups.

**Recommendation 2 – ensure that reporting on all aspects of the procurement function is aligned so that members can receive a rounded view of the value achieved in procurement and the procedures and controls applied.**

This has been actioned by the Head of Corporate Procurement, Support and Income Services. Evidence of reports will need to be provided to the DA.

**Recommendation 3 – the Corporate Improvement Plan should be directly linked to recommendations in the PIR or a separate report should be made to members on progress against the PIR action plan.**

This has been actioned and is complete.

**Recommendation 4 – ensure that regular monitoring of procurement activity through RMS is introduced as soon as possible to ensure appropriate governance and scrutiny of lower value contracts.**

The position needs to be kept under regular review until this action has been completed.

### **Further action recommended:**

- (i) Procurement and Commissioning should be one of the first group of support services to be reviewed. Improvement Group members are of the view that there is a need for category management to be implemented ASAP.
- (ii) Further assurances need to be provided by Divisional Directors in December, 2009. An audit in March, 2009 identified some serious gaps in the assurances which have been provided by Directors to date.
- (iii) The current training programme for members needs to be implemented and its benefits assessed. Evidence will need to be presented to the DA.
- (iv) A recent Internal Audit “compliance with the procurement toolkit and Contract Procedure Rules” identified that the current procurement toolkit is useful but needs to be improved to be more user friendly and accessible to officers dealing with purchasing on behalf of the Authority. Consideration is required on better IT design; access and navigation of the toolkit.
- (v) CPRs have been updated and Internal Audit has assessed that there have been significant improvements in compliance but it would be useful for a further review

to ensure the rules reflect contemporary best practice and complement the toolkit and current business needs.

- (vi) Completion of the RMS project is vital to ensure effective management of corporate wide information.

### **Procurement Transformation Project**

A Procurement Transformation Project has been launched which will focus on transforming our structures and processes and in particular focused on developing a category management model which seeks to ensure procurement is done by fewer staff with the right skills and expertise. The project will also seek to make savings via the procurement of goods, services and works.

A mini-competition was undertaken between suppliers on the tier 2 consultancy framework and Bluefish have been appointed to lead this work. Following an initial phase it is planned that their work will be funded on a risk reward basis linked to achievement of savings. Trade unions and other key stakeholders are being briefed on the work and the Procurement Leads Group which was established as part of the Supplier Management programme is being linked into the work. The project will build on the initial work done as part of the ODI Supplier Management work. Mark Noble will be the Senior Responsible Officer and Miranda Cannon the lead Director for the work.

### **Strategic Management Board**

Strategic Management Board approved and signed off this progress report on the 29<sup>th</sup> September and agreed as follows:

- \* Future recommendations are to be picked up through the Commissioning and Procurement Project which needs to look at cultural /behavioural compliance; simplification and improved performance and the implications of planning, do and review cycle.
- \* This needs to be linked in with the Strategic Commissioning and Procurement Transformation Project.
- \* A staff briefing is to be scheduled via the Commissioning Group.

And SMB asked that this report be forwarded to Audit Committee and Cabinet for review.

### **Audit Committee**

On the 11th November Audit Committee received this report, noted the progress which has been made and expressed interest in monitoring implementation of plans for further improvement.

Audit Committee asked that officers produce a handbook of key facts and issues for Audit Committee members. The Committee noted the significant level of corporate expenditure via procurement and the importance of this improvement work.

**3. FINANCIAL, LEGAL AND OTHER IMPLICATIONS**

**Financial implications**

None additional at this stage.

**Legal implications**

These are covered in the report.

**4. OTHER IMPLICATIONS**

OTHER IMPLICATIONS	YES/NO	Paragraph References Within Supporting information
Equal Opportunities	yes	Relevant to Commissioning and Procurement Strategy / Contract Compliance .
Policy	Yes	
Sustainable and Environmental	Yes	Relevant to Commissioning and Procurement Policy / Contract Compliance.
Crime and Disorder	No	
Human Rights Act	Yes	Relevant to Commissioning and Procurement Strategy / Contract Compliance .
Elderly/People on Low Income	Yes	Potential impact re commissioning policy

**5. RISK ASSESSMENT MATRIX**

Delete if not required and renumber paragraphs.

This only needs to be included if appropriate with regard to the Council's Risk Management Strategy

Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/appropriate)
1. Failure to follow Contract Procedure and EU Public Procurement Rules	M	H	Divisional Directors to ensure sufficient, fully trained, approved procuring officers are identified and that the rules are always followed.
2. RMS: the Council needs to confirm that we	H	H	As above, and close monitoring of project implementation.



are to continue to develop all necessary elements of RMS to deliver the Procure to Pay Module, sufficient to enable full interrogation of council spend and to ensure that sufficient resources are made available.			
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**6. CONSULTATIONS**

Miranda Cannon, Mark Noble, Laurie Goldberg, Martin Male.  
 All members of the Improvement Group: Beena Adatia, Adam Archer, Colin Sharpe, Geoff Organ, Martin Judson, Mukund Kumar, Pradeep Gadhok, Anthony Kennon, Andy Morley  
 Strategic Management Board  
 Audit Committee

**7. REPORT AUTHOR**

Peter Nicholls, Director of Legal Services, x6302

320

<b>Key Decision</b>	No
<b>Reason</b>	N/A
<b>Appeared in Forward Plan</b>	N/A
<b>Executive or Council Decision</b>	Executive (Cabinet)

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**APPENDIX A**  
**PROCUREMENT IMPROVEMENT PLAN**

(Updated to take into account Internal Audit work as at 22<sup>nd</sup> September, 2009)

**This Improvement Plan is designed to address strategic recommendations included in the District Auditor’s Public Interest Report, December, 2007.**

**The Plan has been implemented on target to date and the DA’s strategic recommendations are being addressed by actions as shown below:**

<b>STRATEGIC RECOMMENDATIONS</b>	<b>IMPROVEMENT PLAN ACTION</b>
<p>Members should have a more active oversight of the procurement process to ensure officers are held to account. They should:</p> <ul style="list-style-type: none"> <li>* approve annual procurement plans for services;</li> <li>* give final approval to entering into major contracts;</li> <li>* be involved in decisions about the procurement policy and the developing framework of procurement methodologies; and</li> <li>* receive reports on: value achieved; compliance with contract procedures/statutory requirements and the effectiveness of internal control.</li> <li>* holding officers to account.</li> </ul>	<p>17</p> <p>16, 17</p> <p>12, 16, 17</p> <p>16, 21, 22, 23, 24, 25</p> <p>1,2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 18</p>

**The Improvement Plan has the following main themes:**

- \* Tightening control. (actions 1-6)
- \* Training and accreditation. (actions 7-12)
- \* Improving guidance and rules. (actions 13-18)
- \* Improving management systems and monitoring. (action 19)
- \* Improving the contracts register system. (action 20)
- \* Audit (action 21-25)

Appendix 1

**PROCUREMENT IMPROVEMENT PLAN**

	ACTION	RESPONSIBILITY	ORIGINAL TARGET DATE	CURRENT POSITION AND PROJECTION
<b>TIGHTENING CONTROL</b>				
1	Review the number of officers who are authorised to purchase on behalf of the Authority, to reduce this to a manageable number which can be easily audited. Authorised officers are to be limited to those people who must purchase to enable them to perform their job. They must be adequately trained and the scope of their authorisation needs to be clear.	Divisional Directors Co-ordinated by Service Director – Legal Services	1 June, 2007	<p>All Departments have created an authorised Procuring Officer List.</p> <p>The completed lists have been loaded onto Insite to enable Corporate-wide access and monitoring.</p> <p><b>Complete.</b> Corporate Directors’ Board/ Audit Committee have expressed concern that there are too many authorised officers. Departments have been instructed to reduce the list to what is essential. The Board will be informed of the latest position.</p>

	ACTION	RESPONSIBILITY	ORIGINAL TARGET DATE	CURRENT POSITION AND PROJECTION																																						
				<p>The most recent listings contain:</p> <p><u>Approved Officers – CEO</u></p> <table> <tr><td>Minor</td><td>0</td></tr> <tr><td>Small</td><td>0</td></tr> <tr><td>Large</td><td>0</td></tr> <tr><td>Over EU</td><td>6</td></tr> <tr><td><b><u>TOTAL</u></b></td><td><b><u>6</u></b></td></tr> </table> <p><u>Approved Officers – Resources</u></p> <table> <tr><td>Minor</td><td>20</td></tr> <tr><td>Small</td><td>20</td></tr> <tr><td>Large</td><td>10</td></tr> <tr><td>Over EU</td><td>39</td></tr> <tr><td><b><u>TOTAL</u></b></td><td><b><u>89</u></b></td></tr> </table> <p><u>Approved Officers – CYPS</u></p> <table> <tr><td>Minor</td><td>0</td></tr> <tr><td>Small</td><td>2</td></tr> <tr><td>Large</td><td>4</td></tr> <tr><td>Over EU</td><td>15</td></tr> <tr><td><b><u>TOTAL</u></b></td><td><b><u>21</u></b></td></tr> </table> <p><u>Approved Officers – R &amp; C</u></p> <table> <tr><td>Minor</td><td>9</td></tr> <tr><td>Small</td><td>48</td></tr> <tr><td>Large</td><td>63</td></tr> <tr><td>Over EU</td><td>12</td></tr> </table>	Minor	0	Small	0	Large	0	Over EU	6	<b><u>TOTAL</u></b>	<b><u>6</u></b>	Minor	20	Small	20	Large	10	Over EU	39	<b><u>TOTAL</u></b>	<b><u>89</u></b>	Minor	0	Small	2	Large	4	Over EU	15	<b><u>TOTAL</u></b>	<b><u>21</u></b>	Minor	9	Small	48	Large	63	Over EU	12
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	<b>ACTION</b>	<b>RESPONSIBILITY</b>	<b>ORIGINAL TARGET DATE</b>	<b>CURRENT PROJECTION</b>	<b>POSITION</b>	<b>AND</b>
				<b><u>TOTAL</u> 132</b>		
				<u>Approved Officers – A &amp; H</u>		
				Minor 13		
				Small 55		
				Large 31		
				Over EU 18		
				<b><u>TOTAL</u> 117</b>		
				<b>GRAND TOTAL</b>	<b>365</b>	
2	Assurance must be given that the current list of authorised officers is complete and up to date.	Divisional Directors. Co-ordinated by Service Director – Legal Services	1 August, 2007	<b>Complete.</b> (Divisional Directors will be requested to reconfirm the assurances in December).		

	ACTION	RESPONSIBILITY	ORIGINAL TARGET DATE	CURRENT POSITION AND PROJECTION
3	The list of authorized officers must be kept up to date and monitored annually.	Chief Operating Officer and Divisional Directors, Co-ordinated by Geoff Organ	Ongoing	<p><b>Complete.</b> Nominated Officers in each Department will ensure that the information is kept up to date.</p> <p>The term “Procuring Officers” is to be used instead of “Authorised Officer” to avoid confusion.</p> <p>There are capacity issues within Corporate Support, Procurement &amp; Income Services and within service departments. Some departments such as Adults and Housing have a dedicated procurement team whereas R&amp;C, to date has decided not to create one. CDB has agreed, as part of the current procurement strategy, to introduce category management of procurement, to be implemented as part of phase 2 of the Corporate Review, and has also agreed to create two more posts within the Corporate Procurement Team. The project to deliver this initiative commenced at the beginning of October.</p>

	<b>ACTION</b>	<b>RESPONSIBILITY</b>	<b>ORIGINAL TARGET DATE</b>	<b>CURRENT POSITION AND PROJECTION</b>
4	Ensure compliance with Contract Procedure Rules in respect of notification and safekeeping of contracts handled within departments (i.e. contracts in a standard form approved by Legal Services, up to the upper threshold value for a small contract (currently £35,000).	Divisional Directors. Co-ordinated by Geoff Organ	1 June, 2007	<b>Complete.</b>  To be repeated in December.
5	An annual assurance to be given that Procuring Officer lists are up to date and that adequate systems are in place to ensure Service Directors are complying with procedures for entering into contracts.	Chief Operating Officer and Divisional Directors, co-ordinated by Geoff Organ.	Annually,	<b>Complete.</b>  (to be repeated in December)
6	This assurance must also confirm that adequate insurance arrangements are in place throughout contract terms	Chief Operating Officer and Divisional Directors.	December	<b>Complete.</b> (to be repeated in December)
<b>TRAINING AND ACCREDITATION</b>				
7	Ensure that an appropriate corporate training programme for Procuring Officers is available.	Head of Corporate Procurement Support and Income Services	30 June, 2007	The programme is written, is available and is now being delivered.  Training continues to be delivered.
8	Make available a corporate training programme leading to accreditation that Procuring Officers authorised to procure have been trained to sufficient standards.	Chief Finance Officer	September, 2007	Training is being provided.



	<b>ACTION</b>	<b>RESPONSIBILITY</b>	<b>ORIGINAL TARGET DATE</b>	<b>CURRENT POSITION AND PROJECTION</b>
9	Make available an on-line corporate training programme.	Head of Corporate Procurement, Support and Income Services	December, 2007	Now that the new Toolkit is finalised, on-line training will be introduced by December, 2008. The Toolkit will require updating again following the introduction of new CPRs.
10	Comply with the requirement that all <b>new</b> Procuring Officers must be accredited.	Divisional Directors.	March 2008	This will require a new training contract which has now been awarded to a training company called Cordie.
11	Ensure that <b>all</b> Procuring Officers are accredited (accredited training or equivalent)	Divisional Directors	December 2008	<b>Achievable.</b> In addition “elective training” will be provided for other officers on specific aspects of procurement to enable them to perform their role as part of the Procurement Team. (To be provided from January onwards).  Training continues to be delivered.
12	Support for elected members is also being proposed and each political group is being asked to nominate a lead member who can develop a special interest in this field.	Director of Legal Services in consultation with Group Whips.	January 2008	Awareness sessions will be delivered via the Member Development Programme, being worked up by the Member Development Forum. There is also consultation with groups and individual members to ensure the programme suits members’ needs and interests. This is relevant to Scrutiny Members as well as Cabinet Members. <b>Whips have been consulted and support the idea of each group nominating lead members, names to be provided at the whips group meeting on 20<sup>th</sup> November.</b>

	<b>ACTION</b>	<b>RESPONSIBILITY</b>	<b>ORIGINAL TARGET DATE</b>	<b>CURRENT POSITION AND PROJECTION</b>
<b>IMPROVING GUIDANCE AND RULES</b>				
13	Review and improve the Council's Procurement Toolkit to clarify responsibilities and mandatory requirements, also to ensure the Toolkit is user friendly and easy to access e.g. by use of hyperlinks to Contract Procedure Rules etc.	Head of Corporate Procurement, Support and Income Services	September 2007	<p>The revised Toolkit is now available, being promoted and used.</p> <p>To be repeated in December following approval of revised Contract Procedure Rules by Council in November.</p>
14	Production of consolidated guidance on procurement processes which makes responsibilities clear, also includes adequate checks and challenges at each stage. Guidance / procedures will provide for officer intervention to ensure any non-compliance is regulated and resolved.	Head of Corporate Procurement, Support and Income Services and Service Director – Legal Services.	September, 2007	<p>A new web-based toolkit has been introduced.</p> <p>Contract Procedure Rules (CPRs) are undergoing a complete, radical review, also to incorporate important changes to EU law; to be reported to Council in November.</p> <p>Rules are being simplified wherever possible to make them more accessible assuming that Procuring Officers are trained to a corporate standard; also to make the rules more user friendly from a contractor point of view e.g. to provide that small companies be invited to sign up to the Council's principles regarding policies such as equal opportunities so as to facilitate compliance.</p>

	<b>ACTION</b>	<b>RESPONSIBILITY</b>	<b>ORIGINAL TARGET DATE</b>	<b>CURRENT POSITION AND PROJECTION</b>
15	When Service Directors authorise Legal Services to process and enter into tendered contracts they must also attach a financial evaluation. There must be justification for any proposal to enter into a contract in excess of the evaluated limit and there must be a statement that the authorised officer has considered the impact of the contract on total exposure to the same contractor.	Divisional Directors	January, 2008	<p>Legal Services' Commercial Team has been instructed to ensure that a financial evaluation is attached to all instructions received.</p> <p>The revised Contract Procedure Rules will make this a mandatory requirement for contracts over the EU threshold.</p> <p>An audit is to be completed by Internal Audit in January, 2009.</p>

	<b>ACTION</b>	<b>RESPONSIBILITY</b>	<b>ORIGINAL TARGET DATE</b>	<b>CURRENT POSITION AND PROJECTION</b>
16	Systems will also be established to enable regular review of revenue contracts over a specified threshold (currently £100,000) by Cabinet and the Procurement and Value for Money Select Committee.	Chief Finance Officer	December, 2007	<p><b>Complete.</b></p> <p>At its meeting on 21<sup>st</sup> April Cabinet monitored progress in implementing this Improvement Plan and also agreed that all contracts over the EU financial threshold be reserved to Cabinet for authorisation. The current EU thresholds are £139,893 for supplies and services and £3,497,313 for works. This provides Cabinet with sufficient control but avoids cluttering up its agenda and also provides the added benefit of enhancing corporate management, oversight and control of compliance with EU procurement requirements.</p> <p>To provide flexibility, Cabinet (23<sup>rd</sup> June) revised its Scheme of Delegation to enable individual Cabinet members to authorise contracts over the EU threshold within the approved Procurement Plan.</p> <p>So as to reduce duplication Cabinet has dispensed with the need for consultation with Cabinet Leads before entering into any revenue contract where the value is £100,000 or more.</p>

	<b>ACTION</b>	<b>RESPONSIBILITY</b>	<b>ORIGINAL TARGET DATE</b>	<b>CURRENT POSITION AND PROJECTION</b>
17	Departments must produce an annual procurement plan to be reviewed by Scrutiny and approved by Cabinet.	Chief Operating Officer and Divisional Directors with support from Geoff Organ who has agreed to produce initial draft plans based on the corporate information available.	April 2008 for 08/09	Head of Corporate Procurement, Support and Income Services produced a plan in consultation with all departments, approved by Cabinet on 14 <sup>th</sup> July.
18	Further review Contract Procedure Rules to meet current corporate and legal requirements, to clarify responsibilities and mandatory requirements and to ensure that the rules are easily accessed and understood by authorised purchasers.	Head of Corporate Procurement, Support and Income Services and Service Director – Legal Services	December 2007	A revised version has been produced and is currently subject to consultation.  Full Council approval is required, programmed for November, 2008.
<b>IMPROVING MANAGEMENT SYSTEMS</b>				
19	Introduce an effective Council wide procurement system as part of a new Resource Management System (RMS).	Chief Finance Officer	April 2008	Project has slipped to April, 2009 following which there will be a phased implementation.
<b>IMPROVING THE CONTRACTS REGISTER SYSTEM</b>				
20	Enhance the existing contracts register system in order to: <ul style="list-style-type: none"> <li>- Minimise scope for contracts to be omitted.</li> <li>- Provide a long stop control over potential overruns.</li> </ul>	Chief Finance Officer	August 2007	<b>Complete.</b>

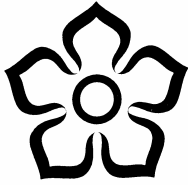
	<b>ACTION</b>	<b>RESPONSIBILITY</b>	<b>ORIGINAL TARGET DATE</b>	<b>CURRENT POSITION AND PROJECTION</b>
<b>AUDIT</b>				
21	Review authorised officer database to ensure that it is up to date.	Head of Audit and Governance	October 2007	<p><b>Complete.</b> The authorised officer list has now been trimmed to a satisfactory level. However, this needs review every three months. At its meeting on 2<sup>nd</sup> April, Audit Committee received a progress report, focusing on its concerns to reduce the number of authorised officers in Adults and Housing. The position was accepted but the Committee asked for a report back in 12 months time.</p> <p>At the next quarterly review it needs to be reviewed in line with new departmental structures.</p>
22	Review the adequacy of contracts' insurance.	Head of Audit and Governance	June, 2008	A final report has been issued. Annual Assurance Statements now require confirmation that adequate insurance cover is in place throughout the life of a contract.
23	Audit of housing related contracts to ensure compliance with the District Auditor's detailed recommendations.	Head of Audit and Governance.	June – September, 2008	<b>Complete.</b> A review has been completed by Internal Audit which has found that there has been some improvement. A follow up audit is due at the end of September, 2009.

	<b>ACTION</b>	<b>RESPONSIBILITY</b>	<b>ORIGINAL TARGET DATE</b>	<b>CURRENT POSITION AND PROJECTION</b>
24	Audit compliance with the Procurement Toolkit and new Contract Procedure Rules.	Head of Audit and Governance	April 2008	<b>Complete.</b> Internal Audit has completed a review and now awaits formal response from management. The audit has identified that the procurement toolkit is a useful best practice aide and that there have been significant improvements in compliance with CPRs. Following the audit, the toolkit has been amended in parts to synchronize with the new CPRs, however, better IT design; access and navigation require consideration.
25	Audit of assurances provided	Head of Audit and Governance	January/ February, 2009	<b>Complete.</b> An audit of assurances has been completed as at March, 2009, but significant gaps have been identified. The improvement team has agreed that these need to be reported to at least Operational Board level. There will be a further audit of assurances in December, 2009.

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Leicester  
City Council

**WARDS AFFECTED**  
**All**

## **FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:**

Performance & Value for Money Select Committee  
Cabinet

9<sup>th</sup> December 2009  
14<sup>th</sup> December 2009

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## **Performance Report for Quarter Two 2009/10**

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### **Report of the Chief Executive**

#### **1. Purpose of Report**

- 1.1 This report presents a summary of performance against the priorities set out in *One Leicester* for the second quarter of 2009/10. Progress for the purposes of this report is measured primarily against the targets set in our Local Area Agreement (LAA) and draft Corporate Plan.
- 1.2 This report introduces significantly improved information on operational performance, highlighting significant achievements and key areas of concern or risk that need to be considered by Members in terms of their potential impact on the delivery of strategic priorities.

#### **2. Recommendations**

- 2.1 Members are asked to:
  - (i) Note our performance for the second quarter.
  - (ii) For those targets deemed to be at risk, ensure that relevant Strategic Directors work with their Priority Boards to deliver agreed responses and ensure Cabinet Leads are briefed accordingly.

### **3. Background**

- 3.1 This Quarter Two report is mainly focused on LAA performance. The LAA serves as a good guide to performance as a whole and reflects the priorities for the city as set out in *One Leicester*.
- 3.2 However, in this report we also introduce more information on output or performance measures (how we measure the volume and quality of our services) and input or organisational measures (how we measure how well the Council is managed).
- 3.3 This is a key element of work being undertaken to redesign performance reporting and management in the light of the new senior management arrangements adopted by the Council.
- 3.4 As previously reported this new approach will be based on the analysis of three baskets of performance indicators:
- Outcome / Population measures – how we will measure the impact / effect of our interventions
  - Output / performance measures – how we will measure the volume and quality of our interventions
  - Input / organisational measures – how we will measure how well the Council is managed
- 3.5 These additional measures are largely drawn from Service Improvement & Efficiency Plans (SIEPS), with some included in One Leicester, our LAA, the draft Corporate Plan, the Organisational Development and Improvement Plan and the Financial Plan.
- 3.6 Inclusion of these measures in our quarterly performance reporting will allow for a richer analysis of performance against our priority outcomes. Key to this will be understanding the causal link between interventions delivered by the Council and impacts on the city's population i.e. the outcomes we want to see.
- 3.7 Consideration of performance against these measures has been undertaken by the Council's Operations Board, with issues that can't be resolved at that level being escalated to the Strategic Management Board (SMB).
- 3.8 SMB has considered those issues escalated by Operations Board along with those outcome measures for which it is responsible. The outcome of those considerations is this report for Cabinet and Performance & Value for Money Select Committee. It is an exception report covering key risks to achieving LAA and draft Corporate Plan targets, informed by the Operations Board's analysis of operational performance and Strategic Management Board's analysis of performance at the strategic / outcome level.

#### 4. Performance in a Wider Context

4.1 Recent quarterly performance reports have included a section on the potential impacts of the economic recession on the Council's and partner's performance. In future reports it is intended to broaden the scope of this section to cover a range of external environmental factors that are or could impact on performance.

4.2 The focus here is likely to remain on economic issues for the foreseeable future, but we will seek to identify relevant social, technological, legislative, environmental and political developments that have a bearing on our plans and performance against those plans.

4.3 Headline economic issues for this quarter are:

- The economy has been in the longest recession since quarterly records began in 1955. Despite several predictions that the UK would come out of recession, there was a 0.4% drop in gross domestic product (GDP) in the third quarter of the year.
- Many economic indicators show the recession easing and may soon be over. Other possible signs of recovery include:
  - An Ipsos Mori poll of 1003 adults in September found that 43% of people believed the economy would improve over the next 12 months
  - The business survey 2009 has found an increase in the level of business optimism as compared with the same period in 2008
  - Experian forecasts are predicting a market recovery in the next few years
- Technically we will be out of recession once we see growth in GDP, however this needs to be sustained in order to generate employment.
- Unemployment in the city continues to rise; the JSA claimant numbers in September increased by 75 in the city to give a rate of 6.9%. Interestingly, the September figures show that unemployment dropped slightly across the rest of Leicestershire.
- Spinney Hills and New Parks wards saw the largest monthly increase in Job Seekers Allowance claimant rates. Evington ward saw the largest monthly decrease in rates.
- Braunstone ward has seen the largest *annual* claimant rate increase in the sub region from 462 claimants in September 2008 (4.5%) to 832 claimants in September 2009 (8.2%).
- As of October 31<sup>st</sup> 09, there were 918 (7.5%) young people not in education, employment or training (NEET), as compared with the previous month of 1253 (10%). This monthly drop is in line with expected seasonal trends. However, this compares positively with the same period last year, when there were 1038 (9.1%) NEET young people. Having said that, there has been an increase in the numbers of 18-24 year old claimants between September and October '09.

## 5. LAA Performance Summary

5.1 Overall performance against LAA targets for the second quarter of 2009/10 is set out below.

6 Above target  
28 On, or close to target  
11 Below target  
6 Incomplete data

5.2 This overall position represents a modest improvement on the position reported at the end of Quarter One. Critically, the number of measures performing below target has reduced from 18 to 11.

5.3 Information on the Council's financial position at the end of Quarter Two is presented in other reports on the agenda for this meeting and should be read in conjunction with this report. Summary information on sickness levels is included in section 7 of this report.

## 6. Performance Exceptions

- 6.1 The following exceptions, both areas of achievement and risk, are identified from:
- the latest available actual performance against LAA targets
  - Priority Board performance report cards considered by Strategic management Board
  - issues escalated by Operations Board to Strategic Management Board based on information contained in Divisional report cards

Priority Board and Divisional report cards are available by request to the report author.

### 6.2 Investing in our Children

Strategic Director - Rachel Dickinson  
Cabinet Lead - Cllr Dempster

19 Indicators

1 Above target  
12 On, or close to target  
5 Below target  
1 Incomplete data

Key achievements:

Excellent or significantly improved outcomes	NI 87 – Secondary school persistent absence rate
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Excellent or significantly improved service performance contributing to above outcomes	NI 45 – young offenders engagement in suitable education, employment or training  Services for children in care continue to perform very strongly
Excellent or significantly improved service performance likely to contribute to improved outcomes in the near future	NI 114 – rates of permanent exclusion from school  DataNet development  National Strategies have identified Leicester as a “rapidly improving authority” across all key stages

Key areas of risk:

Red Flagged indicators	NI 65 – second or subsequent child protection plan  NI 118 – take-up of formal childcare by low-income working families
Actions to address risk	NI65 <ul style="list-style-type: none"> <li>Action underway to review specific cases in order to address root causes of increase in the need for a second or subsequent child protection plan</li> </ul> NI118  A number of targeted projects in place to support improvement such as: <ul style="list-style-type: none"> <li>Funding benefit advice in Children Centres targeting working families tax credit</li> <li>Targeting of families on Housing Benefit for 2 Year Old Nursery Education</li> <li>Targeting BME Communities Project</li> <li>Working with the development of Multi Access Centres</li> </ul> A more strategic approach is underway through work to develop a corporate child poverty strategy.

### 6.3 **Planning for People, not Cars**

Strategic Director - Alistair Reid  
Cabinet Lead - Cllr Kitterick

2 indicators

- 1 Above target
- 1 On, or close to target
- 0 Below target
- 0 Incomplete data

Key achievements:

Excellent or significantly improved outcomes	NI 154 - Net additional homes provided
Excellent or significantly improved service performance contributing to above outcomes	<p>NI 154:</p> <ul style="list-style-type: none"> <li>• Significant new Council House building programme application successful (93 new affordable homes on three Council owned sites in first round)</li> <li>• We have liaised with developers to win bids on two private sector owned signed sites via the HCA's Kick Start Initiative</li> <li>• Finalised legal agreement for BUSM site for 119 new affordable homes</li> <li>• New Growth Point funding programme agreed for new homes</li> <li>• Local Development Framework Core Strategy out to consultation</li> </ul>
Excellent or significantly improved service performance likely to contribute to improved outcomes in the near future	<p>NI 167 – Congestion</p> <p>The Humberstone Road Quality Bus Corridor Scheme has continued on site. The Aylestone Road Quality Bus Corridor Scheme design has progressed and we are on programme to go to public consultation mid November</p>

Key areas of risk:

Red flagged indicators	None
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<p>Delivery issues (including flagged performance measures and project risks drawing on latest inspection findings and any issues and risks highlighted by Operational Board or ODI Board)</p>	<p>NI 48 – Children killed or seriously injured in road traffic accidents</p> <p>Although not an LAA measure concern has been expressed about the increase in the number of children killed or seriously injured in road traffic accidents revealed by recently published data.</p> <p>We are currently investigating the reasons behind this trend (which we understand to be mirrored nationally)</p> <p>In parallel to this:</p> <ul style="list-style-type: none"> <li>• We have recruited a road safety officer and road safety tutor (part-time) to take forward our pedestrian training work.</li> <li>• We are reviewing elements of our strategy such as effectiveness of past schemes, we are conducting a speed limit review, we are reviewing the implications of implementing 20mph speed limits on unclassified roads (non- main roads).</li> <li>• We are implementing a quality management system covering project delivery. We are reducing the number of people involved in scheme delivery and hence trying to focus appropriately skilled/experienced staff on project delivery.</li> <li>• We are continuing to encourage schools to adopt travel plans.</li> </ul>
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#### 6.4 **Reducing our Carbon Footprint**

Strategic Director - Alistair Reid  
Cabinet lead - Cllr Russell

3 indicators

- 0 Above target
- 2 On, or close to target
- 1 Below target
- 0 Incomplete data

Key achievements:

Excellent or significantly improved outcomes	NI 186 - Per capita reduction in CO2 emissions in the LA area
Excellent or significantly improved service performance contributing to above outcomes	In quarter 2 the effect of the Hot Lofts programme continues to support a reduction in emissions from domestic sources. The work of 'Climate Change – What's your plan' continues and a portion of the reduction from the commercial sector can be attributed to the project. The data presented means that the trajectory can allow us to declare that the status can be moved from RED to AMBER
Excellent or significantly improved service performance likely to contribute to improved outcomes in the near future	

Key areas of risk:

Red flagged indicator	NI 193 - Percentage of municipal waste land filled
Actions to address risk	<ul style="list-style-type: none"> <li>• Negotiations with Biffa to identify alternative outlets for floc will continue and it is understood that a number of options are being considered.</li> <li>• It is anticipated that performance in this area will improve once a non-landfill outlet had been located for the floc.</li> <li>• We look to build on waste participation survey findings and roll-out City Wardens city-wide this year, using them to help promoting recycling to households to try and cover for the shortfall in this target.</li> <li>• Continuing with recycling corporate waste: several successful schemes have been trialed across different types of offices &amp; facilities such as museums and a programme is being developed to phase in all council buildings.</li> </ul>



## 6.5 Creating Thriving, Safe Communities

Strategic Director - Kim Curry  
Cabinet Leads - Cllr Dawood / Cllr Westley

12 indicators

- 0 Above target  
6 On, or close to target  
1 Below target  
5 Incomplete data ( 4 Place survey measures for which we only have baseline data and a national issue whereby data for NI 18 (adult re-offending) is not being reported)

Key achievements:

Excellent or significantly improved outcomes	Subject to data being validated we believe there are very positive outcomes around youth offending.
Excellent or significantly improved service performance contributing to above outcomes	NI 156 – Households in temporary accommodation Although not an LAA measure, performance is very strong and well above comparator authorities.
Excellent or significantly improved service performance likely to contribute to improved outcomes in the near future	NI 155 – Number of (social) affordable homes delivered (performance has been strong in the light of the economic climate but remains a cause for concern – see below)

Key areas of risk:

Red flagged indicator	NI 155 – Number of (social) affordable homes delivered <ul style="list-style-type: none"> <li>The 3 year LAA target will not be met but the 5 year Corporate Plan target has a reasonable chance of being met despite the recession.</li> </ul>
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<p>Actions to address risk</p>	<ul style="list-style-type: none"> <li>• Under the Affordable Housing Strategy the service has responded vigorously to the Housing Ministers pledge of funding made in the summer, and to date has made a successful bid for funding to build 93 affordable homes.</li> <li>• A second bid is to be submitted for a further 72 affordable homes and the fast track disposal of City Council land to Registered Social Landlord's is underway which, when complete, should provide an additional 130 affordable units.</li> <li>• New ways of working in Hostels and Options are being designed in preparation for the closure of 2 of our hostels</li> <li>• A multi agency Programme Board has been set up to implement the recently agreed Homelessness Strategy &amp; Affordable Housing Strategy</li> <li>• Seeking improved performance through better use of the planning system</li> </ul>
<p>Other delivery issues (including flagged performance measures and project risks drawing on latest inspection findings and any issues and risks highlighted by Operational Board or ODI Board)</p>	<p>BCS recorded crime rate per 1,000 population:</p> <ul style="list-style-type: none"> <li>• Although individual crime related LAA measures are not red flagged this quarter there is concern about the total level of crime in the city (British Crime Survey recorded crime rate per 1,000 population).</li> <li>• The Audit Commission as part of the 2009 CAA have observed that whilst reductions are being made progress is too slow and in comparison to others within our most similar group our rate of decrease is smaller.</li> </ul>

## 6.6 Improving Wellbeing and Health

Strategic Directors - Kim Curry / Deb Watson  
 Cabinet Leads – Cllr Palmer / Cllr Dawood

9 indicators

2 Above target  
 5 On, or close to target  
 2 Below target  
 0 Incomplete data

Key achievements:

Excellent or significantly improved outcomes	NI 131 – Delayed transfers of care from hospitals  NI 142 – Number of vulnerable people who are supported to maintain independent living
Excellent or significantly improved service performance contributing to above outcomes	NI 149 - Adults receiving secondary mental health services in settled accommodation  • Performing strongly (top quartile)
Excellent or significantly improved service performance likely to contribute to improved outcomes in the near future	NI 123 – Stopping Smoking  • Performing better than comparator authorities

Key areas of risk:

Red flagged indicators	NI 120 – All age all cause mortality rates (male & female targets)
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<p>Actions to address risk</p>	<p>Premature deaths are strongly associated with deprivation and are worsened by lifestyle factors that are more common in poorer communities.</p> <p>Current actions include:</p> <ul style="list-style-type: none"> <li>• Reducing the risk of heart attacks and strokes through Cardiovascular disease (CVD) Risk screening in Pharmacies, improved management of CVD risk in primary care, improvement to stroke care, targeted lifestyle programmes (particularly targeted smoking cessation and tobacco control, but also including reducing alcohol harm, work to increase physical activity and maintenance of healthy weight.</li> <li>• Extending and increasing the coverage of cancer screening programmes (breast, bowel and lung) and other work to improve early identification of cancers</li> <li>• Work to reduce seasonal excess deaths (including work to improve the take up of seasonal flu immunisation)</li> <li>• Work to reduce infant mortality (including early access to antenatal services reduced smoking in pregnancy/targeted support for smoke free homes and reduction in teenage pregnancies).</li> </ul> <p>Interventions to address these health inequalities need to be increased in scale.</p> <p>We also need:</p> <ul style="list-style-type: none"> <li>• Strategic Framework document for Health Inequalities</li> <li>• Revised governance arrangements for tackling health inequalities</li> </ul>
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<p>Other delivery issues (including flagged performance measures and project risks drawing on latest inspection findings and any issues and risks highlighted by Operational Board or ODI Board)</p>	<p>NI 150 – Adults receiving secondary mental health services in employment</p> <ul style="list-style-type: none"> <li>• Poor performance (bottom quartile) linked to impact of recession</li> <li>• Link to actions to address overall employment rates (NIs 152 and 153)</li> </ul> <p>NI 132 – Timeliness of social care assessments</p> <ul style="list-style-type: none"> <li>• The risk is associated with the introduction of the new system of personalisation.</li> <li>• Staffing pressures in assessment teams are adding to this risk.</li> </ul>
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## 6.7 **Investing in Skills and Enterprise**

Strategic Director - Alistair Reid  
Cabinet lead - Cllr Kitterick

5 indicators

- 1 Above target
- 2 On, or close to target
- 2 Below target
- 0 Incomplete data (there are data issues relating to NIs 152, 153, 165 and 172 which are being addressed)

Key achievements:

Excellent or significantly improved outcomes	None
Excellent or significantly improved service performance contributing to above outcomes	N/A

<p>Excellent or significantly improved service performance likely to contribute to improved outcomes in the near future</p>	<ul style="list-style-type: none"> <li>• Secured Future Jobs Fund programme to create 1000 new short term jobs for city and sub region</li> <li>• Agreed Working Neighbourhoods Fund (WNF) programme and allocated 80% of resources</li> <li>• Launched City Centre Multi Access Centre (MAC) and secured funding to extend network for 6 further MACs</li> <li>• Secured Fit for Living funding to operate a national pilot scheme to keep people off Incapacity Benefit</li> <li>• Agreed strategy for rolling out Highcross support model throughout city and sub region</li> <li>• NBQ2 office site preparation scheme bid approved by emda subject to conditions</li> <li>• Submitted funding bid for innovation centre workspace scheme to kickstart science park</li> <li>• Progressing new Economic assessment for sub region, draft now subject to consultation</li> </ul>
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Key areas of risk:

<p>Red flagged indicators</p>	<p>As a direct consequence of the current recession:</p> <p>NI 152 - Working age people on out of work benefits</p> <p>NI 153 - Working age people on out of work benefits in the worst performing neighbourhoods</p>
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<p>Actions to address risk</p>	<p>Employment support:</p> <ul style="list-style-type: none"> <li>• Commence Future Jobs Fund (FJF) programme before end December 2009 with a significant number of jobs created in the first qtr of 2010</li> <li>• Roll out agreed WNF programme including Multi Access Centres. &gt;£9m from WNF is being invested in the MAC network and related service delivery</li> <li>• Work will be undertaken via WNF to introduce schemes that tie directly into the worklessness and skills agendas.</li> </ul> <p>Increase skill levels:</p> <ul style="list-style-type: none"> <li>• Development of corporate approach to apprenticeships</li> <li>• Employment of dedicated Employment and Skills Manager</li> <li>• Refocus and align strategy for 14-19 yr commissioning</li> <li>• Refine strategy following economic assessment / strategy</li> </ul> <p>Business support:</p> <ul style="list-style-type: none"> <li>• Launch new workspace at Phoenix Square</li> <li>• Progress development of NBQ2 through emda funding package</li> <li>• Secure Science Park workspace funding</li> <li>• Launch new erdf call and monitor existing erdf / wnf business support schemes to assess impact</li> </ul>
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## 6.8 **Service Improvement / Efficiency**

Director- Mark Noble  
Cabinet lead - Cllr Patel

1 indicator

At risk (see section 7.8 to 7.10 below)

NI 179a Value for money – total net value of ongoing cash-releasing value for money gains that have impacted since the start of the 2008-09 financial year. (Leicester City Council only data - This indicator measures the amount of cashable savings the local authority has made).

NI 179b Total net value of ongoing cash releasing gains since 2008-9 (Partnership)

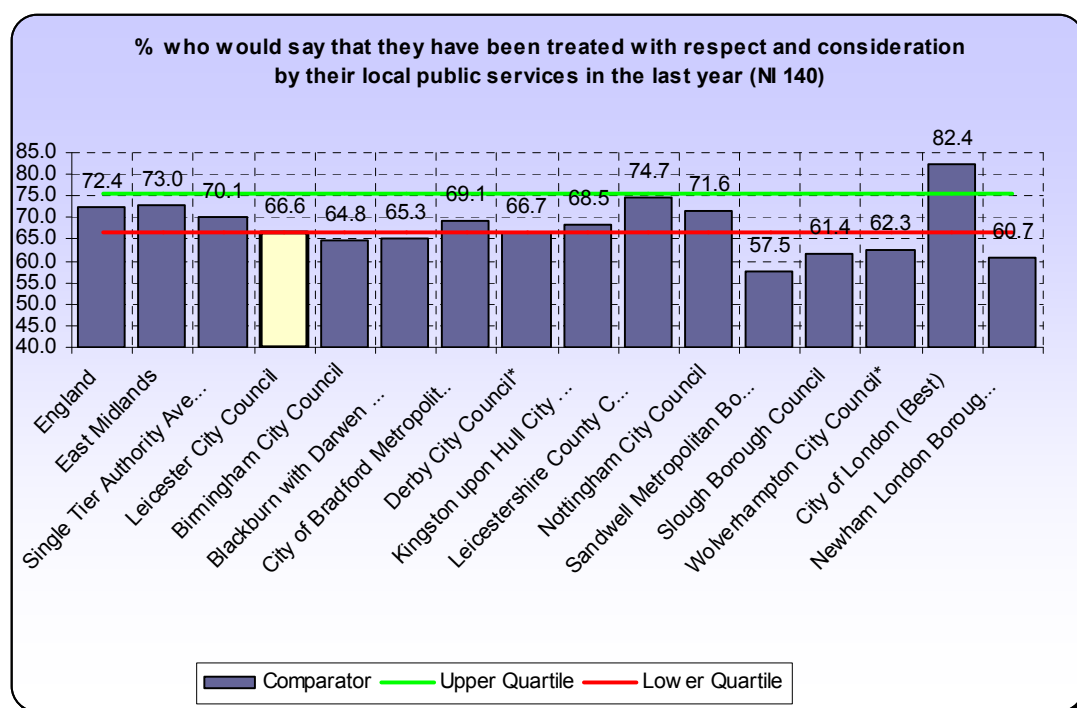
## 7. Organisational Performance Indicators

- 7.1 As previously reported work is ongoing to develop a basket of key organisational performance indicators. This basket will supplement the five indicators included in the Council's new corporate plan:

Objective	Performance Indicator	Cabinet Lead
Focus on our customers	NI 140 Fair treatment by local services	Cllr Osman
Focus on diverse needs of customers	Workforce representation i.e. employees from BME communities in top 5% of earners	Cllr Patel
Improve performance	Reducing sickness absence	Cllr Patel
Deliver Excellence	CAA assessment (noting this includes the value for money judgement)	Cllr Willmott
Deliver efficiency	NI 179 Value for money	Cllr Patel

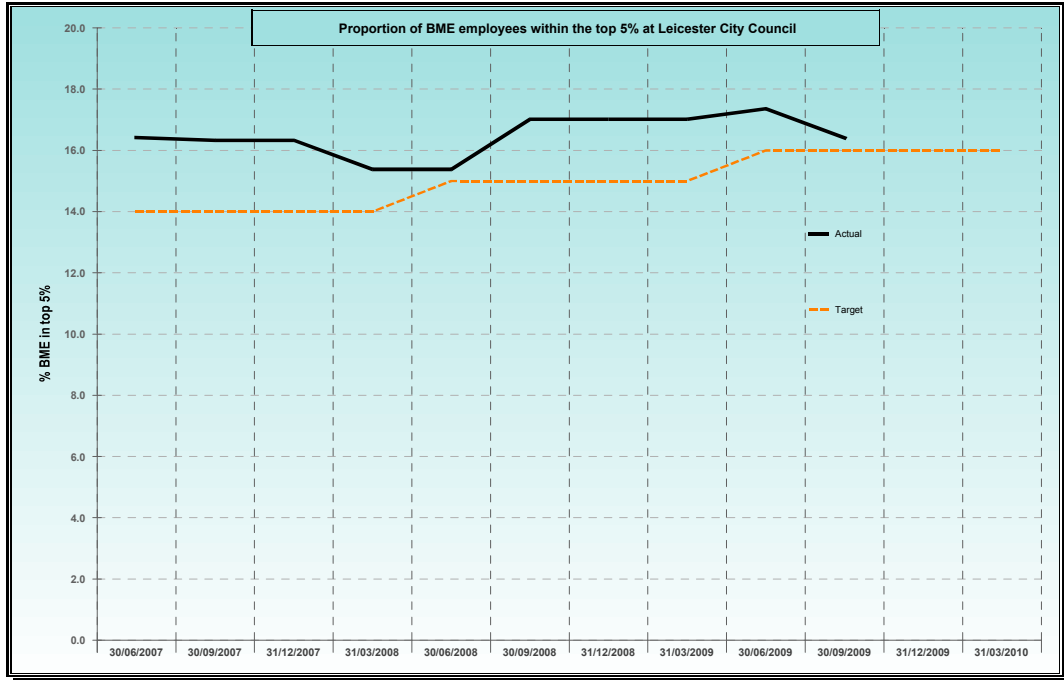
- 7.2 The first and fourth of these indicators are not measured on a quarterly basis so we will look to identify a small number of additional indicators that have more frequent data availability to compliment the corporate plan indicators. It is anticipated that we will be able to report on these from the Quarter Three report for 2009/10.

- 7.3 Data for NI 140 was collected for the first time in the 2008 Place Survey. Leicester's performance against comparators is set out in the chart below. On the basis of this baseline performance data a target for the next Place Survey of 76.6% (10% percentage points increase) was negotiated during the annual refresh of our LAA.

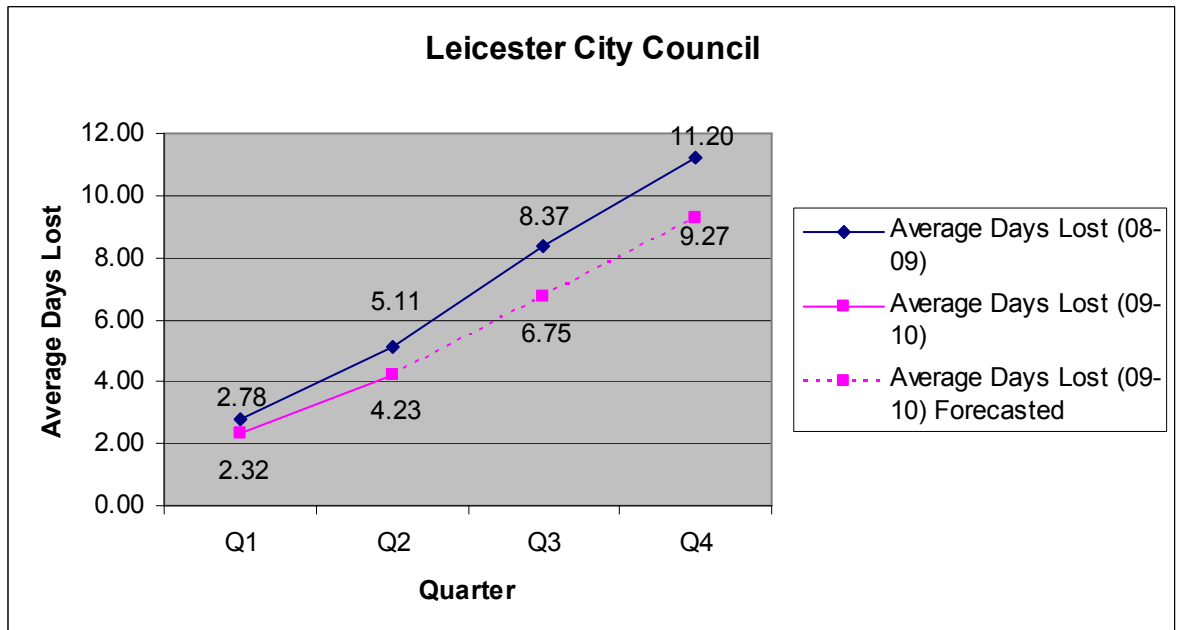




7.4 Performance information on workforce representation is presented below. The chart shows a gradual year on year improvement in the proportion of BME employees in the top 5% of earners at Leicester City Council, but with small dip in the last quarter. The authority has committed itself to improvements on this figure (through projects such as the BME voluntary director scheme 'Reach Higher') to better reflect the demographic make-up of the city of Leicester.



7.5 The latest sickness data is presented below.



7.6 The mid year figure of 4.23 average days shows a decrease on last years 5.11 days.

- 7.7 Our 2009 CAA assessment will be published on 9<sup>th</sup> December.
- 7.8 Targets for cashable savings (NI 179) realised by the Council for 2008/9 were achieved, with savings of £11.097m being delivered against a target of £10.906m.
- 7.9 However, the figure for savings incorporated agreed carry-forwards from 2007/8. There will be less carry-forward from 2008/9 to support delivery of the 2009/10 target. Success will be dependant on the savings identified within the Delivering Excellence Programme being achieved. At the end of the second quarter for 2009/10 our forecast is to achieve savings of £4.915m against a target of £10.906m. This represents a significant reduction in forecast savings from £7.740m at the end of quarter one. Therefore there is a major risk that the 2009/10 target will not be achieved.
- 7.10 Plans to identify further efficiency savings going forward are being put into place with aim of ensuring that the 3 year cumulative saving of £33.808m will be achieved by the end of 2010/11.

## 8 **Headline Financial and Legal Implications**

- 8.1 The report sets out proposals to make use of performance data in order to inform decision making. This could include the re-direction of funding, in order to secure the best value for money and most effective use of resources. There could, therefore, be implications for the development of the Council's financial framework, particularly with regard to budget preparation, budgetary control and budget monitoring. It is important that any such revisions to the financial framework continue to identify clear lines of budgetary and financial responsibility and, therefore, financial control.
- 8.2 The Council is currently implementing a new resource management system (RMS). This should facilitate improved and more responsive reporting but it should be noted that data must first be collected reliably before it can be reported on with accuracy.

(Author: Andy Morley Chief Accountant x 7404)

## 9 **Other Implications**

OTHER IMPLICATIONS	YES/NO	Paragraph	References
Equal Opportunities	No		
Policy	No		
Sustainable and Environmental	Yes	6.3 & 4	
Crime and Disorder	Yes	6.5	
Human Rights Act	No		
Elderly/People on Low Income	Yes	6.5	

## 10. Consultations

Performance teams and service managers - October 2009  
Operations Board – 4<sup>th</sup> November 2009  
Strategic Management Board - 10<sup>th</sup> November 2009

## 11. Background Papers

Annual Performance Outturn Report: 2008/9 – Cabinet 7.9.09  
Performance Report for Quarter One 2009/10 – Cabinet 5.10.09

## 12. Report Author

Adam Archer  
Special Projects Manager  
x 29 6091  
[adam.archer@leicester.gov.uk](mailto:adam.archer@leicester.gov.uk)

<b>Key Decision</b>	No
<b>Reason</b>	N/A
<b>Appeared in Forward Plan</b>	N/A
<b>Executive or Council Decision</b>	Executive (Cabinet)

**Key:**

★ On or above target

● Close to target

▲ Well below target

? Data not available

! No target or forecast available (due to data unavailability etc)

Leicester's LAA Outcome Measures						
Indicator	Lead Officer	Cabinet Lead	Latest Actual	Latest Target	Latest Performance	Forecast for end of year
LAA NI001 % of people who believe people from different backgrounds get on well together	Carter, Cathy	Cllr Patel	76.20	80.00	●	●
LAA NI005 Overall/general satisfaction with local area	Carter, Cathy	Cllr Osman	71.80	80.00	▲	●
LAA NI016 Serious acquisitive crime rate	Pancholi, Daxa	Cllr Dawood	2.03	2.38	★	★
LAA NI018 Adult re-offending rates for those under probation supervision	Pancholi, Daxa	Cllr Dawood	?	?	?	!
LAA NI019 Rate of proven re-offending by young offenders	Thrusell, David	Cllr Dawood	1.18	2.35	★	★
LAA NI020 Assault with injury crime rate	Pancholi, Daxa	Cllr Dawood	0.94	0.95	★	★
LAA NI027 Understanding of local concerns about ASB and crime by the local council and police	Pancholi, Daxa	Cllr Dawood	26.00	26.00	★	★
LAA NI032 Repeat incidents of domestic violence	Pancholi, Daxa	Cllr Dawood	12.00	30.00	★	★
LAA NI035 Building resilience to violent extremism	Carter, Cathy	Cllr Patel	3.30	3.30	★	★
LAA NI039 Rate of Hospital Admissions per 100,000 for Alcohol Related Harm	Galoppi, Kate	Cllr Dawood	2167.00	2970.00	★	★
LAA NI040 Number of drug users recorded as being in effective treatment	Galoppi, Kate	Cllr Dawood	1217.00	1203.00	★	★
LAA NI050 Emotional health of children	Hajek, Penny	Cllr Dempster	64.30	64.30	★	★
LAA NI054(draft) Services for disabled children	Hajek, Penny	Cllr Dempster	59.00	62.00	●	★
LAA NI056i Percentage of children in Year 6 with height and weight recorded who are obese	Libreri, Margaret	Cllr Dempster	20.30	21.00	★	★
LAA NI059 Percentage of Initial assessments for children's social care carried out < 7 working days	Smith, Andy	Cllr Dempster	67.10	70.00	●	★
LAA NI065 Children becoming the subject of a Child Protection Plan for a second or subsequent time	Smith, Andy	Cllr Dempster	17.80	11.00	▲	▲
LAA NI072 At least 78 points across EarlyYears Foundation Stage with at least 6 in each scale	Libreri, Margaret	Cllr Dempster	39.50	45.00	▲	●
LAA NI073 Achievement at level 4 or above in both English and Maths at Key Stage 2 (Threshold)	Libreri, Margaret	Cllr Dempster	68.00	78.00	▲	●

LAA NI075 Achievement of 5 or more A*-C grades at GCSE or equivalent including English and Maths	Libreri, Margaret	Cllr Dempster	43.70	48.60		
LAA NI087 Secondary school persistent absence rate	Hajek, Penny	Cllr Dempster	5.50	5.30		
LAA NI092 Narrowing the gap- lowest achieving 20% the Early Yrs Foundation Stage Profile vs the rest	Libreri, Margaret	Cllr Dempster	39.50	32.00		
LAA NI093 Progression by 2 levels in English between Key Stage 1 and Key Stage 2	Libreri, Margaret	Cllr Dempster	85.00	96.00		
LAA NI094 Progression by 2 levels in Maths between Key Stage 1 and Key Stage 2	Libreri, Margaret	Cllr Dempster	79.00	93.00		
LAA NI099 Children in care reaching level 4 in English at Key Stage 2	Smith, Andy	Cllr Dempster	69.00	44.00		
LAA NI100 Looked after children reaching level 4 in mathematics at Key Stage 2	Smith, Andy	Cllr Dempster	41.20	44.00		
LAA NI101 Looked after children achieving 5 A*-C GCSEs (or equiv) at KS 4 (with English and Maths)	Smith, Andy	Cllr Dempster	?	3.00		
LAA NI110 Young people's participation in positive activities	Hajek, Penny	Cllr Dempster	66.90	66.90		
LAA NI112 Under 18 conception rate	Hajek, Penny	Cllr Dempster	-22.50	-43.00		
LAA NI117 16 to 18 year olds who are not in education, employment or training (NEET)	Hajek, Penny	Cllr Dempster Cllr Kitterick	10.00	8.10		
LAA NI118 Take up of formal childcare by low-income working families	Hajek, Penny	Cllr Dempster	12.40	16.00		
LAA NI120(i) All-age all cause mortality rate (females)	Watson, Deb	Cllr Dawood	?	519.00		
LAA NI120(ii) All-age all cause mortality rate (males)	Watson, Deb	Cllr Dawood	?	741.00		
LAA NI125 Achieving independence for older people through rehabilitation/intermediate care	Lake, Ruth	Cllr Palmer	63.60	82.00		
LAA NI126 Early access for women to maternity services	Watson, Deb	Cllr Dawood	?	80.30		
LAA NI131 Delayed transfers of care	Lake, Ruth	Cllr Dawood Cllr Palmer	9.81	20.50		
LAA NI135 Carers receiving needs assessment or review & specific carers service or advice & inf.	Lake, Ruth	Cllr Palmer	12.70	14.00		
LAA NI140 Fair treatment by local services	Kszyk, Irene	Cllr Osman	66.60	66.60		
LAA NI142 Number of vulnerable people who are supported to maintain independent living	Rees, Tracie	Cllr Palmer	97.60	98.00		
LAA NI143 Offenders under probation supervision living in settled & suitable accomm at end of order	Pancholi, Daxa	Cllr Dawood	83.00	72.00		
LAA NI152 Working age people on out of work benefits	Dalzell, Mike	Cllr Kitterick	16.37	16.10		

LAA NI153 Working age people claiming out of work benefits in the worst performing neighbourhoods	Dalzell, Mike	CLlr Kitterick	31.89	30.72		
LAA NI154 Net additional homes provided	Richardson, Mike	CLlr Westley	326.00	235.00		
LAA NI155i Number of affordable homes (SOCIAL RENTED) delivered	Keeling, Julia	CLlr Westley	48.00	50.00		
LAA NI163 Proportion aged 19-64 for males and 19-59 for females qualified to at least Level 2	Dalzell, Mike	CLlr Kitterick	58.40	59.55		
LAA NI165 Proportion aged 19-64 for males and 19-59 for females qualified to at least Level 4	Dalzell, Mike	CLlr Kitterick	21.40	22.10		
LAA NI167 Congestion - average journey time per mile during the morning peak	Wills, Mark	CLlr Kitterick	4.40	4.60		
LAA NI172 Percentage of small businesses in an area showing employment growth	Dalzell, Mike	CLlr Kitterick	13.05	13.10		
LAA NI179a VFM Total net value of on-going cash-releasing gains since 2008-9 (Council)	Noble, Mark	CLlr Patel	17695.00	21812.00		
LAA NI179b VFM Total net value of on-going cash-releasing gains since 2008-9 (Partnership)	Noble, Mark	CLlr Dawood	31729.00	49427.00		
LAA NI186 Per capita reduction in CO2 emissions in the LA area	Stork, Neville	CLlr Russell	7.20	7.70		
LAA NI188 Planning to adapt to Climate Change	Stork, Neville	CLlr Russell	3.00	3.00		
LAA NI193 Percentage of municipal waste land filled	Weston, Steve	CLlr Russell	56.70	54.00		



# Leicester's Local Area Agreement 2008-11

Performance Charts for at risk measures:  
2nd Quarter 2009/10



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<b>Key Outcome Measure at risk:</b>	<b>Page:</b>
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<b>Priority: Providing Value for Money</b>	
<b>Measure:</b> NI179a VFM Total net value of on-going cash-releasing gains since 2008-9 (Council)	30

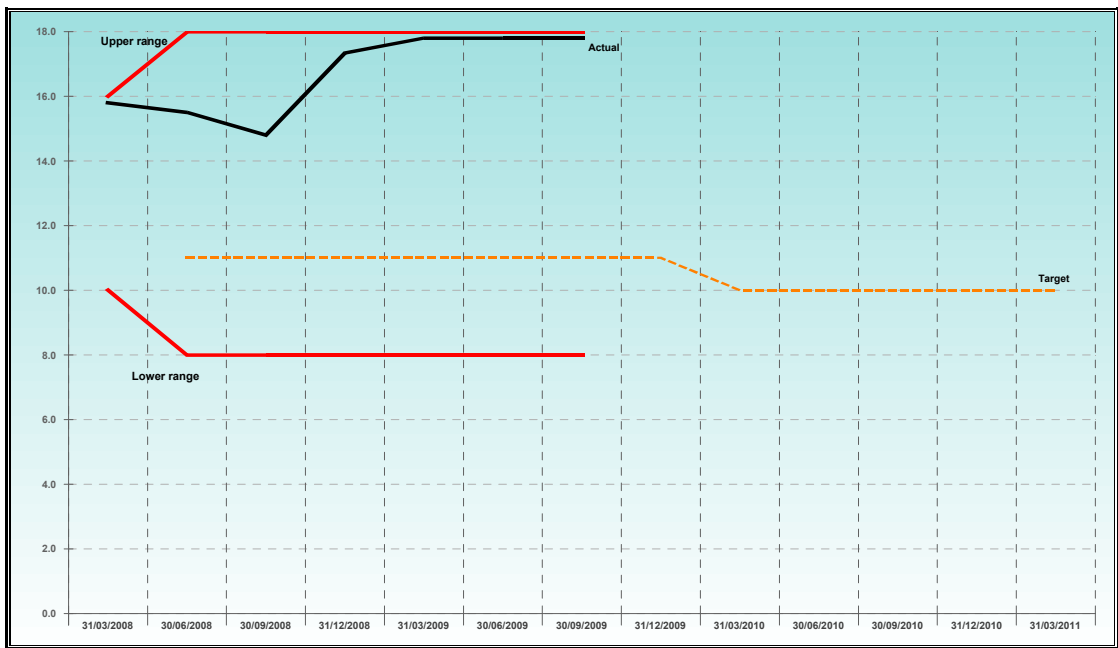
**Leicester's LAA Outcome Measures**

Each chart presented below contains trend lines for actual and target performance. Where data is available, benchmark information is also plotted; this shows the average performance of the best 25% upper tier authorities in England (green line) and the worst 25% performing upper tier authorities in England (red line).

**Priority: Investing in our children**

**NI065 Children becoming the subject of a Child Protection Plan for a second or subsequent time (Cabinet Lead: Cllr Dempster)**

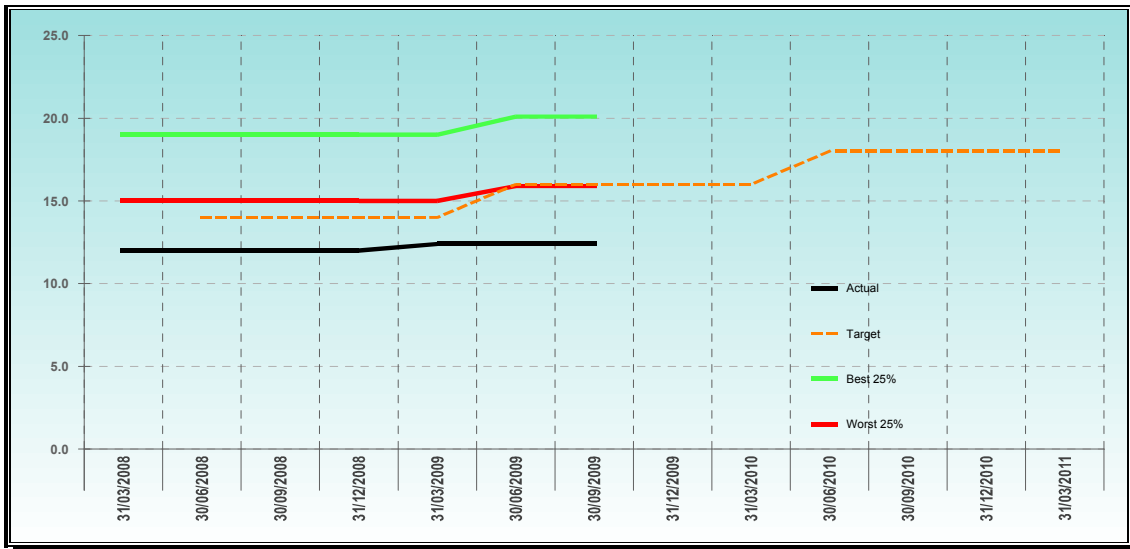
Measure description	Rationale	Intended direction
Percent of children who became subject to a Child Protection Plan at any time during the year, who had previously been the subject of a Child Protection Plan.	To monitor whether children's social care services devise and implement a Child Protection Plan which leads to lasting improvement in a child's safety and overall wellbeing.	Plan is Best (Not too high or low)



**Priority: Investing in our children**

**NI118 Take up of formal childcare by low-income working families (Cabinet Lead: Cllr Dempster)**

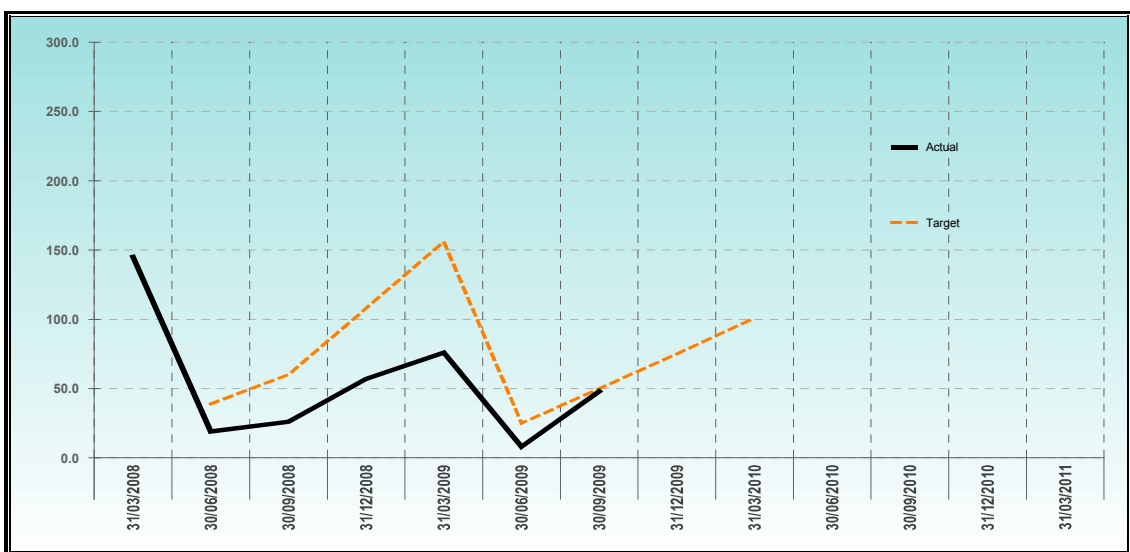
Measure description	Rationale	Intended direction
Number of working families benefiting from childcare element of Working Tax Credit (WTC) as a % of number of working families receiving more than the family element of Child Tax Credit (CTC).	Formal childcare brings benefits to children's learning and development. Provision of childcare is a key enabler to work and improves access to the labour market & sustainable employment opportunities.	Bigger is Better



**Priority: Creating thriving, safe communities**

**NI155i Number of affordable homes (SOCIAL RENTED) delivered (Cabinet Lead: Cllr Dawood/Cllr Westley)**

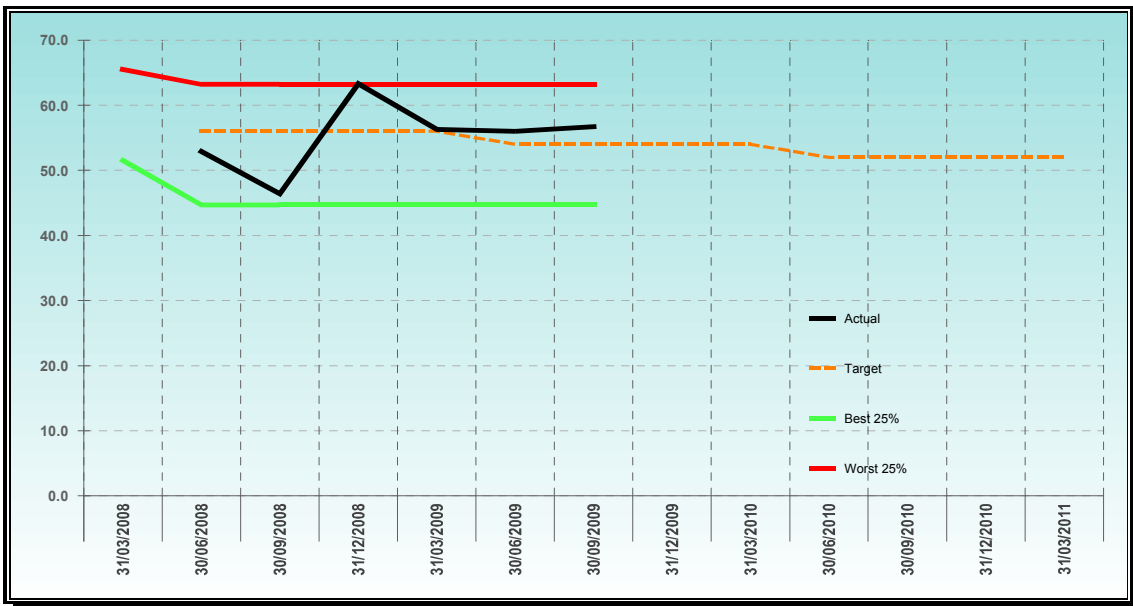
Measure description	Rationale	Intended direction
Number of affordable homes delivered - SOCIAL RENTED only	To promote an increase in the supply of affordable housing.	Bigger is Better



**Priority: Reducing our carbon footprint**

**NI193 Percentage of municipal waste landfilled (Cabinet Lead: Cllr Russell)**

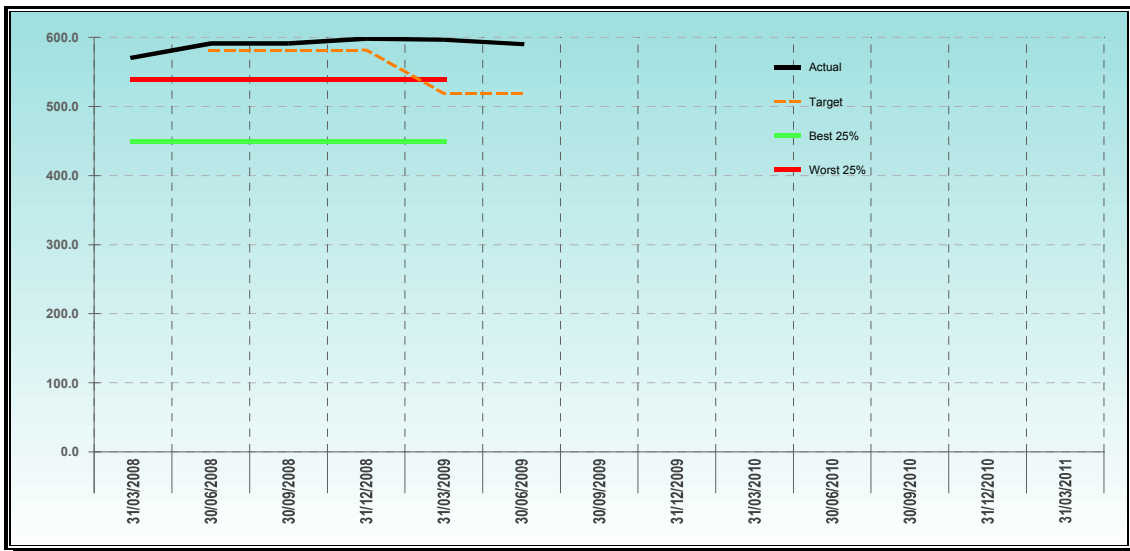
Measure description	Rationale	Intended direction
The proportion of Municipal waste landfilled.	To measure the proportion of waste which is landfilled, and divert an increasing proportion of waste away from landfill.	Smaller is Better



**Priority: Improving wellbeing and health**

**NI120(i) All-age all cause mortality rate – females (Cabinet Lead: Cllr Palmer/Cllr Dawood)**

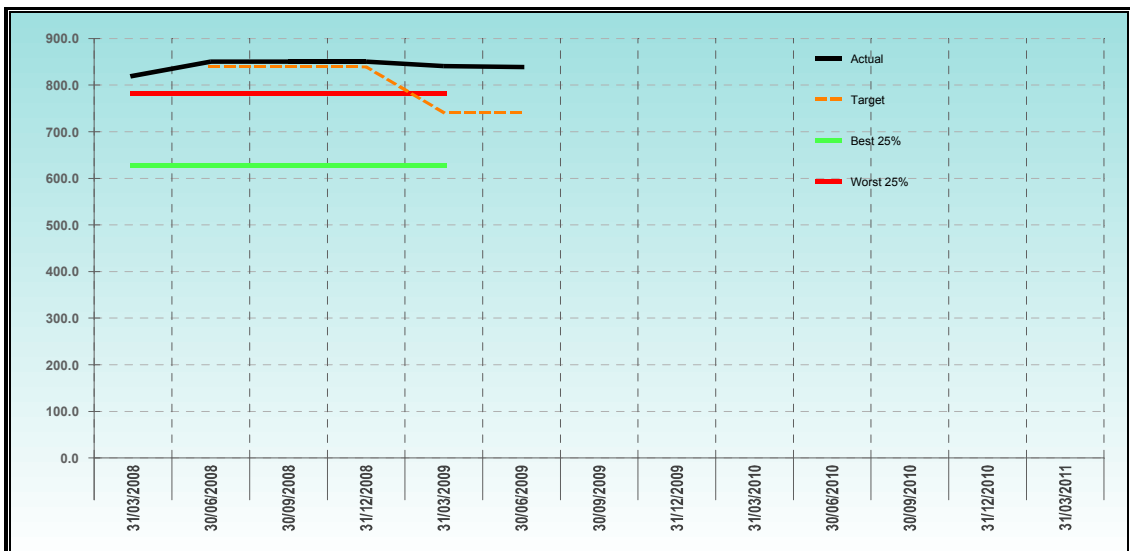
Measure description	Rationale	Intended direction
The directly age and sex standardised mortality rate per 100,000 population, from all causes at all ages. Components of calculation are: Deaths include all causes classified by underlying cause of death (ICD-10 A00- Y99, equivalent to ICD-9 001-999), registered in the respective calendar year(s). Neonatal deaths are included in the age groups that contain those aged less than 1 year. 2001 Census based mid-year population estimates for the respective calendar years.	This indicator is used as a proxy measure of progress against the outcomes of increasing life expectancy, and reducing infant mortality.	Smaller is Better



**Priority: Improving wellbeing and health**

**NI120(ii) All-age all cause mortality rate – males (Cabinet Lead: Cllr Palmer/Cllr Dawood)**

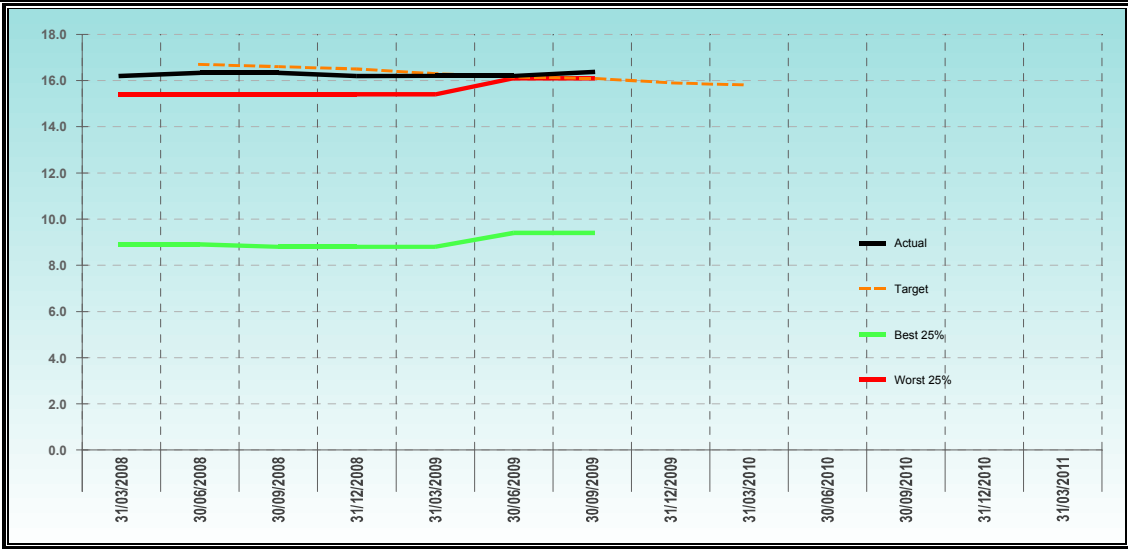
Measure description	Rationale	Intended direction
As above	As above	As above



**Priority: Investing in skills and enterprise**

**NI152 Working age people on out of work benefits (Cabinet Lead: Cllr Kitterick)**

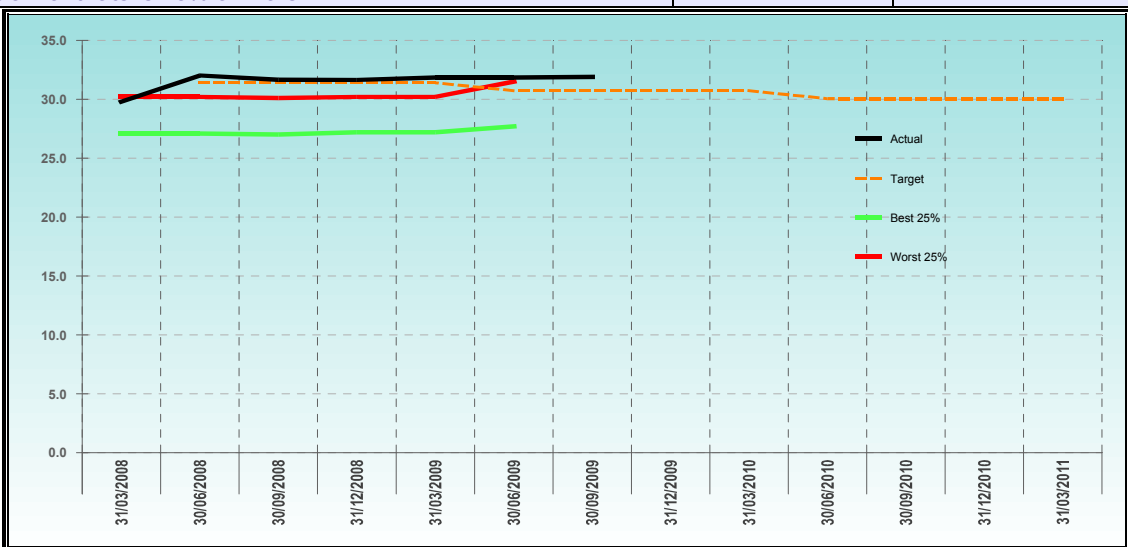
Measure description	Rationale	Intended direction
Percent of the working age population (16-59 for females, 16-64 for males) who are claiming out of work benefits (unemployed people on Jobseekers Allowance, Lone Parents on Income Support, Incapacity Benefits customers, & others on income related benefits).	To measure progress on reducing worklessness.	Smaller is Better



**Priority: Investing in skills and enterprise**

**NI153 Working age people claiming out of work benefits in the worst performing neighbourhoods (Cabinet Lead: Cllr Kitterick)**

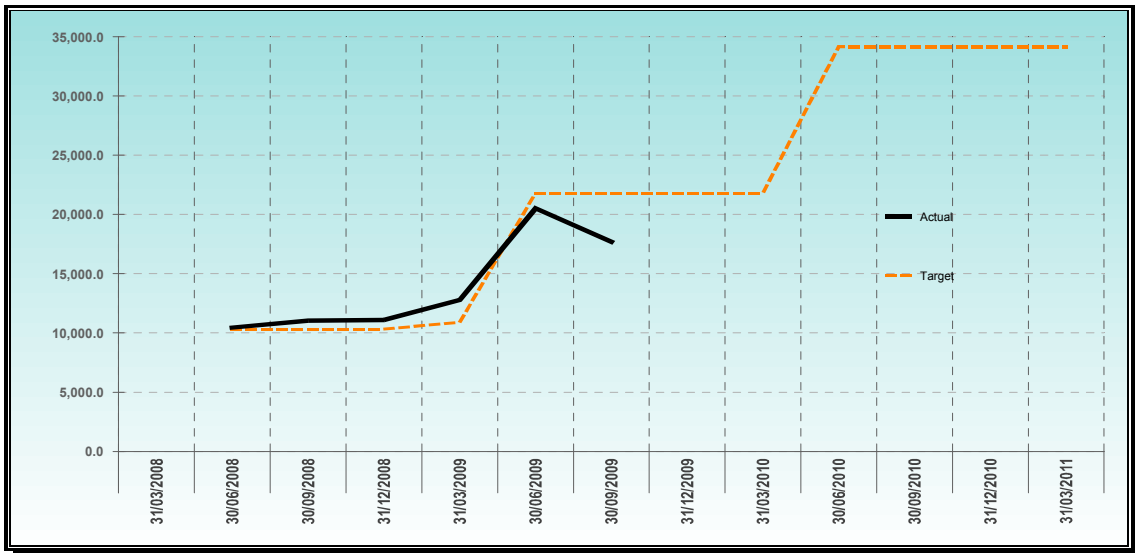
Measure description	Rationale	Intended direction
% of the working age population (16-59 for females, 16-64 for males) claiming out of work benefits (unemployed people on Jobseekers Allowance, Lone Parents on Income Support, Incapacity Benefits customers, & others on income-related benefits) and living in neighbourhoods where the benefit claimant rate is 25% or more.	To improve the employment rates of disadvantaged groups and places.	Smaller is Better



**Priority: Improving service VFM delivered**

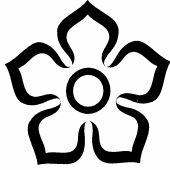
**NI179a VFM Total net value of on-going cash-releasing gains since 2008-9 – Council (Cabinet Lead: Cllr Patel)**

Measure description	Rationale	Intended direction
The total net value of ongoing cash-releasing value for money gains that have impacted since the start of the 2008-09 Financial Year. (Council contribution)	To improve value for money and deliver high quality services within the resources that are available.	Bigger is Better



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Leicester  
City Council

**Performance & VFM Select Committee  
Cabinet**

**9<sup>th</sup> December 2009  
14<sup>th</sup> December 2009**

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## **2009/10 CAPITAL PROGRAMME MONITORING – PERIOD 6**

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### **Report of the Chief Finance Officer**

#### **1 PURPOSE OF REPORT**

- 1.1 The purpose of this report is to update Members on the progress of spending on the capital programme for 2009/10 to the end of September (period 6), and the forecast spend to the end of the year.
- 1.2 Further reports will be produced showing cumulative expenditure and full year forecasts on a periodical basis.

#### **2 SUMMARY**

- 2.1 The actual level of expenditure at the end of period 6 totalled £41.9m, which represents 40% of the projected spend for the year of £104.3m. Any further significant levels of slippage that occur in the programme will jeopardise achievement of the 90% target spend level.

#### **3 RECOMMENDATIONS**

- 3.1 Cabinet is recommended to:
- i) approve a revised level of programmed expenditure of £104.3 m;
  - ii) note the level of expenditure to the end of September 2009 of £41.9 m;
  - iii) note the current level of spend (40%) of the programme;
  - iv) note the significant level of slippage (£10.8m) that has occurred since period 3;
  - v) note the downturn in capital receipts;
  - vi) note the prudential indicators for 2009-10.
- 3.2 The Select Committee is asked to:

- i) consider the overall position relating to the capital programme and make any observations to Cabinet as it sees fit; and
- ii) consider whether they would wish to further scrutinise the performance of any individual schemes where they have concerns over progress.

## **4 CAPITAL MONITORING**

4.1 The capital programme is split into 4 main categories:

- i) the Transport programme;
- ii) the Education programme;
- iii) the Housing programme; and
- iv) the Corporate programme, which covers all other services.

This categorisation is determined by the way Government support is allocated.

4.2 This report details the actual level of expenditure to the end of September 2009.

4.3 The report also considers the extent to which the Council has achieved its programme of asset sales, which help fund the programme.

## **5 POSITION AT THE END OF SEPTEMBER 2009**

5.1 The overall financial position for each division is shown in Appendix A.

5.2 At the end of period 6, 40% of the 2009/10 revised programme of £104.3m had been spent.

5.3 Significant additional slippage (i.e. since period 3) is now forecast (£10.8m) in the capital programme. This primarily relates to five projects – these being the Football Investment Strategy, New Primary Places, School Kitchens Improvements, Children’s Centres, and re-wiring of Council Dwellings.

5.4 The recession continues to have an impact on our already low target for capital receipts. It is expected that the contingency plan approved as part of the capital programme will be required.

## **6 PROGRESS ON SPECIFIC SCHEMES**

6.1 Details of progress on major schemes in the programme are given below on a Divisional basis in line with the authority’s new management structure.

### **6.2 Social Care & Safeguarding**

6.2.1 Schemes in this division include Children’s Residential Homes and Youth Projects.

6.2.2 The revised programme at period 3 totalled £1.258 million. Expenditure at period 6 totalled £606k representing 48% of the full year forecast. Full spend in the year is anticipated.

### 6.3 Access, Inclusion & Participation

6.3.1 Schemes in this division include Children's Centres and Short Break Pathfinder Grant (£146k).

6.3.2 The revised programme at period 3 totalled £3.76m. An additional government allocation for Surestart of £132k has now been added. Expenditure of £352k had been incurred at the end of period 6. Significant slippage (£1.3m) is now anticipated on the Children's Centres programme. There have been delays in agreeing the sites for the phase 3 centres which cover five schemes at Lansdowne Road, St Saviours, Kestrel Fields, Alderman Richard Hallam and Mayfield. These sites were approved by Cabinet on 3<sup>rd</sup> August. The projects are in the planning stages and are likely to start early in 2010 and be completed in the autumn.

### 6.4 Learning Environment

6.4.1 Schemes in this division include New Primary Places, BSF Phase 1, schools devolved capital, Humberstone Juniors and Infants restructuring, school kitchens and the classroom replacement programme.

6.4.2 The revised programme at period 3 totalled £35.3m. Expenditure of £20.4m had been incurred at the end of period 6. Significant slippage (£3.5m) is now anticipated on New Primary Places, school kitchens and integrated service hubs.

#### 6.4.3 Progress and comments on major schemes detailed below:

a) Schools Formula Capital (£4m)

This is funding which is devolved directly to schools and is therefore not subject to direct controls on expenditure and profiling. Payments are made to schools on a termly basis, based on a national formula. Some schools use their DFC (Devolved Formula Capital) to make contributions towards projects within the main CYPS capital programme. Expenditure at period 6 was £2.9m. It is envisaged that schools will use DFC for a combination of operational / urgent needs and to support strategic objectives as set out in the BSF and Primary Capital Programmes and the Strategy for Change generally.

b) Humberstone Junior and Infants Restructuring (£2.4m)

The project involves the construction of a new hall, link corridors to both schools and the replacement of mobile classrooms. It commenced in April 2009 and is due to be completed in February 2010. Expenditure at period 6 totalled £901k.

c) New Primary Places (£13.4m)

The project includes works at a number of schools with expenditure of £7.6m at period 6.

Significant elements of New Primary Places project are as follows:

**Taylor Road Primary (£5.02m)** The school opened in September 2009 and the external work is due to be finished in January 2010. The project is currently on programme.

**Eyres Monsell & Children Hospital School (£3.06m)** The junior block for the new primary school has been refurbished and was handed over on 18<sup>th</sup> October. The new extension and children centre are currently being constructed and are planned for completion in November. Slippage of £150k has been anticipated and relates to the refurbishment of the infant block (for use by the Children Hospital School) being carried out under the BSF programme.

**Rowlatts Hill Primary (£1m)** The project is now planned to commence in December 2009 and is due to be completed by September 2010. Slippage of £700k has now been anticipated and is due to delays in the project planning stage.

**Mellor Primary (New School) (£1m)** A report was submitted to Cabinet in October. It was agreed to rebuild both the infant and junior buildings, with links to the new Children's Centre, and form 3 entry infrastructure (number of classrooms to suit 2 form entry), which will be an approximate cost of up to £8.6 Million, giving the potential for approximately 200 further places to be added at a later date. The delay in the production of the option appraisal used to inform the decision taken by Cabinet has meant an anticipated slippage of £400k on this scheme in 2009-10.

**Marriott Primary School (£900k)** The works commenced in July 2009 and due to be completed in September of 2010.

**Evington Valley Primary (£400K):** The project is planned to start January 2010 and due to be completed in November 2010. The project is currently over budget and is being assessed for opportunities to reduce the scope. This delay means anticipated slippage of £300k.

**Rolleston Primary (£600K)** The project is now planned to commence in January 2010 and is due to be completed in August 2010. Slippage of £300k is anticipated due to shortages in resources over the summer.

**Merrydale Infants (£825K):** The project commenced in April 2009 and was completed in August.

- d) Building Schools for the Future – Phase 1  
Planned school handover dates have all been achieved either on-time or early, as shown below. These are :-

Fullhurst Phase 1	05 Jan 2009	(Completed & on time)
Fullhurst Phase 2	17 Aug 2009	(Completed early)
Beaumont Leys	20 Apr 2009	(Completed early)

Judgemeadow	05 Jun 2009	(Completed & on time)
Soar Valley	05 Jun 2009	(Completed & on time)

Significant progress is now under way on demolition works at the completed school sites and the timetable plan remains robust. Construction works generally are progressing to plan. A concern about the likely additional costs for asbestos removal remains. Initial cost estimates have been subsequently reduced and they remain under further review subject to the completion of the demolition works. Any additional costs will be met from the contingency within the BSF budget. Specific figures will be reported in due course once negotiations have been finalised.

e) Classroom Replacement Programme (£1.2m)

**Charnwood Primary:** The project commenced in January 2009 and was completed in August 2009.

**Upland Infants:** the project is still at design stage with a likely start on site during November 2009. Completion is anticipated in Spring 2010.

f) School Kitchens (£1.9m)

DCSF grant of £3.3m was awarded in June 2009 on a match funding basis. The total funding is to be split between facilities at two secondary schools (£2.25m) and a number of Primary schemes (£4.24m). A separate report will be submitted to Cabinet on 30<sup>th</sup> November to identify the complete proposed programme and funding implications. Slippage of £1.2m is now anticipated – the award of grant in June required a programme of works to be developed and this isn't scheduled for approval by Cabinet until 30<sup>th</sup> November.

## 6.5 Learning Services

6.5.1 Schemes in the Learning Services Division include IT Projects (£1.254m), Children's Play Programmes (£546k), Individual Access Needs (£226k), New Opportunities Sports Programme (£200k), Braunstone Skills Centre (£182k) and City Learning Centres (£171k).

6.5.2 The revised programme at period 3 totalled £2.9m. Expenditure of £1.45m had been incurred at the end of period 6 representing 50% of the programme for the year.

## 6.6 Highways and Transportation

6.6.1 The revised programme for Highways and Transportation schemes at period 3 was £15.7m. The Highways and Transportation capital programme is made up of the following main areas:

Highways & Transportation	Revised Programme 2009/10 '£000
Integrated Transport	£8,504
Capital Maintenance	£3,147
Regeneration Schemes	£3,202
Other H&T Schemes	£835
<b>Total H&amp;T</b>	<b>£15,688</b>

The major projects within the **Integrated Transport programme** include Quality Bus Corridors (£2.8m), Park & Ride Services (£2.6m), Walking & Cycling Schemes (£0.6m), Bus Improvements (£0.45m) and Safer Roads (£0.94m). Expenditure of £3.055m had been incurred to period 6. Some “re-phasing” (approx £150k) of spend on bus improvements and walking and cycling schemes has occurred since period 3.

- 6.6.2 The level of over programming in 2009/10 (the extent to which the cost of schemes programmed exceeds the annual resource allocation available) remains the same as reported to cabinet in Period 03 and is due to schemes being delayed into this year and bringing forward the completion of Humberstone Road Quality Bus Corridor and level access bus work. Any overspend at the end of the year will be a commitment on the 2010/11 resource allocation. It is anticipated that the spend will be considerably less than that currently reported however the cost of over programming will have been funded through corporate resources in 2009/10 until the 2010/11 allocation is received.
- 6.6.3 The **Capital Maintenance** programme includes works on Old Bow, Gwendolen Road and Palmerston Road bridges, Humberstone Road resurfacing, footways and street lighting. Works on the Old Bow and Gwendolen Road bridges are now complete. Work on Palmerston Road bridge and London Road carriageway have commenced. The commencement of the Humberstone Road resurfacing scheme has been delayed due to statutory undertakers work. The street lighting column replacement work is substantially complete. Expenditure at period 6 was £940k.
- 6.6.4 **Other H&T schemes.** Two spend to save schemes have been added (£178k) to the programme relating to the purchase of dimmer lights and more energy efficient lanterns for the street lighting stock.
- 6.6.5 **Regeneration** schemes include City Centre Projects, Growth Fund Schemes and the City Centre Development Programme giving a total approved programme for 2009/10 of £3.2 million. Following notification of a reduced Growth Fund allocation for 2010/11 grant allocations have been reduced or re-profiled. This equates to slippage of £475k and budget reductions of £527k on Growth Fund schemes. Part of the Curve budget transfer (see Culture below) has been allocated for the completion of the Granby Street element of City Centre projects.
- 6.6.6 Expenditure to the end of period 6 for this area was £1.1m.

## 6.7 Transport

### 6.7.1 Vehicle Replacement Programme

This is a programme to replace vehicles agreed with user sections for the forthcoming financial year. It is estimated that 113 vehicles will be purchased at an estimated total cost of £2.2 million during the financial year 2009/10. Actual expenditure to period 6 was £649k and relates to the purchase 30 vehicles. The Vehicle Replacement Programme is on schedule.

## 6.8 Culture Services

6.8.1 The original programme for Culture Services at period 3 totaled £15.54 million. Expenditure to the end of period 6 was £2.9m (19%).

6.8.2 The programme for 2009/10 is summarised in the table below:

Scheme	Approved Programme 2009/10 '£000's
Football Investment Strategy	8,000
Curve	2,068
Phoenix Square	3,028
New Parks Library	1,373
City Gallery Replacement	500
De Montfort Hall	135
Belgrave Hall Stable Block	129
Special Olympics 2009	100
New Walk Museum	86
Castle Options Appraisal	49
Other Culture Schemes	69
<b>Total Culture Services</b>	<b>15,537</b>

6.8.3 Key issues with the above programme are:

#### Football Investment Strategy

This is a major capital investment programme to improve football facilities at 7 sites across the City and provide 4 new or improved ball courts. The programme has been developed in partnership with the Football Foundation, Football Association, The Leicestershire and Rutland County FA, and NHS Leicester City.

There have been lengthy contract value negotiations with Willmott & Dixon but work has now commenced. Delays have also occurred in relation to the Aylestone Playing Fields site. As a result significant slippage of £2.5m is now anticipated.

#### Curve

The final account for construction has now been settled and the contractual retention will be paid by December 2009. This has enabled a budget transfer of £648k to be made to City Centre projects (£358k), Belgrave Hall Stable Block

(£140k) and for a grant to Leicester Arts Centre (£150k). The latter has facilitated a smooth transition from the old Phoenix Arts to the new Phoenix Square and enabled the old building to stay open longer than originally envisaged.

#### Phoenix Square

Construction is now complete. The fit out works, undertaken by Leicester Arts Centre and their sub contractors have commenced and were scheduled to be completed by the end of October 2009. A budget reduction of £750k relates to fit-out works which are now being funded directly by the De Montfort University rather than via the City Council. The official opening took place to great acclaim on 17<sup>th</sup> November and the building is now open.

#### New Parks Library and Community Centre

The project is on schedule and on budget. The main structure is now in place with block work, cladding and glazing complete. Internal finishes, mechanical and electrical services and external ground works will be completed over the next two months. Handover is on schedule for 18<sup>th</sup> December. A small amount of slippage (£100k) is anticipated relating to outstanding charges for furniture and equipment.

#### Replacement of City Gallery

The options for the development of the site were finalised in a report to Cabinet in August. The proposed scheme will now cost £2.44m. Construction has been delayed and consequently slippage of £270k is now anticipated.

#### De Montfort Hall

This is for the procurement of a box office system. Implementation will take place in early 2010.

### **6.9 Environmental Services**

- 6.9.1 The approved programme for Environmental Services related schemes is £967k. The significant projects within the Environmental Services programme include City Wide Allotment Strategy (£301k) and Tree Planting (£274k). Due to the longer than planned period for consultation with residents the tree planting scheme now anticipates slippage of £135k. Expenditure at the end of period 6 was £133k.

### **6.10 Planning and Economic Development**

- 6.10.1 The original programme for Planning & Economic Development was £2.23m. The main schemes are Ashton Green and Growth Fund Schemes. Cabinet approved the project plan for Ashton Green in January 2009 and the master planning consultancy team has been appointed and has commenced work. Expenditure to the end of period 6 on this scheme was £173k. Growth Fund schemes have been re-profiled as stated in para 6.6.5 above. The re-profiling reflects a budget transfer increase of £220k (relating to BUSM New Belgrave Community scheme) and slippage of £120k.

### **6.11 Personalisation and Business Support**



6.11.1 The programme for personalisation and business support of £172k contained two IT related projects within the Adults Social Care area. Due to the re-configuration of the in house home care services function one project will now slip to 2010-11. Whilst no expenditure has been incurred on the other as at period 6 (Electronic Social Care records project) full spend is anticipated in the year.

## 6.12 Older People Service

6.12.1 The programme of £310k relates to Elderly Persons Homes (EPHs) and to Intermediate Care facilities. Expenditure of £34k had been incurred at period 6. Slippage of £60k is now anticipated for EPHs relating to digital switch over work which will not be completed by the year end. Further slippage of £50k is anticipated relating to Intermediate Care due to on-going discussions between the City Council and the PCT as to the best way of progressing the project.

## 6.13 Safer and Stronger Communities

6.13.1 The programme totals £460k and includes work on Community Centres (£200k for six centres), Belgrave Neighbourhood Centre (£57k) and grant payments from the Safer & Stronger Communities fund (£132k). Expenditure of £109k had been incurred at period 6. It is anticipated that full spend will be achieved on all projects.

## 6.14 Community Care Services

6.14.1 The programmed spend of £180k relates to the use of Mental Health grant on a number of social inclusion and empowerment projects both in the statutory and voluntary sector. No expenditure has been incurred at period 6. Slippage of £50k is anticipated as there may not be enough organisations bidding for the grant.

## 6.15 Housing Services /Housing Strategy & Options

6.15.1 The Housing Services and Housing Strategy Divisions cover Housing Revenue Account and Housing General Fund schemes respectively. The overall approved Housing capital programme totals £29.2million with expenditure to period 6 of £8.2 million – 28% of the approved programme. The main reason for the % being lower than might be expected at period six relates to HRA schemes where delays have occurred due to changes in a number of contractors being used this year. Managers are confident that full spend will be achieved. Housing expenditure is financed from a combination of sources, including housing capital receipts. The target for usable capital receipts was £1.3m and at period 3 it was reported that this was unattainable and that steps would have to be taken to bring the General Fund element of the programme in line with funds available. A review of uncommitted schemes has taken place where expenditure can be deferred – a total of £192k has been identified and is shown as a budget reduction in Appendix A.

6.15.2 Since period 3 additional slippage of £2.175m has been declared. This primarily relates to delays in letting work for re-wiring contracts on Council dwellings (£1.25m) following a change of contractor, to the provision of loans for decent

homes in the private sector due to additional time needed to finalise legal arrangements (£450k) and to delays to the scheme for replacing the radio system and for mobile working (£175k).

## 6.16 Strategic Asset Management

6.16.1 A revised programme of £3.6m for Strategic Asset Management Schemes covers Accommodation Strategy and various property related projects. Expenditure at the end of period 6 was £1.4m. Progress on key schemes in the Strategic Asset Management capital programme is as follows:

6.16.2 **Accommodation Strategy** – the originally agreed programme of works covering work to B7, Sovereign House first floor and Greyfriars was completed in the summer. Welford House was vacated at the end of August following relocation of the bulk cash service to 10 York Road and the cash counters to A block reception. Work continues on planning the future of New Walk Centre and the Bishop Street Customer Service Centre with a target opening date for the latter in 2011.

6.16.3 **Bowstring Bridge** – Work commenced on the demolition of the bridge on 5<sup>th</sup> October. The contract period is 15 weeks and it is anticipated that full spend will occur within the financial year.

6.16.4 **Hamilton Footbridge** – The bridge is now open and provides a foot and cycle link over the ring road to the Hamilton Tesco centre. It has been constructed by the Hamilton trustees with Tesco also providing a contribution. The Council will make its required contribution when final costs have been agreed.

6.16.5 **Town Hall Restoration** – The external works to the Horsefair Street elevation and clock tower have been completed. The internal redecoration and improvement works now including the committee rooms on the first floor will be completed by the end of October/beginning of November 2009. As some schemes are finishing earlier than expected, £44,000 of funding will be brought forward for payments.

6.16.6 **Asbestos Surveys & Water Hygiene** – Cabinet approved a programme of Water Hygiene works on September 1<sup>st</sup>. totalling £345k. It is anticipated that this programme and that for asbestos survey work will complete on budget and within the financial year.

6.16.7 **Property Schemes** – In addition to the original programme of schemes (£402k) Cabinet approved a further programme of schemes totalling £700k on 1<sup>st</sup> September. £244k of the latter are anticipated for completion within 2009-10. Spend to the end of period 6 is relatively low due to delays in tendering procedures. However all works have now commenced.

6.16.8 **DDA** – The works to install the lift at New Parks Leisure Centre are due to be completed by 5<sup>th</sup> November. All other works are complete with seven awaiting final contractor's invoices.

## **6.17 Information and Support**

6.17.1 There is one approved project of £7k for the installation of Telly Talk stations (video conferencing facility). Suitable sites for installation are being identified and full spend is forecast.

## **6.18 Human Resources**

6.18.1 One scheme totalling £10k is included for works to enable disabled access within Administrative Buildings. Spend in the year is dependant on departments registering claims against the allocation. Based on previous experience, full spend is anticipated.

## **6.19 Financial Services**

6.19.1 The programme of £189k covers Resource Management System (RMS) project expenditure. The allocation had been fully spent at the end of period 6.

## **6.20 Assurance and Democratic**

6.20.1 The programme of £128k is to support the Ward community meetings in responding to suggestions for local improvements made by residents. The incidence of expenditure during the year is dependant on timing of the Community meetings, and the recommendations of the residents. At the end of period 6 no expenditure had been incurred. It is still anticipated that full spend will occur in the year.

## **6.21 Older Peoples Services**

6.21.1 The capital programme of £309,000 for Older Peoples Services covers Intermediate Care and Residential Care Home refurbishments schemes. Expenditure of £9,000 has been incurred to period 3.

6.21.2 Key schemes include the Intermediate Care facility at Butterwick House where discussions are still taking place with the Primary Care Trust (PCT) and the refurbishment of residential homes.

## **6.22 Community Care Services**

6.22.1 The approved capital programme of £180,000 covers one Mental Health Grant scheme to be spent on a number of projects in the statutory and voluntary sectors.

## **7 CAPITAL RECEIPTS**

- 7.1 The recession and in particular the subsequent effect on the commercial property market is having a serious effect on the Council's ability to raise capital receipts and thus finance the capital programme. Expectations were accordingly scaled down significantly when the programme was set. Nonetheless, even these targets are proving difficult to achieve.
- 7.2 Non-housing capital receipts of £220k have been realised at period 6 and it is estimated that a total of only £750,000 to £1,250,000 will be raised in the current financial year compared to a target of £2.3m. This, accordingly, will reduce the available resources for the corporate capital programme, and require the use of a prudential borrowing contingency (up to £2.245m) included when the capital programme was set.
- 7.3 The Housing usable capital receipts forecast was £1.3m. Housing expenditure is financed from a combination of sources, including housing capital receipts. At period 3 it was reported that only £143k of usable receipts had been generated from right to buy sales. Since then the target has been declared to be unattainable and steps were therefore required to bring the General Fund element of the programme in line with funds available. A review of uncommitted schemes has taken place where expenditure can be deferred – a total of £192k has been identified and is shown as a budget reduction in Appendix A. £500k of capital receipts were earmarked for corporate schemes – this contribution has now been written off.

## 8 CAPITAL MONITORING TARGETS

- 8.1 In October 2003 Cabinet agreed a performance target for capital expenditure of 90% of the original programme, excluding schemes where there is significant 3<sup>rd</sup> party involvement.
- 8.2 For programmes excluding those schemes with significant 3<sup>rd</sup> party involvement and additions or expenditure brought forward the latest forecast of expenditure by divisional officers is approximately 93% of the original programme. Any significant additional slippage that occurs up to the year end will threaten achievement of the 90% target.

## 9 PRUDENTIAL BORROWING

- 9.1 Details of schemes to be funded by prudential borrowing and the forecast level of expenditure for 2009/10 are shown on the next page:

<b>Approved Prudential Borrowing</b>	<b>2009/10 Original Estimate £000</b>	<b>2009/10 Latest Forecast £000</b>
<b>Corporately Funded</b>		
Property Maintenance	500	500

Curve	324	1424
Accommodation Strategy (CLABS)	5,749	1,042
City Centre Development Project (CCDP)	241	242
Digital Media Centre	2,796	1,570
Building Schools for the Future	2,200	2,200
Building Schools for the Future – TLE	0	500
LRC Schemes	1,109	1,109
Lewisher Road	160	160
Football Facilities	1,500	816
<b>HRA</b>		
Housing HRA – General	600	600
Housing Phase 1 – New Build	0	914
<b>Spend to Save</b>		
Resource Management Strategy	290	189
Hamilton Footbridge	81	81
Property Purchase	352	352
Vehicles in lieu of leasing	1,500	2,200
New Parks Library	0	80
Energy Saving Street Lighting	0	160
Saw Mill	0	32
Future Spend to Save	773	500
<b>Total Prudential Borrowing</b>	<b>18,175</b>	<b>14,671</b>

9.2 The Chief Finance Officer is permitted to approve Spend to Save schemes up to £250,000.

9.3 The cumulative level of prudential borrowing as a proportion of gross revenue expenditure is shown in the table over (this takes into account anticipated repayments):

<b>General Fund</b>	<b>Cumulative Unsupported Borrowing £000</b>	<b>Gross Revenue Expenditure £000</b>	<b>Cumulative Unsupported Borrowing as % of GRE</b>
2006/07 (actual)	19,572	746,743	2.6%
2007/08 (actual)	29,913	772,491	3.9%
2008/09 (actual)	53,417	779,889	6.9%
2009/10 (forecast)	56,464	785,289	7.19%
<b>Housing Revenue Account</b>	<b>Cumulative Unsupported Borrowing £000</b>	<b>Gross Revenue Expenditure £000</b>	<b>Cumulative Unsupported Borrowing as % of GRE</b>

2006/07 (actual)	20,487	64,051	32.0%
2007/08 (actual)	20,121	65,017	30.9%
2008/09 (actual)	19,246	69,057	27.9%
2009/10 (forecast)	18,972	72,925	26.0%

## 10 PRUDENTIAL INDICATORS

- 10.1 The latest forecast of performance in 2009/10 against approved indicators is shown in Appendix B.
- 10.2 In summary, the Council will not exceed any Prudential Indicators, which were set as limits on the council's activities. There will be variations between actual and expected performance on some indicators due to changes in the forecast level of capital expenditure.

## 11 CONSULTATION

- 11.1 All departments have been consulted in the preparation of this report.

## 12 FINANCIAL AND LEGAL IMPLICATIONS

- 12.1 The report is largely concerned with financial issues.
- 12.2 There are no direct legal implications arising from this report. Peter Nicholls, Director of Legal Services, has been consulted on this report.

## 13 OTHER IMPLICATIONS

Other Implications	Yes / No	Paragraph referred
Equal Opportunities Policy	No	-
Sustainable & Environmental	Yes	6.6 & 6.9
Crime & Disorder	No	-
Human Rights Act	No	-
Elderly People / People on Low Income	No	-

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Jon King  
297433

<b>Key Decision</b>	No
<b>Reason</b>	N/A
<b>Appeared in Forward Plan</b>	N/A
<b>Executive or Council Decision</b>	Executive (Cabinet)

**2009/10 CAPITAL PROGRAMME**
**APPENDIX A**

Service Areas	Approved Programme	Full Year Forecast at Period 3	Additions	Budget Transfers/ (Reduction)	(Slippage)	Overspend/ Payments Brought Forward	Full Year Forecast Period 6	Payments to end of Period 6	Percentage of Spend compared to Forecast
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social Care & Safeguarding	5,716	1,258					1,258	606	48%
Access, Inclusion & Participation	798	3,765	132		(1,300)		2,597	352	14%
Learning Environment	33,083	35,346			(3,499)	350	32,197	20,384	63%
Learning Services	1,416	2,905					2,905	1,452	50%
Highways & Transportation	13,372	15,688	198	(169)	(495)	(150)	15,072	5,505	37%
Transport Department	2,200	2,200					2,200	649	30%
Culture Services	15,537	15,537	28	(1,056)	(2,893)		11,616	2,933	25%
Environmental Services	967	967	16		(135)		848	133	16%
Planning and Economic Development	2,225	2,229		250	(120)		2,359	210	9%
Personalisation and Business Support	172	172			(71)		101	0	0%
Safer and Stronger Communities	460	460					460	109	24%
Older People Services	309	309			(110)		199	34	17%
Community Care Services	180	180			(50)		130	0	0%
Housing Services	24,437	24,467	429	(150)	(1,725)		23,021	6,024	26%
Housing Strategy and Options	5,383	5,383		(193)	(450)		4,740	2,213	47%
Strategic Asset Management	5,598	3,598	589			44	4,231	1,201	28%
Information and Support	7	7					7		0%
Human Resources	10	10					10		0%
Financial Services	189	189					189	189	100%
Assurance and Democratic	128	128					128		0%
<b>TOTAL</b>	<b>112,187</b>	<b>114,798</b>	<b>1,392</b>	<b>(1,318)</b>	<b>(10,848)</b>	<b>244</b>	<b>104,268</b>	<b>41,994</b>	<b>40%</b>

2009/10

## PRUDENTIAL INDICATORS

	Pd 3 Estimate	Latest Forecast
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**AFFORDABILITY****Ratio of financing costs to net revenue stream**

Non - HRA	8.70%	7.36%
HRA	15.35%	11.73%

**Level of "unsupported" borrowing for the General Fund**

	£000	£000
Unsupported borrowing brought forward	53,417	47,660
New unsupported borrowing	18,731	13,157
Less unsupported borrowing repaid	<u>(4,139)</u>	<u>(4,353)</u>
Total unsupported borrowing carried forward	<u>68,009</u>	<u>56,464</u>

Some borrowing initially forecast for 2008/09 is now anticipated to be in later years.

**Level of "unsupported" borrowing relating to the HRA**

	£000	£000
Unsupported borrowing brought forward	19,647	19,647
New unsupported borrowing	600	600
Less unsupported borrowing repaid	<u>(890)</u>	<u>(874)</u>
Total unsupported borrowing carried forward	<u>19,357</u>	<u>19,373</u>

**Estimated incremental impact on council tax & average weekly rents of 2009/10 capital investment decisions**

	£	£
Band D council tax (£1,163.65)	0.00	0.00
HRA rent (£54.86)	0.01	0.01

**PRUDENCE****Level of capital expenditure**

	£000	£000
General Fund	95,701	81,247
HRA	<u>21,377</u>	<u>23,021</u>
Total	<u>117,078</u>	<u>104,268</u>



### Capital Financing Requirement

This measures the authority's underlying need to borrow for capital purposes.

	£000	£000
Non HRA	301,198	289,161
HRA	211,194	211,194

### General Fund Capital Financing Requirement split between unsupported and supported borrowing

	£000	£000
Supported Borrowing	233,189	232,697
Unsupported Borrowing	<u>68,009</u>	<u>56,464</u>
	<u>301,198</u>	<u>289,161</u>

### Authorised Limit

This is a statutory limit relating to external debt and is consistent with the authority's plans for capital expenditure and financing and with its treasury management policies.

The currently approved

### Operational Boundary

This is based on the same estimates as the Authorised Limit but reflects the Chief Finance Officer's estimate of the most likely level of debt.

The currently approved

## SUSTAINABILITY

### Upper limit on fixed and variable interest rate exposures, as a percentage of total debt net of investments

	%
Fixed interest rate	150
Variable interest rate	45

### Upper limits for the maturity structure of its borrowing

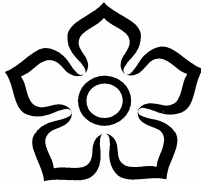
	%
Under 12 months upper limit	30
12 months & within 24 months upper limit	40
24 months & within 5 years upper limit	60
5 years & within 10 years upper limit	60
10 years & above upper limit	100

The upper limit for principal sums invested for more than 364 days is £90 million for 2009/10 and subsequent years.

### Lower limits for the maturity structure of its borrowing

Less than 5 years	5
Over 5 years	60

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Leicester  
City Council

Performance and Value for Money Select Committee  
Cabinet

9<sup>th</sup> December 2009  
14<sup>th</sup> December 2009

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## REVENUE BUDGET MONITORING 2009/10 – PERIOD 6

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### Report of the Chief Finance Officer

#### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to show a summary position comparing spending with the budget. The report is the second in the regular cycle of reports for the 2009/2010 financial year showing the budget issues that have arisen so far.
- 1.2 Further reports will be presented to Strategic Management Board, Cabinet and the Performance and Value for Money Select Committee at Period 9 and Outturn. Monthly reports will be presented to the Operational Board.

#### 2. SUMMARY

- 2.1 The General Fund budget set for the financial year 2009/2010 was £270.8m. Together with the sums carried forward from 2008/2009 of £0.1m, the revised budget is now £270.9m. Half way through the year, 65% of the revised budgets of divisions has been spent.
- 2.2 It is apparent that certain divisions are facing some specific pressures resulting in a forecast overspend of £1.9m. In particular
  - Social Care and Safeguarding – This division is facing significant pressures of up to £1m. This is due to a recent legal judgement relating to responsibilities for homeless 16 and 17 year olds, together with continuing pressures from 2008/09. The use of former departmental reserves will fund these pressures for 09/10 only;
  - Housing Strategy & Options – An overspend of £0.8m (before corrective action) is forecast as a result of a shortfall in income from Supporting People and through a reduction in capital projects;
  - Older People and Community Care – An overspend of £0.3m is forecast against an overall budget of £66m, before corrective action;

- Property Services – An under-recovery of income of approximately £0.2m as a result of the current economic climate and its' effect on the authority's investment property portfolio;
- Access, Inclusion & Participation - An overspend of £0.4m is predicted following an updated forecast increase in take up of free early years education provision in the private, voluntary and independent sectors. There is however, provision within the schools block which will fund this issue.

Further details on the divisional budgetary pressures are provided at Section 6 and 7 of this report.

- 2.3 There are a small number of underspends which can be used to mitigate some of the problems identified above. However firm proposals are now essential in order to achieve an outturn at budget.
- 2.4 Capital financing is one of the most volatile budgets within the council and in recent years has delivered significant savings. However, as a consequence of the current economic conditions, for the first time in a number of years, this budget is forecasting an outturn very close to budget.
- 2.5 Savings are expected following the final outcome of the 2009/10 pay negotiations. It is proposed that these will be claw back from divisions and used to deal with corporate budget pressures.

### **3. RECOMMENDATIONS**

#### **3.1 CABINET** is recommended to:

- a) Note the changes made to the original approved budget for 2009/10;
- b) Note the expenditure to date and the budgetary issues which have emerged so far this year;
- c) Note the proposals put forward to ensure that spending is contained within the Divisional budgets;
- d) Note the progress made so far towards achieving the efficiency target;
- e) Approve additional expenditure of up to £1m to facilitate the split of housing and revenues systems; such expenditure is expected to be recovered as discussed in paragraph 6.2.3.

#### **3.2 The Performance and Value for Money Select Committee** is asked to consider the overall position presented within this report and make any observations it sees fit.

### **4. BUDGET FOR 2009/10**

- 4.1 The General Fund budget for the financial year 2008/09 is **£270.8m**. After adding the approved carried forward amounts from 2007/08 (**£0.1m**) the budget for the year is now **£270.9m**.
- 4.2 Each Divisional Director is required by Finance Procedure Rules to ensure that services are delivered within budget, and has the responsibility for monitoring their

budgets within the guidelines provided by the Chief Finance Officer.

- 4.3 Divisional Directors are responsible for their controllable budgets. These include employee costs, running costs and income. 'Indirect expenditure' or 'below the line charges' are the responsibility of the service provider with the cost of those services being included in the providers' controllable budgets.

## **5. SUMMARY OF PROJECTIONS**

- 5.1 The results of the monitoring of the budgets are summarised in Appendix A. Significant budgetary issues are outlined within Sections 6 and 7 below.

## **6. NON-OPERATIONAL DIVISIONS**

The budgetary issues, which have emerged to date, are as follows:

### **6.1 Chief Executive's Office**

- 6.1.1 The Chief Executive's Office is predicting an outturn at budget. However contained within this are some budget issues. The Leicester Partnership approved a reduced level of top-slice from the Area Based Grant which provides funding for the Partnership Team. Proposals are yet to be finalised to achieve this level of reduction and it is likely that there will be an overlap with the Support Services Review.

### **6.2 Financial Services**

- 6.2.1 Financial Services are forecast to achieve outturn at budget, despite pressures within the division relating to vacancy cover, additional support in Exchequer Services to pay invoices and the implementation of new financial systems.
- 6.2.2 The council currently operates a fully integrated housing benefits, council tax, business rates and housing (options, allocations and rents) system. The purchase of the system by Capita from IBS has resulted in a decision by the Competition Commission that this reduces competition. As such, the revenues and benefits element of the system will be sold to Civica. The council can then no longer operate the system on a fully integrated basis and to implement this split we are required to purchase additional software licences, undertake significant implementation costs and acquire additional software.
- 6.2.3 At this stage the project could cost up to £1m (including legal costs). The Competition Commission requires that such costs are reimbursed by Capita although such spend is at risk until formal agreement with Capita is reached.

### **6.3 Legal and Democratic Services**

- 6.3.1 Democratic Services are forecasting a net overspend of £60k reflecting a delay in implementing the 09/10 revenue strategy. Measures will be taken to ensure a balanced budget can be delivered. Furthermore, the Coroners Service has consistently overspent in previous years. However a new coroner has been appointed who is undertaking a detailed examination of the budget and costs incurred by the service. Reductions to date indicate that the service will manage within budget but

this also remains an area of risk.

6.3.2 Legal Services forecast outturn at budget.

## **7. OPERATIONAL DIVISIONS**

The budgetary issues, which have emerged to date, are as follows:

### **7.1 Access, Inclusion and Participation**

7.1.1 The most significant budgetary pressure facing the division relates to the Nursery Education Grant budget. An overspend of £0.4m is predicted following an updated forecast increase in take up of free early years education provision in the private, voluntary and independent sectors. At this stage of the year it is anticipated that this can be contained within the overall Dedicated Schools Grant budget.

7.1.2 Early Years has underspent in prior years as the Children's Centres have been developed, resulting in only part-year revenue costs. An underspend in the current year is possible, as phase 3 centres are yet to be developed; however, an underspend may not be available to support any General Fund pressures, as current expectation is that it will be required to support the development of the former Mayfield Family Centre as a phase 3 Children's Centre (as approved by Cabinet on 3<sup>rd</sup> August 2009).

### **7.2 Learning Services**

7.2.1 This Division is facing a number of budgetary pressures, including:-

- a) A divisional organisational review, which could result in some one off costs of implementation;
- b) Raising Achievement Plan (RAP) - embedding initiatives, pressure to maintain school improvement, support to specific schools and reviews of school structures.
- c) Possible reductions in external funding which are a combination of time-limited additional funding coming to an end although the associated expenditures will continue to be incurred for some months hence, and a possible claw back of £1.1m of external funding.
- d) There are also pressures from services traded with schools and preparing for the 16-19 changes ahead of the planned abolition of the Learning and Skills Council.

The expenditure and funding plans for the RAP have been reviewed, as the original TLL planned end date of August 2009 has now passed.

### **7.3 Social Care and Safeguarding**

7.3.1 The pressures on this Division, expected to be in the region of £1m, include those that emerged during the last financial year and which could be considerably higher than last year, together with new pressures. The key issues carried over from 2008/09 are the additional costs of external staff cover for vacancies and absences (although this is reducing), continued pressure from Looked after Children placements both with foster carers and in residential placements, and the impact on

safeguarding services of national events such as the Baby P case in light of heightened public expectations and the findings of the Laming Enquiry.

- 7.3.2 A more recent and very significant pressure relates to a legal judgement which has realigned the housing responsibilities for homeless 16 and 17 year olds. This has resulted in local children's services having a duty to accommodate children in need. Furthermore, where a 16 or 17 year old young person presents as homeless and is assessed as requiring accommodation, in all but a few exceptional cases these young people will become Looked After Children, with all that this entails. The young people are generally not eligible for Housing Benefit, which would previously have met all or some of their temporary accommodation costs
- 7.3.3 The full implications of the judgement are still being assessed, but it is clear that the additional costs will be significant and could amount to up to £0.2m in the current year with a much higher increase in future years as the full effect is felt. There is no budget provision for these costs.
- 7.3.4 Since the budget was set, the County Council has announced its intention to withdraw from the joint Safeguarding Board arrangements, and therefore arrangements are being made to set up a Board for the City. The cost implications of this are unclear at this stage.
- 7.3.5 The Divisional Director is working upon a report which will show the mitigating actions that have been / are being implemented, and further potential steps that could be taken. Former departmental reserves will be used to offset any remaining overspend in 09/10.

#### **7.4 Transforming the Learning Environment**

- 7.4.1 This Division has responsibility for delivering Building Schools for the Future, the Primary Capital Programme and other major change projects. There are currently a high number of external agency staff covering posts pending finalisation and recruitment to a permanent structure, and also providing shorter-term support to manage the demands of the current workload (such as detailed planning work for BSF and MyPlace). The cost projections and proposed funding package over a five year period will be reported to Cabinet in November. It is expected that the current year costs will be contained within the available resources, as set out in the Cabinet report.

#### **7.5 Strategic Planning, Commissioning and Performance**

- 7.5.1 Increased demand for support services to assist service improvement across Children services, including growth in grant funded services, has resulted in budget shortfalls in some areas e.g. data management. These are being reviewed, although no significant budgetary impact is expected in the current year.

#### **7.6 Schools Budgets**

- 7.6.1 An increasing number of primary schools are reporting budget difficulties and there are issues at specific secondary schools. A report into primary school budget difficulties is to be commissioned in the Autumn Term, as this is an area of increasing concern. As reported above, pressures on the Nursery Education Grant are emerging. Whilst the Schools budget overall is expected to be contained within

available funding in 2009/10 and a number of schools have reserves to draw upon, the outlook for future years will be monitored closely.

## **7.7 Housing Strategy and Options**

7.7.1 The division is forecasting an overspend of £0.8m. This is as a result of three main pressures being:

- Hostels - a 24% reduction in income is expected due to a reduction in unit prices which the Supporting People Board are prepared to meet through Supporting People grant, and a continuation in the downward slide in income;
- Private Sector Housing – income from capital is expected to drop as a result of a decrease in capital projects;
- Star Team – as with Hostels, the reduction in supporting people income of 24% will significantly affect income in this area.

## **7.8 Safer and Stronger Communities**

7.8.1 The Safer and Stronger Communities Division is forecasting pressures of £0.1m. This is mainly as a result of last year's overspend which has been brought forward to the current year. It is holding a number of vacancies to address the position and will soon begin a review of the Youth Offending Service.

## **7.9 Older People's Services and Community Care Services (Adults)**

7.9.1 On a combined budget of £66m, an overspend of £0.3m is forecast. The position is, however, highly volatile in both areas and final outturn is dependent in part on the two divisions' ability to realise their budget savings and successfully manage the transformation agenda. A Performance and Monitoring Board has been set up to ensure the required savings are achieved. There are early signs that the divisions are making progress on achieving agency savings.

## **7.10 Personalisation and Business Support**

7.10.1 The Personalisation and Business Support Division is forecast to underspend by £0.5m. The division is holding posts vacant in anticipation of the on-going staffing review.

## **7.11 Housing Benefit Payments**

7.11.1 The cost of housing benefit payments (£134m) is almost entirely met by government grant. There are a number of risks and uncertainties that can affect this volatile budget including:

- Grant claw back by the DWP arising from the finalising of the 2007/08 grant claim (although a provision has already been made which should be sufficient to meet any claw back);
- Issues and variations relating to the 2008/09 grant claim which is presently subject to audit; and
- Overpayments/overpayment recoveries, to the extent that these exceed budget.



7.11.2 The subsidy claim for 2006/07 is currently being finalised with a possible adverse variance of £0.4m. At this stage it is anticipated that this will be offset by a reduction in the provision made for later years' claims.

## **7.12 Environmental Services**

7.12.1 The Division is forecasting to remain within budget for the year. The main financial areas of concern remain the level of building control income, the ongoing issues with the waste contract and signs of a possible shortfall in bereavement services income.

7.12.2 There remain pressures regarding our waste collection service in relation to the liability for land fill tax on the "FLOC" waste stream. This could mean a landfill tax liability for 09/10 of approximately £0.8m. Discussions are ongoing with the contractor.

7.12.3 Budgeted income for Building Control is £0.7m. Income levels have deteriorated in the last quarter and if this trend continues a shortfall of £0.1m, (13%) is forecast. The domestic market is showing signs of some increase in activity but the income per job is low. There has been a significant increase in the number of large and small competitors offering building control services and tenders for large jobs are increasingly difficult to win. Cutting back all non essential supplies and services, limiting staff costs and higher than budgeted licensing income will offset the £0.1m income shortfall.

7.12.4 The number of cremations is down nearly 9% compared to the equivalent period last year. The forecast income shortfall together with additional running costs results in a potential overspend of £0.1m. This will be offset by savings from delays in recruitment.

7.12.5 Monies received from the waste contractor relating to performance rebates from previous years have been ring-fenced in part to deal with overspends in other divisions as highlighted below. This is instead of applying the total rebate to waste and cleansing projects within this division.

## **7.13 Cultural Services**

7.13.1 The Division is currently addressing a potential budget shortfall of up to £350k with the two main areas of concern being DeMontfort Hall and Sports both of which are particularly exposed to the fluctuations in externally generated income as a result of the recession.

7.13.2 DeMontfort Hall indoor show sales are ahead of the comparable period last year, however we are now moving into the crucial autumn and winter season which account for over 70% of annual sales. The current forecast for indoor shows indicates overall annual growth of around 13% compared with last year with sales of £3.6m. The Christmas show is Scrooge and the annual sales, as always, are heavily dependant on this being a successful run generating some 22% of indoor show income. Sales for Blood Brothers in November were very good.

7.13.3 In terms of the outdoor programme the Big Session festival was successful with the

event selling out on the Saturday. Total sales were ahead of budget by 16% at £146k and the event met its net expenditure budget. Summer Sundae also went well with sales 10% ahead of budget at £560k.

7.13.4 The overall position for the hall suggests a potential shortfall of up to £0.3m.

7.13.5 Arts and Museums have additional cost pressures totalling £0.1m including additional refurbishment costs of the New Walk Museum shop and café area following a ceiling collapse, energy costs related to 08/09 and additional essential spend on the Caribbean Carnival and Diwali. Savings of £70k have been identified within the division. The Libraries service is able to provide the balance of the savings required for Arts and Museums by delaying filling vacant posts.

7.13.6 Income at Leisure centres was affected last year as the economic situation worsened and this was seen in particular with cancellations of gym membership renewals. There has been a further deterioration in income during the last quarter and the current forecast shortfall is £175k. Staffing costs are also running ahead of the budget. Controls are in place to restrict staffing costs and non essential supplies and services and other running costs have been cut.

7.13.7 As agreed in the budget for 09/10 surplus funds within the Environmental services division will be used to pay the service charge and rates bill totalling £189k for the vacant Haymarket theatre which will be used for the Myplace hub in due course.

7.13.8 The division is still quantifying the potential costs savings and any additional income in order to offset the overall forecast shortfall of up to £350k which is a combination of the DeMontfort Hall shortfall and residual shortfall in Sports.

## **7.14 Highways and Transport**

7.14.1 The Division is still forecasting to remain within budget for the year. However there are a number of issues which continue from 2008/09 being concerns over concessionary fare costs and the reduction in on street parking income.

7.14.2 Appeals from the bus companies for increased compensation for the additional costs of carrying concessionary fare passengers amount to a potential annual cost of £0.5m. Adjudication is not likely to take place until the financial year end. Further growth in concessionary fare journeys this year together with high fare increases (in excess of 16%) have meant that the reimbursement to bus companies is forecast to exceed the Highways and Transport budget by £340k. This is mostly offset by a centrally held budget provision of £300k.

7.14.3 On-street parking income from fees and fines of £3.4m is down significantly compared to the budget and this follows the pattern seen in late 2008/09. The income from on-street parking was being used to fund a number of areas particularly subsidised bus routes and the increased costs associated with concessionary fares. The reduction in income is a trend which means that the division forecasts a funding shortfall of £1.3m.

7.14.4 The division has identified savings of approximately £0.6m for 09/10. These involve deleting vacant posts, cuts in all non essential running costs, cuts to external

consultancy budgets, ensuring that all relevant costs are charged to capital schemes and restrictions to overtime. If the concessionary fares appeal is lost by the Council the total budget shortfall for the division after netting off the savings discussed above, amounts to £1.3m which will be funded from one off monies within the Environmental services division.

### **7.15 Planning and Economic Development**

7.15.1 Planning and Economic development are currently addressing budget shortfalls of up to £0.3m mainly as a result of reductions in outdoor and indoor markets rental income and costs awarded against the Council for three planning application appeals.

### **7.16 Information Technology Services**

7.16.1 The I.T Service is forecasting to achieve outturn at budget.

### **7.17 Property Services**

7.17.1 Property Services are forecasting a deficit of £0.2m. The largest proportion of this is within the Non-Operational Property portfolio and is as a result of the current economic climate. This is an improvement on the overspend previously reported and the situation will continue to be closely monitored to minimise the overall impact.

### **7.18 Human Resources**

7.18.1 A divisional budget review is in progress which aims to address residual budget issues arising from a previous review and subsequent organisational change. The division previously reported an overspend of £0.4m and an improved position of £0.2m overspend is currently predicted. The completion of the budget review aims to bring outturn in at budget.

## **8. CORPORATE BUDGETS**

8.1 This budget (£36m) includes a number of items that are not within the controllable budgets of any corporate directors. Capital financing (£20m) is by far the largest element of the budget but it also includes bank charges, audit fees, levies, and contributions towards job evaluation, together with other miscellaneous expenditure.

8.2 Unlike previous years, when the capital financing budget has delivered significant savings, the forecast position at this early stage of the year is close to budget.

8.3 There has been an increase in cases of claims for hardship business rate relief, which will result in an overspend of £0.1m. Other small savings across corporate budgets will offset this for 2009/10.

8.4 The council has received a final allocation of Local Authority Business Growth Incentive Grant of £0.26m for 2009/10.

## **9. HOUSING REVENUE ACCOUNT**

- 9.1 The HRA has a planned deficit of £1.8m. As a direct result of multiple and prolonged reductions in short-term interest rates the amount of interest the HRA can expect to receive on its cash balances and is significantly reduced and will result in an overspend in the region of £0.4m. HRA balances are therefore forecast to be £2.4m as at 31<sup>st</sup> March 2009.
- 9.2 This forecast position includes a significant reduction in forecast income from dwelling rents of £1.9m. This is as a result of the government allowing reduced rent increases (averaging 2.85%) as opposed the 5.9% in the original formula. This has been offset by a reduction in negative subsidy.

## **10. SERVICE IMPROVEMENT PROJECTS – QUICK WINS**

- 10.1 The service improvement projects included within the 09/10 budget total expected savings of £1.1m (before allowing for savings that will be achieved by areas other than the general fund). These projects are:

- 1) Agency staff (£0.4m)
- 2) Vehicle utilisation & grey fleet (£0.2m)
- 3) Facilities management (£0.3m)
- 4) IT procurement & printer rationalisation (£0.2m)

- 10.2 A shortfall in the region of £0.3m is anticipated in 09/10. This is largely due to implementation timescales and the need to establish robust proposals to support the original business cases and undertake consultation where appropriate. Any under achievement will offset the savings made from the reduced pay award (see Section 11 below). Progress on achieving these savings is set out in more detail below:

Agency staff (£0.4m)

- 10.3 Analysis is currently being undertaken identifying areas within the organisation which will benefit from a move to (a) reduce agency staff usage and recruit permanent staff instead, and (b) review the current contractual arrangements, i.e. rates, reflecting the current economic climate. The full saving is expected to be achieved in 09/10 however to achieve this on an on-going basis will require some review of our existing HR policies.

Vehicle utilisation & grey fleet (£0.2m)

- 10.4 The first major step being taken in this area is that of the realignment of the essential user policy and mileage payments to Council staff, including a review of car parking in the city centre. This review will include payments for parking where staff do not qualify for essential car user allowances and therefore cannot make a case for requiring a car parking space. Negotiations are underway with Unions to correct discrepancies with current practice and it is expected that in a full year the target saving will be achieved. It is estimated that the target saving of £0.2k will not be achieved in 09/10.

#### Facilities management (£0.3m)

- 10.5 Structural changes within the organisation have delayed the ability to implement the major original proposals of this project and as such any structural changes relating to facilities management are being considered within the support services transformation programme. To date savings of £38k have been identified which includes savings relating to catering, and further work is being undertaken in relation to cleaning contracts. In addition, principles to support new modern working practices have been developed and work will now take place to look at how these can help us in achieving better utilisation of space. It is not expected that the full level of savings can be achieved this year.

#### IT procurement & printer rationalisation (£0.2m)

- 10.6 Proposals for more efficient printer usage and rationalising the use/location/type of machines have been developed and agreed. In addition, consideration is being given to the amalgamation of bulk printing facilities which should generate economies of scale. Overall the savings target for 09/10 is expected to be achieved.

### **11. PAY AWARD**

- 11.1 Pay award negotiations are such that a saving of £1.5m from the budgeted provision in 09/10 is expected. It has been previously agreed by Cabinet that this saving is clawed back from divisional budgets in 09/10 and set-aside to fund potential budget pressures.

### **12. AREA BASED GRANT**

- 12.1 The Area Based Grant (ABG) is being used to support achievement of service outcomes in the local area agreement, which has been negotiated between Leicester Partnership and the Government. In 2009/10 the City Council will receive £28.5m, of which the Leicester Partnership has agreed an allocation of £0.8m towards management and administration. This has resulted in a net allocation to delivery groups of £27.7m. In addition to this sum, the underspend of £6.5m has been brought forward from 2008/09, resulting in the budget allocation for 2009/10 of £35.1m.
- 12.2 The following table shows the grant allocation. Expenditure to Period 6 amounted to £9.1m. All delivery groups except the Safer Leicester Partnership are forecasting outturn at budget. The Safer Leicester Partnership is anticipating a planned underspend of £0.1m.

<b>Table 1 : ABG</b>	<b>Annual Allocation £'000</b>	<b>Carry Forward £'000</b>	<b>Annual Budget £'000</b>
Children and Young People's	11,884	-	11,884
Safer Leicester	982	255	1,237
Stronger Communities	251	-	251
Leicester Health and Wellbeing	5,966	107	6,073
Economic Development (WNF)	8,581	5,256	13,838
Environment	22	-	22
Admin and Support	812	249	1,061
<b>Total - ABG</b>	<b>28,498</b>	<b>5,867</b>	<b>34,365</b>
Disadvantaged Area Fund (DAF)*	-	629	629
<b>Total</b>	<b>28,498</b>	<b>6,496</b>	<b>34,994</b>

### **13. SPECIFIC ITEMS FOR SELECT COMMITTEE MONITORING**

- 13.1 The Overview and Scrutiny Management Board, at its meeting on the 4<sup>th</sup> February 2009, resolved that the Select Committee be asked to monitor on a quarterly basis specific items. These related to agency costs and the savings built into the Adults Budget for 2010/11 and beyond.

#### **Adults Savings – 2010/11 and Beyond**

- 13.2 The Social Care Divisions are setting up a Budget Performance and Monitoring Board to oversee the achievement of all savings, including 'future year efficiencies' budget allocation in 2010/11 of £1.5m rising to £2.5m in 2011/12. The efficiency programme will be developed to align with the transformation programme's 'target operating model' which describes the framework within which social care will be delivered following the implementation of the government's personalisation agenda. There will be a focus on improving commissioning in order to achieve services which are better value for money, identifying other efficiency opportunities through benchmarking and re-engineering processes to improve efficiency and reduce cost.

#### **Agency Costs**

- 13.3 As part of the delivery of the agency service improvement project (see 10.3 above), the current position regarding expenditure on agency staff is being analysed. At the equivalent point in 2008/09 a total of £9.6m had been spent on agency staff. This year, for the same period spend is £9.3m. The work being undertaken as part of the aforementioned project should reduce agency expenditure for the remainder of the year by between £0.4m and £1m.

## 14. EFFICIENCY SAVINGS

- 14.1 From April 2008 all Councils are required to report the value of cash-releasing value for money gains that they have achieved as one of the 198 indicators in the new national indicator set. The original expectation that local government should achieve at least 3% per annum cash releasing value for money gains over the spending review period 2008/09 to 2010/11 (CSR 07). However a budget announcement in March 2009 by the government indicated that from 2010/11 this target will increase to 4% - which has been reflected below.
- 14.2 Although the expectation to deliver 3% cashable savings each year is a national target, as part of Leicester's local area agreement, a local efficiency target has been negotiated with government as one of the targets within the LAA. Leicester City's estimated share of the target is detailed below, together with the cumulative forecast savings for 2009/10. The forecast saving includes a significant carry forward from 2007/08.

Year	2008/09	2009/10	2010/11
Target (% of 2007/08 baseline)	3%	6%	9.4%
Leicester's cumulative expected gains (£m)	10.906	21.812	37.443
Leicester's "best case" forecast savings (£m)	11.097	15.873	

- 14.3 The above table sets out **forecast savings of £15.9m against a target of £21.8m.** This is a best case forecast and assumes that all savings within the efficiency plan for 2009/10 are delivered, with the exception of the shortfall relating to service improvement quick wins, identified at paragraph 10.2 above.
- 14.4 The efficiency target is cumulative and the target is to achieve £37m by 2010/11. This now needs some catch-up 10/11, and it is imperative that the Council plans these savings if they are to be achieved.

## 15. FINANCIAL AND LEGAL IMPLICATIONS

### Financial Implications

- 15.1 This report is solely concerned with financial issues.

### Legal Implications

- 15.2 There are no direct legal implications arising from this report. Peter Nicholls, Director of Legal Services, has been consulted in the preparation of this report.

## 16. OTHER IMPLICATIONS

<b>Other implications</b>	<b>Yes/No</b>	<b>Paragraph referred</b>
Equal Opportunities	No	-
Policy	No	-
Sustainable and Environmental	No	-
Crime and Disorder	No	-
Human Rights Act	No	-
Elderly/People on Low Income	No	-

## 17. DETAILS OF CONSULTATION

17.1 All departments are consulted on revenue budget monitoring.

Author: Alison Greenhill/Devanshi Mavani  
Date: 29/10/2009

**MARK NOBLE**  
**CHIEF FINANCE OFFICER**

<b>Key Decision</b>	No
<b>Reason</b>	N/A
<b>Appeared in Forward Plan</b>	N/A
<b>Executive or Council Decision</b>	Executive (Cabinet)

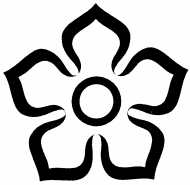


## GENERAL FUND REVENUE BUDGET MONITORING SUMMARY 2009/10 – PERIOD 6

	Original Budget	Carry forwards	Virements / Transfers	Revised Budget for Year	Forecast Outturn to Period 06	Forecast Variance over (under) spend
	£000	£000	£000	£000	£000	£000
<b>Non-Operational Budgets</b>						
Chief Executives	3,975.8	0.0	0.0	3,975.8	3,975.8	0.0
Housing Benefit Payments	527.6	0.0	0.0	527.6	527.6	0.0
Democratic Services	3,750.0	0.0	0.0	3,750.0	3,807.6	57.6
Legal Services	426.5	0.0	18.6	445.1	455.7	10.6
Financial Services	3,632.6	0.0	(104.9)	3,527.7	3,527.7	0.0
Legal Services_ Trading	(213.7)	0.0	0.0	(213.7)	(150.1)	63.6
<b>Total Non-Operational</b>	<b>12,098.8</b>	<b>0.0</b>	<b>(86.3)</b>	<b>12,012.5</b>	<b>12,144.3</b>	<b>131.8</b>
<b>Operational Budgets</b>						
Access, Inclusion and Participation	29,446.0	0.0	0.0	29,446.0	29,663.0	217.0
Learning Services	4,614.5	0.0	0.0	4,614.5	4,614.5	0.0
Social Care & Safeguarding	32,955.3	0.0	(124.4)	32,830.9	33,770.9	940.0
Strategic Planning, Commissioning & Performance	11,490.1	0.0	124.4	11,614.5	11,594.5	(20.0)
Transforming The Learning Environment	1,957.3	0.0	0.0	1,957.3	1,957.3	0.0
Schools budgets (in aggregate)	(22,443.9)	0.0	0.0	(22,443.9)	(22,763.9)	(320.0)
Housing Strategy and Options	4,629.7	65.0	0.0	4,694.7	5,554.5	859.8
Older People Services	25,150.8	0.0	(373.2)	24,777.6	24,751.1	(26.5)
Community Care Services (Adults)	42,197.1	0.0	(825.2)	41,371.9	41,692.7	320.8
Safer and Stronger Communities	5,010.3	(207.7)	170.0	4,972.6	5,109.2	136.6
Directorate and Personalisation Support	9,080.2	247.6	1,198.4	10,526.2	10,062.6	(463.6)
Environmental Services	25,747.0	0.0	0.0	25,747.0	25,747.0	0.0
Cultural Services	15,482.1	0.0	0.0	15,482.1	15,482.1	0.0
Highways and Transportation	14,483.8	0.0	0.0	14,483.8	14,483.8	0.0
Economic Regeneration, Planning and Policy	2,584.8	0.0	0.0	2,584.8	2,584.8	0.0
Regeneration Resources and Traders	1,456.7	14.3	0.0	1,471.0	1,471.0	0.0
Management & Corporate_ Resources	1,038.8	0.0	(29.3)	1,009.5	1,009.5	0.0
Human Resources	4,471.7	0.0	0.0	4,471.7	4,471.7	0.0
Information Technology	7,939.4	0.0	115.6	8,055.0	8,055.0	0.0
Property Services	2,448.5	0.0	0.0	2,448.5	2,681.5	233.0
Central Maintenance Fund	5,592.9	0.0	0.0	5,592.9	5,592.9	0.0
Trading Services_ Resources	(244.9)	0.0	0.0	(244.9)	(245.1)	(0.2)
<b>Total Operational</b>	<b>225,088.2</b>	<b>119.2</b>	<b>256.3</b>	<b>225,463.7</b>	<b>227,340.6</b>	<b>1,876.9</b>
<b>Miscellaneous</b>	15,621.0	0.0	0.0			
<b>Capital Financing</b>	20,014.0	0.0	0.0			
<b>Total Corporate Budgets</b>	<b>35,635.0</b>	<b>0.0</b>	<b>(170.0)</b>			
<b>Net Recharges</b>	<b>(2,011.8)</b>	<b>0.0</b>	<b>0.0</b>			

\* before corrective action

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Leicester  
City Council

**WARDS AFFECTED**  
All Wards

## **FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:**

**CYPS Scrutiny Committee**  
**Cabinet**

**10<sup>th</sup> December 2009**  
**14<sup>th</sup> December 2009**

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## **Leicester's Building Schools for the Future (BSF) Programme**

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### **Report of the Strategic Director, Children**

#### **1. Purpose of Report**

- 1.1 The purpose of this report is to advise Members of the outcome of Phase 1 of the BSF programme, which is now substantially complete, and to seek approval for the Council's Strategy for Change (SfC) direction of travel. The SfC is the Council's revised business plan for the BSF Programme and approval by Cabinet and Partnerships for Schools (PfS) will set in train significant further work to allow the remainder of the programme to be implemented.

#### **2. Summary**

- 2.1 The Council's ambitions for children are to raise standards of attainment, improve their well-being and close the equality gaps in health and education. Although outcomes for children in Leicester continue to improve steadily, the Building Schools for the Future Programme offers a once in a lifetime opportunity to transform secondary education and bring about a step change.

To support these ambitions, the aims of the BSF programme are to:

- Provide an inclusive learning environment within which every child can reach their full potential with personalised learning designed to meet their own individual needs;
- Provide all teachers with a 21<sup>st</sup> Century working environment;
- Provide excellent facilities accessible to and at the heart of every community; and
- Offer a comprehensive range of services within easy reach of every family.

- 2.2 This report advises Members of the outcome of Phase 1, which represented around 25% of the total programme. All projects were delivered on time, were within budget and now provide a quality teaching and learning environment. Beaumont Leys School recently won the 'BSF School of the Year' award and the PfS 'Grand Prix' award for a

school project deserving special distinction and Soar Valley College was shortlisted for the award for 'Most Inspirational Use of Outdoor Space'.

- 2.3 The proposals in this report are based on a submission for additional funding which has not yet been fully agreed with Partnerships for Schools (PfS). Funding risks are discussed in the report. It may still be necessary to reduce the scope of the programme following negotiations with Partnerships for Schools or to ensure affordability for the Council and schools. Members are asked to consider the SfC now because PfS cannot approve it until it has first been approved by the Council.
- 2.4 The SfC describes the educational challenges and vision for transformation then goes on to describe the estate proposals for the remainder of the programme. In real terms, the overall programme is now expected to represent an investment of around £305m, which is £70 million over and above the existing approval (at 2006 prices). This is due in roughly equal proportions to: the inclusion of New College in the programme (at the time of the last approval, proposals to create an academy were being considered outside the BSF programme); a rise in the annual number of births which will eventually lead to more places being required in secondary schools; and finally, due to the inclusion of special schools in the programme. The original figure of £235m, which has always been widely quoted, is at 2006 prices. The funding allocation will be inflated over 5 years to a 2011 construction start date.
- 2.5 The SfC sets out detailed proposals for school sizes, the scope and cost of work within each school and the timetable. However, if adopted, this sets the direction of travel. Further informal consultation will continue and many of the proposed changes, such as change in school sizes or age range, require statutory procedures to be followed. If Cabinet endorses this report, this does not prejudice the outcome of statutory procedures.
- 2.6 BSF is one of the largest capital and transformation projects ever undertaken by the Council and the report outlines the risks associated with the programme. The SfC contains a detailed risk management strategy and risk log. This report provides a high-level commentary on risk and sets out the financial commitments required over the next few months to take the project forward and the risk management implications.
- 2.7 The BSF Programme is currently going through a programme assurance check by the ODI team and so far has been found to be in good health.

### **3. Recommendations**

- 3.1 CYP Scrutiny is recommended to consider the report and advise Cabinet of any observations it wishes to make.
- 3.2 Cabinet is recommended to:
  - a. Note the successful outcome of Phase 1 of the BSF Programme.
  - b. Approve the Strategy for Change (SfC), as the Council's intended direction of travel;

- c. Note that the service is developing an action plan to ensure that BSF is affordable within existing budgeted resources, and that action will be taken as necessary (and as described in the financial implications) to deliver this;
- d. Note that the SfC is still subject to negotiation with and approval from Partnerships for Schools (PfS), the Government's agency responsible for delivery of the national programme;
- e. Note that this report only sets out the Council's intended direction of travel. The report includes proposals to change schools that will require statutory consultation and statutory procedures to be followed. This report must not prejudice those procedures, including the current statutory process being followed for Riverside Business and Enterprise College. The SfC contains a single set of proposals as specifically required by Partnerships for Schools;
- f. Decide if the Council should underwrite the cost of activities on the critical path in order to avoid delay to the programme, with financial commitments as follows; noting that in the order of £700,000 of the costs would be subsequently recoverable from BSF capital funding with the balance from CYPs revenue resources (as previously agreed): -
  - i. OBC–Specialist financial modeling required by Treasury & banks £ 225,000
  - ii OBC – Abnormals and planning brief £ 20,000
  - iii Rushey Mead School Planning £ 40,000
  - iv Crown Hills / City of Leicester develop scheme £ 500,000
  - v Childrens Hospital School Stage £ 125,000
  - vi Cherryleas specialist learning centre Stage £ 80,000
  - vii St Paul's legal agreements with Diocese £ 15,000

Total £1,005,000

#### 4. Report

##### 4.1 Delivery of the Phase 1 Schools

- 4.1.1 Cost – the table below summarises the current estimate of outturn costs of the four schools developed as part of Phase 1:

PfS - Funded works	£61,878,447
LCC additions funded from capital programme	£276,528
LCC pre-contract additions funded from borrowing	£1,325,330
LCC post-contract contingencies from borrowing	£809,972
School – funded additional works	£456,119
Total	£64,746,396

It can be seen from the above that a contingency of £809,972 was used after contracts were signed which represents 1.3% above original planned costs. £485,000 of this was due to asbestos removal costs over and above the BSF funding allowed by PfS. Cost reliability at 1.3% of the contract sum is excellent compared with national benchmarks.

Taking into account the pre contract additions the total funded from borrowing equated to 3.4%.

- 4.1.2 Time - all four projects were completed on or before the dates stipulated in the contracts. Again, this was an exceptional performance compared with national benchmarks, due in no small part to the performance of the contractor and commitment of school staff.
- 4.1.3 Quality - There have been some issues for schools, particularly during the first few weeks. Staff and students were very tolerant and patient with disruption, working hard to prepare the schools for use and their contribution is gratefully acknowledged. The quality of design and workmanship has generally been very good.

## 4.2 Strategy for Change

- 4.2.1 In the autumn of 2008, PfS advised the Council that a new Strategy for Change would need to be submitted before further projects could be approved. However, it was acknowledged that a delay to the programme would have an adverse impact on the LEP (the joint venture company between the local authority and a group of companies that will build and maintain the BSF schools). Leicester's LEP is the Leicester Miller Education Company (LMEC) and its only income is derived from the development of new projects. PfS supported a proposal to take forward two projects, Rushey Mead School and Crown Hills Community College, concurrently with the preparation of the SFC. This matter was reported to Cabinet in January 2009.
- 4.2.2 Notwithstanding the position adopted by PfS, it was believed to be essential for the Council to re-examine its business case, which had been prepared in 2004/05, before proceeding further with the programme. Local and national policy and strategy has changed significantly in many areas since 2005, notably:
- One Leicester – shaping Britain's Sustainable City
  - The 2006 Education Standards and Framework Act – particularly the approach to choice, access and diversity
  - National Challenge
  - Demographic changes affecting populating, location and parental choice. In particular, a rise in the annual number of births over the last 10 years of around 20 %
  - Inclusion strategy, including SEN and approach to behaviour support
  - Extended and co-located services in and around schools.
  - 14 – 19 agenda, including the specialised diploma offer
  - Post -16 provision and the raising of the age of participation.
  - Changes in teaching and learning and the opportunity to exploit new developments in ICT
  - Changes in the economic climate and the opportunity to take advantage of favourable market conditions.
- 4.2.3 The Strategy for Change is appended to this report. It comprises two sections:
- Meeting educational challenges and key objectives
  - Addressing the estate proposal

#### 4.2.4 Population projection and school sizes.

The number of births in 2007 was almost exactly 20% above the average level of births in Leicester in the 4 years 1998 – 2001. This is expected to lead to a 20% increase in the secondary population towards the end of the BSF planning period. This growth in population could be catered for by expanding existing schools or building new schools.

The proposals for provision of school places needs to take into account the statutory duty to support parental preference by expanding popular and successful schools, providing sufficient school places close to where people live, the constraints on school size caused by site area, the different specialist offer from schools and the need to meet the needs of different faith groups. The proposals shown in Appendix 1 take all these factors into account in a balanced way and result in a proposal to expand popular schools and provide additional school places close to where people are expected to live. The proposals include a new school close to the City Centre to meet the anticipated demand from new families moving closer to the City Centre. This new school could be a catalyst for the regeneration of the central area. In addition to secondary provision, there would be the opportunity to provide a co-located primary school or consider an all-age school. Furthermore, other community facilities such as a library, primary health care, etc could be co-located to provide a focus for a new city-centre community. School proposals will be developed in close partnership with regeneration and housing agencies.

The proposals do not include funding for a new school at Ashton Green because this development does not qualify for BSF funding. Funding for future development is only granted where planning consents already exist. A new school at Ashton Green would be funded by applying to the Government for 'Basic Need' funding and by developer contributions.

#### 4.2.5 School – level estate options

Various options have been developed after assessing each building block in terms of its condition, suitability and adaptability. The preferred option for each school is summarised in Appendix 2.

### 4.3 Affordability – Capital

LMEC has proposed a range of different options for each school. The cost of the preferred option for each school has been calculated and the total cost compared with the funding allocation currently being requested from PfS and yet to be confirmed and other secured funding. The reconciliation is based on funding levels and prices at 3<sup>rd</sup> quarter 2006 price base. The reconciliation shows estimated capital costs at £280.2m and estimated capital funding at £281.8m, a small surplus of £1.6m.

If these prices are inflated to the anticipated start of construction dates for each project, the current headline figure for the total programme costs is £274.5m for construction and £29.7m for ICT hardware, a programme total of £304.2m. (This figure is still subject to negotiation with Partnerships for Schools and may be reduced)

Nationally, programmes such as this would normally hold a contingency of between 3% and 10%. Experience of Phase 1, where the contingency used before and after financial close was 3.4% would indicate that a contingency at the lower end would be acceptable. On this basis and taking into account the small balance in the capital reconciliation, a contingency of 5% is proposed. At this stage, there have been no intrusive asbestos surveys, no geotechnical surveys and no detailed building or plant condition surveys. It is therefore not possible to give a quantified breakdown of contingency, although a 5% contingency for Phase 2 onwards would equate to £12m, of which the asbestos removal element (based on Phase 1) could be £2m-3m.

*i. Scope of the programme*

Funding for this national programme is predicated on a model whereby all local authorities are given funding to rebuild, remodel and refurbish their school estates on the basis of 50%: 35%:15% of the total building stock. Ideally, we would like to rebuild every school but there is insufficient funding to do this. The basic costs represent the estimated costs of the preferred option for each school. This is considered to be the minimum option capable of delivering transformation.

*ii. School funding*

All schools receive substantial sums of devolved capital funds and some schools hold substantial reserves. The Council allows schools to make contributions to projects from their own funds, to enhance projects and add facilities beyond those that the basic BSF funding can afford. This will normally represent excellent value for money for schools and all Phase 1 schools took up this opportunity.

*Leicester City Council funding*

In addition to the funding approved by PfS, the Council can choose to add its own resources. For example, at phase 1, borrowing was used to top-up the PfS allocation to achieve an acceptable set of designs, and a risk contingency also funded by borrowing was approved to be called upon in the event of unavoidable cost increases. The main call on the latter has been the additional costs of asbestos removal, referred to earlier in the report.

*iii. 3<sup>rd</sup> party funding*

The Council has had considerable success, particularly in terms of sport, in bringing additional funding or facilities to secondary schools although, hitherto, it has not been possible to combine this with BSF funding. There is a potential substantial investment from the English Cricket Board at Crown Hills Community College which would enhance the BSF project but this is not yet confirmed.

The Council has also successfully bid for £1.1m to enhance kitchen and dining facilities at Rushey Mead School and Crown Hills Community College and £1.2m to enhance sustainability at Rushey Mead School. The Council secured £3.1m from the Government's Co-location Fund, which, together with around £1.3m of Extended Services Capital and some BSF funding will enable a number of multi-agency integrated



service hubs to be established in and around schools. Around £2m of ISH funding is proposed to be used in conjunction with the BSF programme. The proposals for funding a new City Centre school include an element of developer contributions of £3.2m.

*iv. Receipts from the disposal of surplus school land*

The proposals to rebuild and relocate some schools now provide an opportunity to realise some assets by selling land. The Council's Property Services Division has provided valuations of sites based on potential for residential development.

The total value of these sites is estimated to be around £5.4m, of which around £3.45m would be available to the programme and £1.95m would be returned to PfS under national rules for sharing assets.

It should be noted that this would represent a change to the Council's previous approach and would require formal approval. However, the national context is that the government is currently seeking to dispose of a wide range of public assets in order to raise capital. Given that the Council is asking for over £300m of government funding, there is an expectation that the Council will do what it can to help. Although PfS rules would require the Council to share some of the proceeds of sale with the national programme, this is currently estimated to be less than £2m. The disposal of surplus school sites could not take place until after building programmes are complete which would mean they would not be sold for another 3 years when land values may have recovered. Tactically therefore, it is considered sensible to include this option in the programme.

**4.4 Risk analysis**

**4.4.1 *PfS approval***

Most local authorities use a sequential process through BSF starting with agreement with PfS on population forecasts followed by agreement on an indicative funding envelope, approval of the Strategy for Change, followed by Outline Business Case for the programme, then Stage 1 approval for individual projects.

The process in Leicester is unique because of the PfS requirement to submit a Strategy for Change part way through the programme with a LEP already in place. This gives rise to a number of additional risks, which were summarised for Members in a report in January 2009. The key risk is that the additional funding requested from PfS will not be agreed. The component factors of this risk are explored in more detail below:

- (a) The pupil forecasts have now been agreed in their entirety, and PfS has agreed the number of 11-16 places to be funded, the LSC supports the 1000 post-16 places to be funded, which should allow PfS to fund that number. The special school numbers have been agreed and supported by the DCSF Regional SEN advisor. Funding for students attending behaviour support centres and resourced units in schools has also received approval.
- (b) PfS funding is directly related to pupil numbers so if these are reduced then funding could be reduced. Also, local authorities are normally required to manage their

programmes on the basis of a 'once and for all indicative funding agreement'. The Council is seeking significant additional funding.

- (c) The actual funding for each project is calculated on the basis of inflation indices, known as the Pubsec index, and agreed when OBC or Stage 0 is approved for that project. The index has dropped very sharply in the last quarter. PfS argue that this will not mean a reduction in the programme because LEPs have to use this index as a benchmark for their prices so they would be expected to offer lower prices accordingly. However, the 'New Project Requests' for Rushey Mead and Crown Hills schemes were issued to the LEP in February of this year, on the basis of the indices current at that time. The Council has argued for the indices at the time that the requests were made to be used and PfS has indicated its willingness to accede.
- (d) Finally, in relation to PfS, there is a risk that one of the signatories to the 'Strategy for Change' may not be satisfied with the Council's proposals. The proposals for our National Challenge Schools are supported by Professor Woods, the National Challenge Advisor, and confirmation of endorsement from the Secretary of State has been received.

#### 4.4.2 *Statutory Proposals*

As noted previously, the proposals in this Strategy for Change must be regarded as the 'Direction of Travel' that the Council wishes to take. Changes to school sizes, age ranges, locations, governance, etc., require statutory consultation processes to be followed. Likewise, disposal of school sites may require the approval of the Secretary of State. Although construction contracts would not be signed until all statutory processes are complete, these processes will need to be conducted in parallel with design work so there is a significant risk of abortive costs if the desired outcomes of statutory processes are not achieved.

#### 4.4.3 *Governors' agreements*

School Governors' agreements confirm the endorsement of the proposals for their schools and their school's commitment to make specified contributions from their delegated school budget to the ongoing costs of the programme including facilities management and managed ICT services. It is necessary to develop the projects in sufficient detail at risk in order to secure governors' agreements, but this risk can be minimised by including seeking governors' agreements as early in the process as possible. Agreements in principle were signed by all mainstream school governors in 2005 at commencement of the Leicester BSF programme. However it should be noted that special schools were not asked to sign agreements at the time and that mainstream school governors will wish to understand the current financial position.

#### 4.4.4 *Construction risks*

All construction projects have inherent risks, for example, unforeseen ground conditions, hidden defects in existing buildings, hidden asbestos, etc. These can be managed, but not eliminated by careful surveys and investigations. There are other

risks such as adverse weather conditions, economic conditions, design and specification omissions, timely production of design information, etc., that can be apportioned to the most appropriate party to the contract. The form of contracts used with BSF places most of these risks with the LEP and this is reflected in the very low levels of additional expenditure incurred by the Council with Phase 1 projects. However, it must be recognised that risk costs money and the risk taken by the LEP will be reflected in their project charges.

#### 4.5 Financial commitments to maintain the programme (as set out at 3.1j)

4.5.1 Members may wish to consider the activities on the programme's critical path and decide to what extent the Council wishes to underwrite the cost of avoiding delay to the programme, pending the receipt of various approvals.

#### 4.5.2 *Outline Business Case*

In order to develop the OBC, it will be necessary to commission the PFI modelling at a estimated cost of £225,000. This would be specialist financial modelling and analysis work, which needs to be carried out by independent expert consultants to meet the requirements of the banks providing finance, and the National Treasury.

#### 4.5.3 *Rushey Mead School*

In order to prepare the Outline business case it will be necessary to undertake a detailed analysis of abnormals and prepare a detailed planning brief at an estimated cost of £20,000. Members may also wish to consider maintaining progress on the design development of the Rushey Mead project, by authorising the Planning Application fee of around £40,000.

#### 4.5.4 *Phase 2b – Crown Hills Community College and City of Leicester College*

The LEP's proposals for Crown Hills Community College are a 100% new build solution rather than the partial rebuild originally requested by the Council. PfS expect that schools with more than 70% new build should be funded by PFI and the LEP has confirmed that a single school PFI does not represent value for money due to the disproportionately high procurement costs. It is therefore proposed to link together Crown Hills and the City of Leicester School as a joint PFI. Although City of Leicester is well advanced in terms of developing its education vision, design work has not started. Therefore, this will have an impact on the programme for Crown Hills, extending it by at least 3 months. If progress is to be made on Crown Hills, a New Project request must be made for City of Leicester to bring it forward to the same stage. The potential risk of abortive costs in doing this, until obtaining an OBC approval is secured, would be of the order of £250,000 per month, or around £500,000 in total.

#### 4.5.5 *Phase 2c – Childrens Hospital School and Cherryleas*

There is no authority to progress these schemes further. In order to complete work for September 2010, approval will be sought in the report to Cabinet in January 2010 to issue a new Project Proposal. However, work would need to start now on preparing a Stage 0 submission and the cost is estimated to be £125,000 for CHS and £80,000 for Cherryleas

#### 4.5.6 *Phase 2d – St Pauls*

It is not proposed to do further work at risk until the SfC and OBC have been signed off by the Council and PfS. However, there are legal costs estimated at around £15,000 to draw up the legal agreements to work with this VA school and it would be advisable to do this work now.

#### 4.6 Affordability analysis – revenue

4.6.1 At the time of writing this report a whole life affordability analysis is being prepared by the Council's Finance Officers, supported by Financial Consultants, GTUK. This will assess the ongoing costs over the 25 year life of the BSF Programme and will be the basis upon which the gap between annual funding levels and the future cost of the programme will be quantified, together with options to address it. It is nevertheless clear that work will be needed to reduce the on-going revenue costs of the BSF schools. This is discussed further in the financial implications, and the results of this work will be reported with the OBC in January.

4.6.2 The programme contains an allowance of £1450 per student for the purchase of ICT hardware. Schools currently make an annual payment for their managed ICT services but it is recognised that the service is not sustainable at the current level in the longer term. Furthermore, the current funding model contains no allowance for renewal of equipment. School contributions will need to be renegotiated but there is no proposal to seek a contribution to the cost of the managed ICT Service from the Council.

#### 4.7 Key Milestones

4.7.1 The projects already approved by Cabinet to be in Phase 2, namely: Rushey Mead School; Crown Hills Community College; City of Leicester College; St Pauls School; Childrens Hospital School and Cherryleas Specialist Learning Centre should all start on site next year. The remainder of the programme should be on site in 2011 and all work should be complete by the summer of 2014. The exception to this would be the proposed new City Centre School which could possibly commence later in the programme, as and when the additional school places are required. However, if a new school was required to be used as a catalyst for regeneration, this could be brought forward in the programme but there would be revenue implications to be considered as part of the detailed planning for the new school.

## 5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

### 5.1. **Financial Implications**

- 5.1.1. This report essentially sets out the future strategy around BSF, and is concerned with headline financial implications and risks throughout. However, it is worth noting particularly that the Strategy as presented assumes significantly higher pupil numbers and higher funding from PfS than was originally approved, which is currently under negotiation; that land sales and the resulting capital receipts are assumed, which would be a change to the Council's previous approach and which could lead to a funding gap if the sales do not materialise as planned; and that a key issue to be resolved is the on-going revenue affordability which is considered in more detail at 5.1.4 onwards.
- 5.1.2. Whilst the report does not seek to set out the financial aspects of BSF in detail, some further key points should be noted. For example, it should be recognised that under the existing agreements with schools, the Council bears 70% of any affordability gap between the costs and the available funding, and the schools bear 30%. This could present challenges to some schools and possibly also to the Council, depending on the scale, and for which £4m pa is currently budgeted/planned. There is also increasing concern about the funding available for ICT and the costs of a periodic refresh programme, which is expected to add to the on-going revenue costs to be borne by schools. These matters will need to be considered by school governing bodies and by the Council as the actual proposals for each school are developed and brought to Cabinet for formal approval.
- 5.1.3. There could also be complications regarding the approach to the on-going revenue funding at those schools where the buildings are not owned by the Council (or which may not be into the future). For example, discussions with the Catholic Diocese will be required around on the two Catholic Voluntary Aided Schools, similarly with the Governors of the Children's Hospital School which is a Foundation school, and also with the Governors of schools that may potentially adopt Trust status.
- 5.1.4. A key issue to be resolved prior to approval of the OBC is therefore to ensure that future revenue costs of phases of BSF can be contained within the available budgets. The following paragraphs explore this in more detail.
- 5.1.5. The revenue costs of BSF are significant and complex and include:-
- costs of maintaining (life-cycling) new schools to a higher standard than is currently the case;
  - costs of any borrowing incurred by the Council; and
  - costs of facilities management.
- 5.1.6. For PFI schools, a single regular payment is made to the LEP to cover all of the above, plus the LEP's cost of financing the capital development. For D&B schools, most of the capital cost is met by Government grant, and ongoing costs are paid to the LEP by virtue of separate contracts.
- 5.1.7. To help meet these costs a "PFI grant" will be received annually for PFI schools from the Government. Secondary schools will make a contribution of broadly 11% of their delegated budgets each year, which on average is slightly higher than their current spending on facilities management, premises, ICT etc. Special School contributions are yet to be determined. Allowing for a reasonable estimate of schools' contributions,

a revenue affordability gap is expected, and the Council has previously agreed to pay £4m p.a. for BSF, to be met 70% by the Council, and 30% by schools (over and above their standard contribution). The Council's contribution is built into our medium term financial planning; the position at individual schools will vary

- 5.1.8. The Council's financial advisers, Grant Thornton UK, are currently assessing the full revenue implications of the schemes now proposed in the Strategy for Change. This work is not yet complete.
- 5.1.9. Provisional indications are that implementing BSF to the full extent to which the Strategy for Change aspires would result in an annual revenue cost after Government PFI grant in the order of £22m p.a. This would exceed the projected contributions from schools by an estimated £9m p.a., which is more than the Council's and schools' budgeted affordability gap provision of £4m p.a. Assuming final modelling work confirms this, action will be taken to bring the costs within budget, in consultation with PfS and schools. This will be set out in the form of an action plan to achieve revenue affordability. Actions being considered are:-
- Seeking cost reductions and efficiencies in facilities management;
  - Reducing the extensiveness of repairs, maintenance and renewals currently envisaged at D&B schools;
  - Reviewing assumptions around the days and times during which schools are assumed for costing purposes as being available for use;
  - Considering discussions around schools not owned by the Council as explained at 5.1.3 above;
  - Reviewing how expected future increases in pupil numbers are reflected in the estimated contributions from schools;
  - Reducing the amount of facilities management, particularly for smaller schools; and
  - As a last resort, reducing the scope of the programme.
- 5.1.10. Final decisions on the scope of the scheme and its affordability will be taken when the OBC is submitted in January. By approving the Strategy for Change as the intended direction of travel at this stage, Members would be endorsing the approach. Such an endorsement by Cabinet would be seen as a commitment to the programme as set out and to the potential financial implications arising therefrom, recognising that actions to reduce on-going revenue costs will be required
- 5.1.11. With regards to the proposal for the Council to underwrite the cost of activities on the critical path, it should be noted that if the schemes ultimately proceed the majority of the costs would be off-set by BSF capital funding. However if BSF as a whole (or individual schemes) do not proceed then the Council would need to identify the funding. It is suggested at this stage that this would come from the funds set aside for the TLE clientside function, which would not be required if BSF does not proceed. However the risks inherent in this approach should be noted.

Colin Sharpe, Head of Finance and Efficiency, CYPS, ext. 29 7750

## 5.2 Legal Implications

- 5.2.1 The Council has entered into a Strategic Partnering Agreement with Leicester Miller Education Company and the proposed changes to what is currently the "strategic business case" need to be taken to the Strategic Partnering Board set up under that agreement.
- 5.2.2 In terms of procurement there are advantages, if this can be done, in bundling PFI schools together in a group PFI contract. Because of the way PFI deals are structured major changes to pupil numbers or a change in school status could have a significant effect on the Council in financial terms. The school programme includes units not originally set out in the approved BSF programme and the availability of BSF funding for these units should be confirmed with PFS and DCSF.
- 5.2.3 Contracts for the proposed school projects will follow the "new projects approval process" in the partnering services contract that the Council has entered into with LMEC (the Strategic Partnering Agreement).
- 5.2.4 Contract prices for new projects are subject to benchmarking against (a) the phase 1 schools, (b) the PFS data base and (c) local information.
- 5.2.5 The Council has power to enter into the various contracts under the Education Act 1996, School Standards and Framework Act 1998, the Local Government (Contracts) Act 1997 and Section 111 of the Local Government Act 1972 and under Section 2 of the Local Government Act 2000.
- 5.2.6 For PFI schools a credit approval letter will need to be obtained but this will be done after the government departmental approval of the final business case.
- 5.2.7 The Council has powers to finance capital investment within its affordable limit for borrowing under Section 2(1) of the Local Government Act 2003, having regard to the Prudential Code for Capital Finance in Local Authorities.
- 5.2.8 No interest in land is to be disposed of or transferred to the contractor. However the Council may not own, currently, all the land to be involved in all the forthcoming phases. This will need to be addressed before new projects are initiated under the new projects approval process.
- 5.2.9 The forms of contract are in the "Agreed Form" attached to the strategic partnering agreement. Reference should be made to the legal summary of these contracts in the report to Cabinet on the Financial Close of the phase 1 schools. Generally these contracts achieve a fair balance of risk between the contractor and the Council (and of course in the case of PFI contracts achieve the required transfer of risk threshold under the relevant Financial Reporting standard) Thus it needs to be made clear that, whether through contract variations or compensation events as listed in the contracts, the lump sum price or the service charge ("Unitary Charge" for PFI) may be liable to change, in contract.
- 5.2.10 In respect of the proposed ICT contracts it is proposed that these effectively be coterminous with the ICT contracts for the Phase 1 schools to avoid any difficulties with integrating fragmented providers.

- 5.2.11 Some school staff would transfer under TUPE. The contracts will contain provisions reflecting the obligations of the parties under the TUPE regulations, and also the statutory code on non TUPE transfers, two tier workforce and pensions issues, where this is relevant.
- 5.2.12 Governing Body agreements will be needed in respect of the proposed contractual arrangements for each school.
- 5.2.13 School change procedures may be needed if there are to be certain alterations to a school, for example enlargement, moving school sites.
- 5.2.14 The Council will need government for the disposal of assets such as school playing fields, playgrounds and recreation areas on school sites. Statutory consultations are required as part of the approval process with, amongst others, Sport England. Capital funding conditions will need to be examined in the event of any proposal to dispose of land which will realise a capital sum.
- 5.2.15 The Council has a minority share interest in LMEC and has appointed a director.
- 5.2.16 As these proposals form a change to existing Council policy, an Equalities Impact Assessment should be undertaken and taken into consideration.
- 5.2.17 Conditions of third party funding should be carefully examined and legal advice sought so that funding conditions align with the BSF contracts. It is common for funders either to restrict disposals of the funded facility and/or seek clawback at market values.

Joanna Bunting, Head of Commercial & Property Law, Legal Services Division, RAD,  
Tel: (0116) 2526450

## 6. Other Implications

Other Implications	Yes No	Paragraph References within report
Equal Opportunities	Yes	Improving educational outcomes and narrowing the gap for all children and young people – see section 2.1 and also throughout the SfC
Policy	Yes	Throughout the SfC
Sustainability and Environment	Yes	Throughout the SfC
Crime and Disorder	No	
Human Rights Act	No	
Elderly / People on low income	No	

## 7. Risk Assessment Matrix

Paragraph 4.4 includes a risk commentary. The Strategy for Change includes a risk management strategy and detailed risk log.

## 8. Background Papers – Local Government Act 1972



Supporting documentation and appendices to the SfC Part 2 main reports are available in Cabinet Members' Rooms  
 Life affordability analysis will be made available upon completion (referenced in 4.5.1).

**9. Consultation**

**10. Report Author:**

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Helen Ryan, Divisional Director, Learning Environment Tel: 29-8791

<b>Key Decision</b>	Yes
<b>Reason</b>	Is significant in terms of its effect on communities living or working in an area comprising more than one ward
<b>Appeared in Forward Plan</b>	Yes
<b>Executive or Council Decision</b>	Executive (Cabinet)

## APPENDIX 1 – Pupil place planning and proposed school sizes

School	Admission Number 2010/11	Proposed admission Number	Proposed capacity
Babington	210	210	1050
Beaumont leys	210	210	1050
City of Leicester	220	240	1200
Crown Hills	240	240	1200
English Martyrs	180	210	1050
Fullhurst	180	240	1200
Hamilton	240	240	1200
Judgemeadow	240	240	1200
Lancaster	240	240	1200
Madani	120	120	600
Moat	210	210	1050
New College	180	210	1050
Riverside	180	0	0
Rushey Mead	270	300	1500
Samworth Academy	120	120	600
Sir J North	240	240	1200
Soar Valley	255	255	1275
St Pauls	180	210	1050
Ashton Green (new)	0	0	0
City Centre (new)	0	165	825
<b>TOTAL</b>			<b>19500</b>

Table 1.1 – Proposed mainstream school places 11-16

Less schools not in BSF Programme:	
Madani High School	600
Samworth Academy	<u>600</u>
Total	1200
Total BSF Funded Places =	18,300

The table above shows the proposals for 11-16 mainstream school places to be funded from BSF

School	Current Post -16 places	Proposed post -16 places
City of Leicester College	371	370
English Martyrs RC School	148	150
New College Leicester	330	150
St Pauls RC School	153	150
Babington Community Technology College	0	90
Fullhurst Community College	0	90
Total	1002	1000

Table 1.2 – Proposed School Post-16 Places

## APPENDIX 2 – School estate proposals

### **Ashfield Special School** – (note all costs are at 3<sup>rd</sup> quarter 2006 prices and exclude ICT hardware)

Age range:	Current	5 – 18	
	Proposed	5 - 18	
Size:	Current	5 – 18	74 + 29 post 16
	Proposed	5 - 18	85 + 25 post 16
Governance:	Current	Community Special	
	Proposed	Community Special	
Buildings / Site:	The existing school is constructed generally as one block, dating between 1967 and 1976 which is in good condition. The site also contains a number of supplementary mobile units. The preferred option is to remodel and refurbish the main block and build a new portion to increase the overall area.		
Additional facilities on site:	None		
Statutory Changes:	None required		
Procurement:	D&B		
Total estimated outturn cost:	£3,936,953		

### **Babington Community Technology College**

Age range:	Current	11-16	
	Proposed	11-18	
Size:	Current	11-16	1050
	Proposed	11-18	1050 + 90 post 16
Governance:	Current	Community	
	Proposed	National Challenge Trust	
Specialism:	Technology		
Buildings / Site:	The existing school is generally accommodated within one Block which has a satisfactory structure, although the lightweight roof and heating systems have both degraded. The preferred option is to refurbish and remodel the existing block with a small amount of new build to align with the BB98 allowance.		
Additional facilities on site:	Proposed Integrated Service Hub (ISH)		
Statutory Changes:	Change of Age Range, plus establishment of National Challenge Trust status		
Procurement:	D&B		
Total estimated outturn cost:	£8,339,815		

## Beaumont Leys School – Phase 1 School

Age Range:	Current	11-16	
	Proposed	11-16	
Size:	Current 11-16	1050	
	Proposed	11-16	1050
Governance:	Current	Community	
	Proposed	Community	

Specialism: Science

Buildings / Site: The previous buildings dated from the 1950's, with significant extensions in 1960's of CLASP construction and a small later addition. The original proposal was a rebuild of about 54% but the LEP offered a 100% rebuild which, although slightly more expensive, was considered a better value for money solution.

Additional facilities on site: None

Statutory Changes: None required

Procurement: D&B

Total estimated outturn cost: £14,639,226 (including additional costs authorised by LCC)

## Carisbrooke Specialist Learning Centre

Age range:	Current	11-16	
	Proposed	11-16	
Size:	Current	11-16	25 (current as not detailed in SBC)
	Proposed	11-16	32
Governance:	Current	Community	
	Proposed	Community	

Buildings / Site: The PRU consists of one block which was constructed between 1967-1976 and whilst architecturally poor, is overall in a satisfactory condition. The stakeholders are content with the existing provision and the proposal is therefore to limit work on this site to just ICT provision.

Additional facilities on site: None

Statutory Changes: None required

Procurement: D&B

Total estimated outturn cost: £7,200 (ICT infrastructure only)

## Cherry Leas Specialist Learning Centre

Age range:	Current	N/a	
	Proposed	11-16	
Size:	Current	N/a	0
	Proposed	11-16	30
Governance:	Current	N/a	
	Proposed	Community	
Buildings / Site:	The accommodation is contained within one block which is in suitable condition. The preferred option is to remodel the existing block and provide 100m2 of new build to align with the BB98 allowance. There is an additional 200m2 of unheated covered outdoor play area provided on the site which is costed at remodelled rates.		
Additional facilities on site:	None		
Statutory Changes:	None required		
Procurement:	D&B		
Total estimated outturn cost:	£1,083,432		

## Children's Hospital School

Age range:	Current	11-16	
	Proposed	11-16	
Size:	Current	11-16	50 (current as not detailed in SBC)
	Proposed	11-16	50
Governance:	Current	Foundation Special	
	Proposed	Foundation Special	
Buildings / Site:	Block 2, which encompasses the footprint of the existing primary school is in relatively good condition and is proposed for complete remodelling to make it appropriate for this SEN school.		
Additional facilities on site:	Co-located with Eyres Monsel Primary School		
Statutory Changes:	None required		
Procurement:	D&B		
Total estimated outturn cost:	£1,719,803		

## The City of Leicester College

Age range:	Current	11-18	
	Proposed	11-18	
Size:	Current	11-18	1050 + 371 post 16
	Proposed	11-18	1200 + 370 post 16
Governance:	Current	Community	
	Proposed	Community	
Specialism:	Business and Enterprise		
Buildings / Site:	The buildings at the existing school are split over two sites, are architecturally unsuitable and in poor condition. The preferred option is therefore to create a new stand alone option. The location on the site for this is yet to be determined and will be dependent on collaborative links with St Paul's.		
Additional facilities on site:	Existing Medical Centre and public swimming pool		
Statutory Changes:	Increase in PAN		
Procurement:	PFI		
Total estimated outturn cost:	£23701210		

## Coleman Specialist Learning Centre (Individual Learning Centre)

Age range:	Current	11-16	
	Proposed	11-16	
Size:	Current	11-16	69
	Proposed	11-16	37
Governance:	Current	Community	
	Proposed	Community	
Buildings / Site:	Former Coleman Junior School which has been considerably modernised over recent years. Long term plan is to dispose of this asset.		
Additional facilities on site:	None		
Statutory Changes:	None required		
Procurement:	D&B		
Total estimated outturn cost:	£ 775 (minor ICT infrastructure only)		

## Crown Hills Community College

Age range:	Current	11-16	
	Proposed	11-16	
Size:	Current	11-16	1200
	Proposed	11-16	1200
Governance:	Current	Community	
	Proposed	Community	
Specialism:	Sports		
Buildings / Site:	A significant proportion of the existing school is of Clasp or mobile construction and will therefore be demolished. Block 1 is proposed for remodelling with a large proportion of new build to achieve the balance of the BB98 area.		
Additional facilities on site:	Proposed ISH, existing commercial 5-a-side football centre		
Statutory Changes:	None required		
Procurement:	D&B or PFI		
Total estimated outturn cost:	£15,949,563		

## Ellesmere College Special School

Age range:	Current	11-18	
	Proposed	11-18	
Size:	Current	11-18	181 + 63 post 16
	Proposed	11-18	184 + 63 post 16
Governance:	Current	Community Special	
	Proposed	Community Special	
Buildings / Site:	The existing school comprises of three blocks. Two would be suitable for remodelling, but one is of Clasp construction and in poor condition. The preferred option is a total new build on a new site with playing fields. A remodelling programme at this school would also be significantly disruptive to the delivery of education.		
Additional facilities on site:	None		
Statutory Changes:	Possibly due to relocation		
Procurement:	PFI		
Total estimated outturn cost:	£13,981,332		

## English Martyrs' School

Age range:	Current	11-18	
	Proposed	11-18	
Size:	Current	11-18	900 + 150 post 16
	Proposed	11-18	1050 + 150 post 16
Governance:	Current	Voluntary Aided	
	Proposed	Voluntary Aided	
Specialism:	Performing Arts		
Buildings / Site:	The school comprises of two main Blocks, 1 and 2 and a significant number of temporary classrooms. The proposal is to remodel block one, demolish the remainder and provide new build to align with the BB98 area allowance.		
Additional facilities on site:	None		
Statutory Changes:	Increase in PAN		
Procurement:	D&B		
Total estimated outturn cost:	£16,289,313 (excluding allowance for a non-recoverable VAT)		

## Fullhurst Community College Ph A – Phase 1 School

Age Range:	Current	11-16	
	Proposed	11-16	
Size:	Current	11-16	900
	Proposed	11-16	900 (but further expansion proposed)
Governance:	Current Community		
Proposed	Hard federation with Rushey Mead supported by National Challenge Trust		
Specialism:			
Buildings / Site:	The previous buildings dated from the 1930s with some later extensions and a number of mobile classrooms. The original proposal was a rebuild of about 18% and refurbish / remodel 76%.		
Additional facilities on site:	A vocational skills centre, providing facilities for motor engineering and construction, is co-located. This was built entirely with third party funding		
Statutory Changes:	None required (for this phase of work at the school)		
Procurement:	D&B		
Total estimated outturn cost:	£12,523,981 (including additional costs authorised by LCC)		



## Fullhurst Community College Ph B

Age range:	Current	11-16	
	Proposed	11-18	
Size:	Current	11-16	900
	Proposed	11-18	1050 + 190 post 16
Governance:	Current	Community	
	Proposed	Hard federation with Rushey Mead supported by National Challenge Trust	
Specialism: Buildings / Site:	The school has been extensively refurbished and extended in Phase 1 of the BSF programme. The proposal is to enlarge the school with additional new build accommodation and additional facilities on site to accommodate an increase in pupil numbers.		
Additional facilities on site:	Vocational skills Centre and proposed ISH		
Statutory Changes:	Increase in PAN, Increase in age range, establishment of Hard federation and National Challenge		
Procurement:	D&B		
Total estimated outturn cost:	£5,546,417		

## Hamilton Community College

Age range:	Current	11-16	
	Proposed	11-16	
Size:	Current	11-16	1200
	Proposed	11-16	1200
Governance:	Current	Community	
	Proposed	Community	
Specialism: Buildings / Site:	Technology The Sports Hall and Science Block (3&4) are relatively new and will therefore remain. The remainder of the school will be demolished and rebuilt.		
Additional facilities on site:	Proposed ISH		
Statutory Changes:	None required		
Procurement:	PFI		
Total estimated outturn cost:	£14,970,817		

## Judgemeadow Community College – Phase 1 School

Age Range:	Current	11-16		
	Proposed	11-16		
Size:	Current	11-16	1215	
	Proposed	11-16		1200
Governance:	Current	Community		
	Proposed	Community		
Specialism:	Languages			
Buildings / Site:	The previous buildings dated from the 1960's and were of CLASP construction, with the exception of a modern classroom block. The original proposal was to rebuild the CLASP Structure (91%) and refurbish the modern block (9%).			
Additional	Football foundation facility Changing rooms, floodlit 3G pitch facilities on site: and grass pitches			
Statutory Changes:	None required			
Procurement:	PFI			
Total estimated outturn cost:	£16,298,083 (including additional costs authorised by LCC)			

## Keyham Lodge Special School

Age range:	Current	11-16		
	Proposed	10-16		
Size:	Current	11-16	53 boys only (current secondary role only as not in SBC)	
	Proposed	10-16	11 primary + 115 secondary (incl 20 girls)	
Governance:	Current	Community Special		
	Proposed	Community Special		
Buildings / Site:	The existing school has the main body of accommodation in one Block which is Clasp construction in satisfactory condition. The second Block is of sectional construction and the remainder are mobile accommodation. The preferred option is to part refurbish and remodel the main Block, demolish the remainder and provide new build to achieve the balance of the allocated area.			
Additional facilities on site:	None			
Statutory Changes:	Extension of age range, change to co-ed, increase in PAN			
Procurement:	D&B			
Total estimated outturn cost:	£6,565,389			

## The Lancaster School

Age range:	Current	11-16	
	Proposed	11-16	
Size:	Current	11-16	1200
	Proposed	11-16	1200
Governance:	Current	Community Boys School	
	Proposed	Community Boys School	
Specialism:	Sports		
Buildings / Site:	The majority of the existing school is accommodated within Block 1 which is suitable for remodelling. The remainder of the school is of Clasp construction, in poor condition or mobile accommodation. The proposal is to remodel Block 1, demolish the remaining school and provide new build sports hall and teaching block to align with the BB98 allowance.		
Additional facilities on site:	Indoor tennis centre (shared with Sir Jonathan North)		
Statutory Changes:	None required		
Procurement:	D&B		
Total estimated outturn cost:	£14,862,471		

## Millgate Lodge Specialist Learning Centre

Age range:	Current	11-16	
	Proposed	11-16	
Size:	Current	11-16	20 (current role as not detailed in SBC)
			25
	Proposed	11-16	
Governance:	Current	Community Special	
	Proposed	Community Special	
Buildings / Site:	The existing school comprises of a 1919-1945 2-storey load bearing masonry building located at the base of the drive, 2 mobile classrooms at the top of the drive and a number of prefabricated workshops and steel containers. The stakeholders are content with their existing accommodation and the preferred option is therefore limited to ICT only.		
Additional facilities on site:	Co-located with Millgate School		
Statutory Changes:	None required		
Procurement:	D&B		
Total estimated outturn cost:	£5,265 (ICT infrastructure only)		

## Millgate Special School

Age range:	Current	11-16	
	Proposed	11-16	
Size:	Current	11-16	43 (current role as not detailed in SBC)
	Proposed	11-16	75 secondary incl 20 girls
Governance:	Current	Community Special	
	Proposed	Community Special	
Buildings / Site:	The existing school comprises of 6 distinct blocks all of which are in satisfactory condition. The preferred option is to part refurbish, part remodel the existing buildings then provide a new block to align with the BB98 allocated area.		
Additional facilities on site:	Co-located with Millgate lodge PRU		
Statutory Changes:	Change to co-ed, increase in PAN		
Procurement:	D&B		
Total estimated outturn cost:	£2,677,550		

## Moat Community College

Age range:	Current	11-16	
	Proposed	11-16	
Size:	Current	11-16	1050
	Proposed	11-16	1050
Governance:	Current	Community	
	Proposed	Community	
Specialism:	Science		
Buildings / Site:	The majority of the school is accommodated within one Block which is satisfactory. The proposal is therefore to part remodel and part refurbish the school, then provide new build to align with the BB98 allocated area.		
Additional facilities on site:	Proposed ISH		
Statutory Changes:	None required		
Procurement:	D&B		
Total estimated outturn cost:	£9,247,212		

## Netherhall Special School

Age range:	Current	05-18	
	Proposed	05-18	
Size:	Current	05-18	56 plus 24 post 16 (current as detail not in SBC)
			64 plus 16 post 16
	Proposed	05-18	
Governance:	Current	Community Special	
	Proposed	Community Special	
Buildings / Site:	The majority of the school is accommodated within one block which is of post 1967-76 construction in unsatisfactory condition. The remainder of the school is a combination of mobile classrooms and storage areas. The site is very constrained and the preferred option is therefore a new build on a new site, located closer to the client base.		
Additional facilities on site:	None		
Statutory Changes:	Possibly, due to relocation		
Procurement:	PFI		
Total estimated outturn cost:	£6,759,112		

## New City Centre School

Age range:	Current	N/a	
	Proposed	11-16	
Size:	Current	N/a	0
	Proposed	11-16	825
Governance:	Current	N/a	
	Proposed	To be determined by competition	
Buildings / Site:	The proposal is for a new build school on a new site to accommodate an increased number of pupils moving into the city centre		
Additional facilities on site:	None		
Statutory Changes:	School competition		
Procurement:	PFI		
Total estimated outturn cost:	£12,807,121 (including developer contributions)		

## New College

Age range:	Current	11-18	
	Proposed	11-18	
Size:	Current	11-18	900 + 330 post 16 (current role as not in SBC as previously expressed as an Academy)
			1050 + 150 post 16
	Proposed	11-18	
Governance:	Current	Community	
	Proposed	National Challenge Trust	
Specialism:	Performing Arts and Sports		
Buildings / Site:	Four of the school blocks are suitable for remodelling. The Gym, main entrance, Sports Hall, general teaching and Art are all relatively new, whilst the remainder are in poor condition, one having suffered fire damage. The preferred option refurbishes and remodels the satisfactory blocks and demolishes the remainder. A new block is then created to balance the accommodation area.		
Additional facilities on site:	Gymnastics Centre, football foundation facility		
Statutory Changes:	Increased PAN, establishment of National Challenge Trust		
Procurement:	D&B		
Total estimated outturn cost:	£9,446,380		

## Rushey Mead School

Age range:	Current	<b>11-16</b>	
	Proposed	<b>11-16</b>	
Size:	Current	<b>11-16</b>	<b>1275</b>
	Proposed	<b>11-16</b>	<b>1500</b>
Governance:	Current	<b>Community</b>	
	Proposed	<b>Hard federation with Fullhurst Community College supported by National Challenge Trust</b>	
Specialism:	Sports and Science		
Buildings / Site:	The existing accommodation comprises of several blocks. Three are in good condition, three are suitable for remodelling and one is of Clasp construction requiring demolition. The preferred option is to remodel the majority of the accommodation, demolish the Clasp structures and mobiles, do nothing to one and provide new build to balance the remainder of the BB98 area allowance.		
Additional facilities on site:	Proposed satellite ISH		
Statutory Changes:	Increase in PAN, establishment of National Challenge Hard Federation and Trust,		
Procurement:	D&B		
Total estimated outturn cost:	£12,351,799		

## Sir Jonathan North Community College

Age range:	Current	11-16	
	Proposed	11-16	
Size:	Current	11-16	1200
	Proposed	11-16	1200
Governance:	Current	Community Girls	
	Proposed	Community Girls	
Specialism:	Arts, Science with mathematics, Applied Learning		
Buildings / Site:	The existing accommodation comprises of 5 main blocks. Three have been recently constructed (new classrooms, ICT and Tennis centre), one is suitable for remodelling and one is of poor Clasp construction. The preferred option is to do nothing to the recent buildings, demolish the Clasp building and mobiles, then provide a new 2-storey science block.		
Additional facilities on site:	Indoor tennis centre		
Statutory Changes:	None required		
Procurement:	D&B		
Total estimated outturn cost:	£10,527,798		

## Soar Valley Community School – Phase 1 School

Age range:	Current	11-16	
	Proposed	11-16	
Size:	Current	11-16	1200
	Proposed	11-16	1275
Governance:	Current	Community	
	Proposed	Community	
Specialism:	Maths and Computing		
Buildings / Site:	The original buildings were of Clasp construction and have been completely replaced.		
Additional facilities on site:	Netball Centre, proposed Vocational Centre		
Statutory Changes:	None		
Procurement:	PFI		
Total estimated outturn cost:	£21,033141 (including additional costs authorised by LCC)		

## St Paul's Catholic School

Age range:	Current	11-18	
	Proposed	11-18	
Size:	Current	11-18	900 + 153 post 16
	Proposed	11-18	1050 + 150 post 16
Governance:	Current	Voluntary Aided (RC)	
	Proposed	Voluntary Aided (RC)	
Specialism:	Performing Arts		
Buildings / Site:	The majority of St Paul's accommodation is one block which is suitable for remodelling. The remainder of the accommodation is in mobile classrooms. The preferred option is to remodel and refurbish the school then build a new 2-storey general teaching and behavioural support unit.		
Additional facilities on site:	None		
Statutory Changes:	Increase in PAN		
Procurement:	D&B		
Total estimated outturn cost:	£12,633,858 (excluding allowance for a non-recoverable VAT)		

## West Gate Special School – Phase School

Age range:	Current	5 -18	
	Proposed	5 -18	
Size:	Current	5-18	127 + 23 post 16
	Proposed	5-18	129 + 31 post 16
Governance:	Current	Community Special	
	Proposed	Community Special	
Buildings / Site:	The School is currently split between two sites separated by Glenfield road. The preferred option is to provide the school north of the road by part remodelling and refurbishing the main block, doing nothing to one and creating new build to provide the balance of the allocated area. The boundary on the Upper school site will be extended to provide sufficient external play area. The lower school site will be disposed of to assist with funding the BSF scheme.		
Additional facilities on site:	None		
Statutory Changes:	None required		
Procurement:	D&B		
Total estimated outturn cost:	£7,766,918		