



Leicester
City Council

MEETING OF THE CABINET

DATE: MONDAY, 2 AUGUST 2010

TIME: 1PM

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

Members of the Cabinet

Councillor Patel (Chair)

Councillor Dempster (Vice-Chair)

Councillors Bhatti, Dawood, Naylor, Osman, Palmer, Russell, Wann and Westley

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

for Director of Corporate Governance

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

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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.

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BRAILLE/AUDIO TAPE/TRANSLATION

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

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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 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 on 12 July 2010 have been circulated to Members and the Cabinet is asked to approve them as a correct record.

5. MATTERS REFERRED FROM COMMITTEES

**6. CARBON REDUCTION COMMITMENT (CRC) ENERGY [Appendix A](#)
EFFICIENCY SCHEME**

Councillor Russell submits a report that informs Cabinet about Leicester City Council's preparations for the CRC Energy Efficiency Scheme, including an outline of financial implications and the nomination of key roles for implementation of the scheme. Cabinet is asked to approve the recommendations at Paragraph 3 of the report.

A minute extract from the meeting of the Overview & Scrutiny Management Board, held on 29 July 2010 will be circulated as soon as it is available.

**7. FUTURE COMMISSIONING OF CRIMINAL JUSTICE [Appendix B](#)
DRUG TREATMENT PROVISION - INCOMING
RESPONSIBILITIES**

Councillor Naylor submits a report that outlines the decisions and actions required to facilitate the successful implementation of the proposed commissioning arrangements for Criminal Justice drug treatment provision across Leicester, Leicestershire and Rutland communities and in HMP Leicester from financial year 2011/12. Cabinet is recommended to endorse the proposed commissioning approach and agree to all required incoming responsibilities as detailed in paragraph 2.2 of the report.

A minute extract from the meeting of the Overview & Scrutiny Management Board, held on 29 July 2010 will be circulated as soon as it is available.

8. REFORM OF HOUSING REVENUE ACCOUNT FINANCE [Appendix C](#)

Councillor Westley submits a report that summarises the Government's proposals for reform of Housing Revenue Account (HRA) finance, as detailed in the consultation paper "Council Housing – A Real Future". Also the report seeks the Cabinet's endorsement of the action taken by the Divisional Director and Chief Finance Officer, in consultation with the Council Leader and Cabinet Lead for Housing, in responding to the consultation document. Cabinet is recommended to endorse the action taken to respond supportively to the consultation.

9. PROCUREMENT REQUIREMENT FOR PROVISION OF OCCUPATIONAL HEALTH SERVICES TO LEICESTER CITY COUNCIL [Appendix D](#)

Councillor Dawood submits a report that seeks approval to include the retender of Occupational Health Services (OHS) on the Council's Procurement Plan for 2010/2011. Cabinet is recommended to note the requirement to continue to have in place a comprehensive range of occupational health services and approve the addition to the Corporate Procurement Plan as set out in the appendix of this report

10. AMENDMENT TO RESIDENTS' PARKING PERMIT RULES [Appendix E](#)

Councillor Osman submits a report that clarifies the proposal to offer permits in residential parking areas, which was a matter of concern to OSMB, and seeks authority to open consultation. Cabinet is asked to approve the recommendations at Paragraph 2.1 of the report.

A minute extract from the meeting of the Overview & Scrutiny Management Board, held on 8 July 2010 is attached.

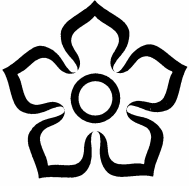
11. CORPORATE GOVERNANCE ANNUAL REPORT 2009/10 [Appendix F](#)

Councillor Patel submits a report regarding issues relating to the Corporate Governance Annual Report for 2009/10. Cabinet is asked to approve the recommendations in Paragraph 3.2. of the report.

Minute extracts from the meetings of the Audit Committee on 20 May 2010 and Standards Committee, held on 30 June 2010 are attached.

12. ANY OTHER URGENT BUSINESS

Appendix A



Leicester
City Council

WARDS AFFECTED

All

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Cabinet

2nd August 2010

Carbon Reduction Commitment (CRC) Energy Efficiency Scheme

Report of the Director of Regeneration, Highways and Transport

1. PURPOSE OF REPORT

The purpose of this report is to inform Cabinet Briefing about Leicester City Council's preparations for the CRC Energy Efficiency Scheme, including an outline of financial implications and the nomination of key roles for implementation of the scheme.

2. Summary

- 2.1 The Carbon Reduction Commitment (CRC) is a mandatory emissions trading scheme that started in April 2010. Leicester City Council is obliged to take part in the scheme, to monitor emissions and purchase allowances sold by the Government for each tonne of CO₂ we emit from energy use (excluding transport fuels).
- 2.2 The City Council must register for the CRC scheme by 30th September 2010 and will need to nominate officers to fulfill key roles and responsibilities within the scheme.
- 2.3 The first sale of allowances in April 2011 will require participants to purchase allowances for the year ahead. Calculations indicate that the cost of purchasing allowances for Leicester City Council is approximately £721,435 based on qualifying CO₂ emissions of 60,119 tonnes.
- 2.4.1 The CRC uses a bonus and penalty scheme as part of the incentive for organisations to reduce their levels of emissions. Any bonus or penalty administered to an organisation will be based on their position in the league tables.
- 2.5 The amount of any penalty will increase by 10% (maximum) per annum from 2012 for organisations ranked at the lower end of the national performance league table. However, Leicester will benefit from certain "early action metrics" in the introductory phase that may help to improve our position as a result of the early work to install Automatic Meter Reading (AMR) technology in our main Council buildings.

- 2.6 A CRC Management Group has been established to oversee the implementation of the scheme and consider how rewards and penalties could be passed on to services or individual cost centres as an incentive to improve performance.

3. RECOMMENDATIONS (OR OPTIONS)

The recommendations are:

- 3.1 Note the implications of the Government's Carbon Reduction commitment energy efficiency scheme.
- 3.2 Note the nomination of key roles in the CRC (see appendix 1) and agree that the Strategic Director for Reducing Carbon Footprint has the responsibility as Lead Officer for implementing CRC for the Council.
- 3.3 Note the funding requirement to purchase annual carbon allowances of approximately £0.72m from 2011/12 and note the potential penalty payments.
- 3.4 That further work be carried out on how to deal with the financial implications of any penalty or bonus payments, in particular how to deal with Schools and that this be agreed as part of the 2011/12 budget process.

4. REPORT

- 4.1 The Carbon Reduction Commitment (CRC) is a mandatory emissions trading scheme that aims to improve energy efficiency and reduce the amount of Carbon Dioxide (CO₂) emitted from large organizations in the UK. Leicester City Council is obliged to take part in the scheme, to monitor emissions and purchase allowances sold by the Government for each tonne of CO₂ we emit from energy use (excluding transport fuels).
- 4.2 A previous report to the Priority Board, in October 2009, outlined the CRC scheme requirements and the emerging changes being made following the Government consultation. The recommendation was to establish a CRC Management Group to oversee implementation of the scheme and to allocate the various tasks and roles to ensure compliance when final guidance was available.
- 4.3 The CRC Management Group includes officers from Finance, Property, the Environment Team, Energy Services and Schools.
- 4.4 The Footprint year (baseline) for calculating CRC started in April 2010 and runs to March 2011. However, the Council's carbon footprint has been calculated for the purpose of this report based on data used in reporting under National Performance Indicator 185. The CRC calculation uses a subset of the NI 185 data and gives an estimate of **60,119.547 tonnes CO₂** as our current emissions liability.
- 4.5 The cost of purchasing emissions allowances in the CRC introductory phase (up to 2013) is fixed at £12 per tonne of CO₂. The first Government sale is in April 2011 when organizations will have to purchase allowances to cover their forecast for 2011/12. The estimated cost to Leicester City Council, for purchasing allowances in April 2011, is **£721,435**.

4.6 The next steps requires to register as a CRC participant

- 4.6.1 The Council must register via an online CRC Registry between 1st April 2010 and 30th September 2010. Failure to register by the deadline will result in a £5,000 fine.
- 4.6.2 All participants will have to pay an initial registration charge of £950 and an annual subsistence charge of £1,290 to cover the costs associated with the individual account.
- 4.6.3 The Council is required to nominate a number of individuals to act as points of contact. There is a validation process to make sure that they are authorised to act for the authority and this process may take up to one month.
- 4.6.4 The key individuals to be nominated in the registration process are:
- a) Registrant – this person has restricted access to CRC registry
 - b) Senior Officer contact – must be a Director or equivalent status, who exercises management control, to act for the organisation. They will act on enforcement and civil penalty notices, authorise the primary and secondary contacts and the account representatives. The Senior Officer will receive notification of the purchase, sale and surrender of allowances by account representatives. They will also receive confirmation of submission of emissions reports by the organisation, receive notification of the publication of the league table and confirmation of revenue recycling payments.
 - c) the Primary and Secondary Contacts – these are the people that Environment Agency will be in contact with on a regular (day to day) basis. These contacts will have level 1 access to the system and submit returns / reports, view account and submit change related requests. Only the primary or secondary contact can complete the registration process for the organisation.
 - d) the Invoice Contact (either a person or a Department) – is sent the invoices for the annual subsistence charge.
 - e) the Account Representatives (1,2 or 3) – These contacts will require digital certificates, at a level 2 Government Gateway authentication, to be able to access the compliance account. This level of clearance involves a personal identity check and we need to allow at least 4 weeks from point of nomination before enrolment is complete and access to account is granted.
- 4.6.5 The Council must submit detailed information about the organisation and its structure along with a list of our half hourly meters and half hourly electricity supplies.
- 4.7 The City Council needs monitor its footprint throughout 2010/11 (baseline year) and purchase allowances in April 2011. The first annual emissions report is due by the last working day of July 2011, this also the deadline for submission of the footprint report. An evidence pack will be required to be produced and submitted in 2012.

5. How Performance will be measured

- 5.1 Performance under CRC will be measured and ranked in league tables. The league table position is designed to incorporate reputational incentives in CRC as well as provide the basis for the financial incentives.

5.2 Organisations that have taken early action to reduce carbon emissions on a voluntary basis, before 2010, are rewarded through “Early Action Metrics”.

There are 2 early action metrics that will influence performance league tables in the introductory phase:

- i) Carbon Trust Standard (50%)
- ii) Voluntary Automatic Meter Reading (50%)

The weighting of these metrics is gradually reduced from 100% in the first year to 40% in the second year and 20% in the third year of operation. At the end of the third year, the early action metric will be removed from the league table calculation

5.2.1 The Carbon Trust Standard certifies that an organisation is genuinely reducing its carbon footprint and is able to demonstrate year on year reductions in its emissions. Leicester City Council is not currently able to achieve this standard due to a lack of sufficient progress up to 2010/11.

5.2.2 Automatic Meter Reading equipment is already installed in approx 60% of Leicester City Council buildings and, therefore, we will receive a 30% early action weighting in the first year.

5.3 Performance from 2012 is assessed on the changes in absolute emissions (the Absolute Metric) compared with a five year rolling average and a separate indicator (the Growth Metric) that measures a change in emissions levels relative to turnover or revenue expenditure .

Table: Example only

	Year 1 (Oct' 2011)	Year 2 (Oct' 2012)	Year 3 (Oct' 2013)
Early Action Metric	100%	40%	20%
Absolute Metric	0%	55%	70%
Growth Metric	0%	5%	10%

6. Purchase of allowances and Revenue recycling payments

6.1 During the introductory phase (2010 to 2013) an unlimited number of allowances will be sold at a fixed price of £12 per tonne of CO₂. The first Government sale is in April 2011 when organisations will have to purchase allowances to cover the forecast for 2011/12.

6.2 From 2013/14 the number of allowances will be limited by the Government and sold by auction. Outside of these Government sales or auctions, allowances can be bought and sold by trading with others on the secondary market. CRC trading activity can only be carried out by the Council’s nominated account representatives.

6.3 All revenue raised from the sale of allowances every April is returned to participants in the form of a recycling payment. The first payment will follow the April 2011 fixed price sale and will be in proportion to the 2010/11 emissions, adjusted by a bonus or penalty factor linked to performance in the league table. Each revenue recycling payment will be made approximately six months after the end of each sale.

7. Bonus and Penalties

- 7.1 During the second year of CRC the margins for bonus and penalty will increase from 10% to 20%, with 30% being applied to the third year and so on. By the fifth year, all organisations in the top half of the table will receive a bonus, whereas all the organisations in the bottom half will receive a penalty.
- 7.2 Following the initial five-year period, the bonus and penalty has yet to be established. However, it is expected that the government will continue to take advice from the climate change committee and has not ruled out a 100% bonus and penalty scheme. As such, organisations at the bottom of the league table would not receive any of their allowance payments back.

8. Performance issues and apportionment of financial incentives

- 8.1 The Council's ongoing Energy in Buildings Survey and investment Programme will help to drive down emissions and limit liability under the CRC from 2011/12 onwards. However, the early works to Leisure Centres (which are already demonstrating some reductions) and initiatives such as the 10:10 campaign, will have the unfortunate effect of reducing the emissions baseline against which our future performance will be measured. (the CRC baseline year is 2010/11).
- 8.2 Incentives are required to make individual services and building users responsible for improving performance under the CRC. It is, therefore, proposed that any rewards and penalties imposed on the Council are passed on to cost centres, in order to effectively engage and motivate services to reduce their carbon footprint.
- 8.3 Schools represent approximately 50% of all Leicester City Council's qualifying CO₂ emissions and the CRC Management Group have proposed that a proportion of any rewards or penalties under CRC are passed on, as part of a pilot initiative to establish league tables within the organisation and test the apportionment methodology, before extending the arrangement to other services. This is in line with indications from the previous Government that regulations would be made such that any loss attributable to schools could be charged to the overall Schools Budget as a block item or charged to individual schools, and that similarly Councils would be encouraged to add to the Schools Budget any gains attributable to schools. Academies would be included alongside schools for the CRC scheme purposes.

9. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

- 9.1 The immediate **financial implications** of the scheme are summarised below:

	2010/11	2011/12	2012/13	2013/14	2014/15	
1	Purchase in April of allowances for emissions in current year, based on current emissions of 60k tonnes at £12/tonne					
	LCC - Street lighting (21.5%)	£155k	£155k	£155k	£155k	£155k
	LCC - other sites (37.5%)	£270k	£270k	£270k	£270k	£270k
	Schools (41%)	£296k	£296k	£296k	£296k	£296k
	Total	£721k	£721k	£721k	£721k	£721k
2	Lost interest over period April - October at 5%	£18k	£18k	£18k	£18k	£18k
3	Performance table weightings:					
i	Early action metering	100%	40%	20%	0%	0%
ii	Absolute emission growth	0%	45%	60%	75%	75%
iii	Relative emission growth (tonnes per £ of revenue expenditure)	0%	15%	20%	25%	25%
4	% Penalty charge/bonus payment based on performance league table	10%	20%	30%	40%	50%
5	Worse case total penalty charge based on difference between allowance acquisition cost and recycling payment	£72k	£144k	£216k	£288k	£361k
6	Registration/subsistence fees	£2k	£1.2k	£1.2k	£1.2k	£1.2k
7	Non compliance costs:					
i	Failure to provide annual report	£5k				
ii	Inaccurate reporting/inadequate records	£40/tonne of carbon				

9.2 From 2011/12 there will be annual uncertainty over the amount of the recycling payment which is received in the October following the acquisition of allowances in April. The recycling payment is based on our relative performance against all the other scheme participants in the preceding year. Given that the scheme will include over 6,000 participants from both the public and private sector it is impossible to predict at this stage where any one participant will end up in the performance league table.

- 9.3 This means that the Council is exposed to a penalty charge or bonus payment within the range +/- 10% in 2011/12 increasing by 10% thereafter to a maximum of 50% by 2014/15. So for example the maximum penalty in 2011/12 could be 10% of the allowance bought in that year ie 10% of £0.72m = £72k. .
- 9.4 There is of course an additional cost of 6 month's worth of lost interest on the funds required to finance the allowances prior to receiving the recycling payment.
- 9.5 There are also additional administration costs of registration and the staff time to process the annual report. It is assumed at this stage that the registration costs and staff time required to administer this scheme can be contained within the Energy and Environment teams' existing budgets.
- 9.7 In order to improve our league table performance and reduce our overall emissions the Council will have a range of possible carbon abatement projects which it could implement to reduce energy costs, save the cost of purchasing allowances and increase our recycling payment. Of course this is the whole point of the scheme, however we will need to determine the cost of implementing these schemes in terms of pounds per tonne of carbon (the marginal abatement cost) in order to determine whether or not it is cheaper to buy allowances or go ahead with the scheme. Previously of course we were assessing abatement projects in terms of whether or not they could generate overall savings. We are now in a situation where many more projects will be viable even if they do not generate overall savings because the cost of implementing the scheme may well be less than having to pay for carbon allowances and worsening our league table performance.
- 9.6 The carbon allowance price remains fixed at £12/tonne until the start of the capped phase in April 2013. The government will set a cap on the total emissions for each capped phase of the scheme using information obtained during the introductory phase, the views of the Committee on Climate Change and the UK's overall carbon emission targets.
- 9.7 From 2013 the Council will need to bid for allowances at a range of different prices in an auction process. The allowance rate set (the clearing price) will be based on the total cap in tonnes and the aggregated demand for allowances from all scheme participants at the prices they have bid at. Allowances will then be allocated based on the number of allowances that the Council has bid for at the clearing price. The Council will therefore need to use the marginal abatement costs in order to determine its bid prices.
- 9.8 It is likely that the Council will either buy too many or too few allowances because of emission forecasting errors and will then have to purchase or sell allowances in the secondary allowance market, the price of which will be different to the clearing price.
- 9.9 Further work needs to be done in terms of our auction strategy when more information becomes available.
- 9.10 Further discussion and work needs to be done in terms of whether or how to provide financial incentives/penalties to user departments and Schools to promote behaviour

which will reduce energy usage and therefore emissions. We will also need to be in a position to calculate the marginal abatement costs of the various abatement projects which will determine the rate at which we bid for allowances in the future.

- 9.11 It is recommended that the financial implications are dealt with in as part of the 2011/12 budget process.

Martin Judson, Financial Services

Legal Implications

- 9.12 From April 2010, the Carbon Reduction Commitment Energy Efficiency Scheme (CRC) - a new mandatory cap and trade scheme for carbon dioxide (CO₂) emissions - will come into force in the UK. The new scheme essentially imposes a tax on the CO₂ emissions of UK properties in both the commercial and public sectors. Although there are no direct legal implications arising from this report, the CRC Energy Efficiency Scheme is a legal obligation for Leicester City Council to undertake and large fines are applicable for non-compliance.

Dina Nathwani, Solicitor – Legal Services

Environmental Implications

- 9.13 The CRC, as outlined in this report, has the potential to make a significant impact on progress towards the Council's climate change targets by providing incentives for action.

Helen Lansdown, Senior Environmental Consultant - Sustainable Procurement

10. OTHER IMPLICATIONS

OTHER IMPLICATIONS	YES/NO	Paragraph references within the report
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	Yes	The report as a whole has implications
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	No	
Corporate Parenting	No	
Health Inequalities Impact	No	

11. Background Papers – Local Government Act 1972

Carbon Reduction Commitment Report to Corporate Directors Board (November 2008)
Carbon Reduction Commitment Update - Report to Priority Board (October 2009)

12. Consultations

Martin Judson (Finance)
Colin Sharpe (CYPS)
Chetna Patel – Liburd (TLE)
Environment Team

REPORT AUTHOR

Nick Morris
Ext 39 5123

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

APPENDIX 1 – Nomination of Key Roles

The Officers nominated to key roles are:

Registrant – Prakash Patel (Team Leader – Energy Management)

Primary and secondary contacts – Nick Morris (Head of Energy Services) and Martin Judson (Head of Resources)

Senior Officer – Alistair Reid (Strategic Director). Whilst all services are responsible for CRC it is proposed that the Strategic Director of Reducing our Carbon Footprint is best placed to lead on its implementation and that the current membership of the CRC Management Group would have operational responsibility for the scheme.

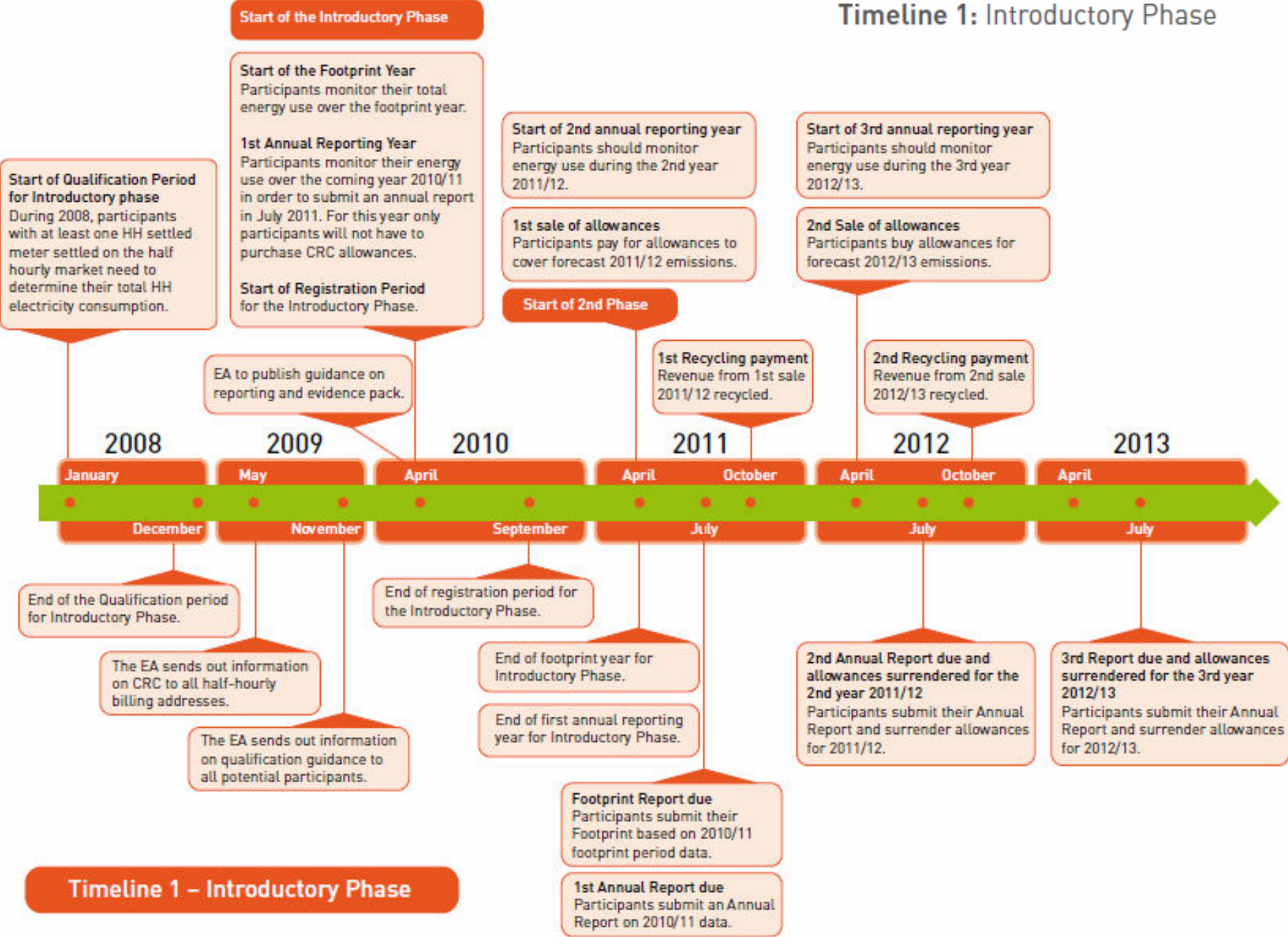
Invoice contact - Prakash Patel (Energy Management Team)

Account representatives (1,2 & 3) - Martin Judson / Nick Morris / another to be agreed.

APPENDIX 2 – CRC Timescales

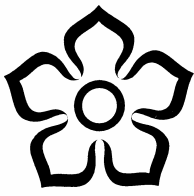
(see copy of timescales attached)

Timeline 1: Introductory Phase



Timeline 1 – Introductory Phase

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Leicester
City Council

Appendix B

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Cabinet	12.07.10
Full Council	16.09.10

Future Commissioning of Criminal Justice Drug Treatment Provision – Incoming Responsibilities

1. Purpose of Report

- 1.1 The purpose of this report is to outline the decisions and actions required to facilitate the successful implementation of the proposed commissioning arrangements for Criminal Justice drug treatment provision across Leicester, Leicestershire and Rutland communities and in HMP Leicester from financial year 2011/12.

2. Summary

- 2.1 This report summarises the new commissioning arrangements agreed at the Public Service Board in April 2010 as follows;

- Joint commissioning across the sub-region for community Criminal Justice drug treatment services
- Joint commissioning of drug treatment services across community and custody to include existing community Criminal Justice drug treatment services and Counselling, Assessment, Referral, Advice and Throughcare (CARATs) and Integrated Drug Treatment System (IDTS) services within HMP Leicester.

The intention under the new arrangements would be to commission a single fully Integrated criminal justice treatment service across the sub-region and across the community/custody boundary.

- 2.2 The report also summarises the decisions to be made by Cabinet to facilitate these arrangements as follows;

- Cabinet approval of Leicester City Council taking on the responsibility as procuring agent and budget holder for the Criminal Justice element of the Adult Pooled Treatment Budget on behalf of Leicestershire and Rutland – this will involve host commissioning arrangements via a Section 75 agreement with Leicestershire County and Rutland Primary Care Trust.
- Cabinet approval of Leicester City Council taking on the responsibility as procuring agent and budget holder for the Drug Intervention Programme Main Grant on behalf of Leicestershire and Rutland – this will host commissioning arrangements via a Section 101 agreement with Leicestershire County Council and Rutland County Council.

- Cabinet approval of Leicester City Council taking on the responsibility as procuring agent and budget holder for National Offender Management Service (NOMS) CARATS funding for HMP Leicester – this will involve LCC providing commissioning and budget management services to NOMS for the deployment of these funds via a contract with the Ministry of Justice.

3. Recommendations

3.1 That Cabinet Members;

- a) Endorse the proposed commissioning approach.
- b) Agree to all required incoming responsibilities as detailed in 2.2

4. Report

4.1 Total Place indicated that where there are opportunities to jointly commission or procure services sub-regionally this should be considered and where appropriate pursued. It has been identified that commissioning of Criminal Justice drug treatment services across Leicester, Leicestershire and Rutland provides such an opportunity.

4.2 Current commissioners of these drug services have worked collaboratively to develop proposals for a joint commissioning model that will provide a platform for more efficient use of resources, and more effective delivery at every stage of the commissioning process. A model that will result in the optimum Criminal Justice treatment system and aims to deliver improved outcomes for individual service users and communities. These proposals were endorsed initially by the System Change Project Board and then via the Safer Leicester Partnership Drug and Alcohol Delivery Group, County Drug and Alcohol Action Team Board and Prison Partnership Board for HMP Leicester before receiving subsequent endorsement by Chief Executives at the Public Service Board in April 2010.

4.3 Appendix 1 provides a background to the development of the commissioning proposals and provides further details as to the arrangements and anticipated benefits. In summary the proposals have two key elements;

- Joint commissioning across the sub-region for community Criminal Justice drug treatment services
- Joint commissioning of drug treatment services across community and custody to include existing community Criminal Justice drug treatment services and Counselling, Assessment, Referral, Advice and Throughcare (CARATs) and Integrated Drug Treatment System (IDTS) services within HMP Leicester.

4.4 The two major benefits of the proposed commissioning model are that a) it will support the commissioning of an integrated service delivery model and b) it represents a more streamlined and efficient commissioning approach.

The key features of the commissioning model are;

- A single banking arrangement hosted by Leicester City Council. Agreement has also been gained from Central Government to receive a single sub-regional allocation for the DIP Main Grant thus reducing administrative burden and streamlining the funding delivery chain. Individual allocations for each

area would continue to be identified within this single sum to ensure that appropriate funds are spent across localities.

- A single contract held by Leicester City Council with Leicestershire County Council, Rutland County Council and Leicestershire County and Rutland Primary Care Trust as parties to the contract. This contract would be contract managed through a sub-regional strategic commissioning board and at a lower level via contract management meetings with sub-regional representation.
- Commissioning would be undertaken via a sub-regional criminal justice strategic commissioning group that will operate as a distinct part of the Safer Leicester Partnership Strategic Commissioning Board. The added benefit of this group is that it could encompass a sub-regional focus on all strategic developments relevant to criminal justice drug treatment alongside relevant safeguarding issues.

4.5 The new commissioning arrangements will be underpinned by a 'suite' of partnership agreements between partners and will require, via these arrangements, the following actions;

- Cabinet approval of Leicester City Council taking on the responsibility as procuring agent and budget holder for the Criminal Justice element of the Adult Pooled Treatment Budget on behalf of Leicestershire and Rutland – this will involve host commissioning arrangements via a Section 75 agreement with Leicestershire County and Rutland Primary Care Trust.
- Cabinet approval of Leicester City Council taking on the responsibility as procuring agent and budget holder for the Drug Intervention Programme Main Grant on behalf of Leicestershire and Rutland – this will host commissioning arrangements via a Section 101 agreement with Leicestershire County Council and Rutland County Council.
- Cabinet approval of Leicester City Council taking on the responsibility as procuring agent and budget holder for National Offender Management Service (NOMS) CARATS funding for HMP Leicester – this will involve LCC providing commissioning and budget management services to NOMS for the deployment of these funds via a contract with the Ministry of Justice.

The procurement activity to be undertaken as part of these arrangements will sit within the wider procurement activity being undertaken within the City DAAT as part of their service redesign process. The DAAT intend to utilise internal resources to undertake this activity and have a sub-regional resource (LLR Criminal Justice Lead post) to draw on to ensure that the necessary time and effort can be put into the exercise without causing additional burden to City staff.

As part of the development of the partnership agreements and subsequent tendering exercise it will be necessary to ensure that appropriate 'break' measures are put into place should significant changes occur to the financial grants involved under the arrangements.

5 Financial, Legal and Other Implications

5.1 Financial Implications

5.1.1 Criminal Justice drug treatment provision is funded entirely through grants. The following bodies receive Criminal Justice drug treatment grants which will be pooled under the proposed commissioning arrangements:

Funding Stream	Funding Source	2010/11 Allocation £	%
Adult Pooled Treatment Budget(City)	DoH	764,533	22.56%
DIP Main Grant (City)	Home Office	1,419,170	41.87%
Adult Pooled Treatment Budget (County & Rutland)	DoH	502,365	14.82%
DIP Main Grant (Rutland)	Home office	6,045	0.18%
DIP Main Grant (County)	Home office	432,002	12.75%
CARATs (HMP Leicester)	Ministry of Justice	201,761	5.95%
CBDT (HMP Leicester)	Ministry of justice	63,208	1.87%
Total		3,389,084	100.00%

5.1.2 Leicester City Council as the lead commissioner will be responsible for spending these monies. The joint commissioning group would ensure partners are involved in commissioning.

5.1.3 The amounts listed above are 2010/11 allocations as 2011/12 allocations are not yet known. Spending plans will be based on anticipated budgets for 2011/12. Should there be any cuts in funding; expenditure would have to be reduced accordingly.

5.1.4 In the event of any overspends, overspend will be ring fenced and taken forward to the next financial year where it will be taken off the total amount available for commissioning. Should the joint commissioning group not decide to take this path overspend will be shared out amongst the partners according to percentage contributions. Overspends should not occur as the commissioning costs would be known in advance.

5.1.5 Underspends will be ring-fenced and carried forward so that they are available for the following years commissioning. Risk sharing agreements will form part of the agreements with all involved parties.

5.1.6 As the procuring agent the City Council will take on budget management responsibilities. Any additional costs arising from this will be paid for from the pooled commissioning budget.

5.2 Legal Implications

5.2.1 There are three agreements underpinning these proposals;

- Section 75 arrangement utilising the pooled budget and lead commissioning flexibilities in respect of the Leicestershire and Rutland PCT's criminal justice element of the pooled treatment budget for substance misuse and rehabilitation facilities and services.

Leicester City Council to be Lead Commissioner and pooled budget manager for this element.

- A delegation arrangement under section 101 of the Local Government Act 1972 under which Leicestershire County Council delegates to Leicester City Council lead commissioning and budget management functions in respect of DIP main grant.

Leicestershire County Council will need to confirm to us the legal powers underpinning these functions.

For simplicity this delegation will exclude the short term run on arrangement under an existing contract.

- Finally there will be a contract for services between Leicester City Council and NOMS (an executive agency of the Ministry of Justice) under which Leicester City Council will provide commissioning, contract and budget management services in respect of the procurement and provision of counselling, assessment, referral, advice and throughcare for the benefit of substance users within HMP Leicester. The Council's powers to do this are under S2 of the Local Government Act 2000 and Section 111 of the Local government Act 1972.

- 5.2.2 In using "well being" powers under Section 2 Local Government Act 2000 the Council has to have regard to its sustainable community strategy. Also any recovery of costs etc is limited to actual costs.
- 5.2.3 NOMS require flexible termination and change provisions and these will need to be stepped down into the proposed sub contracts.
- 5.2.4 This contract will depend on successful procurement of subcontractors.
- 5.2.5 No staff are envisaged to transfer under TUPE except at provider (sub contract) level where this will be addressed through the procurement process.
- 5.2.6 No co-location is proposed so there are no property agreements required
- 5.2.7 There is a framework agreed with Risk Management Services for responsibilities and required insurances for clinical negligence (and clinical functions) for use in "section 75 arrangements" and further discussion with RMS will be needed once the proposed specification of the NOMS service is available
- 5.2.8 Care will be taken in procurement to include as robust a break position as possible in case headline funding is recalled. This may however not be attractive for providers.
- 5.2.9 An overarching "memorandum of understanding" is proposed between all members of the System Change proposals. Although of no legal effect it will set out the parties intentions as a "partnership".

6. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph references within the report
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Crime and Disorder	Yes	Throughout report
Human Rights Act	No	
Elderly/People on Low Income	No	
Corporate Parenting	No	
Health Inequalities Impact	Yes	Appendix 4.4

7. Risk Assessment Matrix

7.1 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)
Financial – overspend of pooled budget	L	H	Risk sharing agreement between partners; effective management of pooled budget through joint commissioning group
2			
3			
4			
5			
6 etc			

L – Low
M – Medium
H - High

L – Low
M – Medium
H - High

Climate Change Implications

This report does not contain any significant climate change implications and therefore should not have a detrimental effect on the Council's climate change targets.
Helen Lansdown, Senior Environmental Consultant - Sustainable Procurement

8. Background Papers – Local Government Act 1972

9. Consultations

10. Report

Charlotte Talbott, System Change Project Manager, Safer Leicester Partnership.

11. Appendix

Appendix A provides background to the System Change Project and provides further detail as to the proposed commissioning arrangements and anticipated benefits.

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

Proposed Arrangements for Future Commissioning of Criminal Justice Drug Treatment Provision

1. Purpose

- 1.1 The purpose of this paper is to propose the approach to be taken for the future commissioning of Criminal Justice Treatment provision across Leicester, Leicestershire and Rutland communities and in HMP Leicester. These proposals are for consideration and ratification by the System Change Project Board and sign-off by Chief Executives. The proposals contained within this paper form part of, and are consistent with broader proposals regarding joint commissioning made as part of the Total Place Programme and have been developed in consultation with key partners.

2. Background

- 2.1 Strategic commissioning is critical to leadership of place and ensuring public services meet the needs and aspirations of their users and the wider community. Effective strategic commissioning is essential to the delivery of a coherent drug treatment system and the realisation of the improved outcomes this brings to individuals and communities.
- 2.2 The Drug System Change Pilot programme has been established to test new approaches to drug treatment and the broader social support needs of drugs users both in the community and in prisons. The Pilots will test the premise that local partnerships can achieve more if they are allowed flexibility in how they make use of the range of funding streams, including those specific to drugs, giving them the freedom to innovate and to tailor services in response to local needs.
- 2.3 Locally the project is focussed specifically on the needs of drug users in contact with the Criminal Justice System. The key aim of the project is to design and implement an integrated model of service delivery and enhanced commissioning arrangements for services for substance misusing offenders. It is clear that the enhanced arrangements must encompass delivery across the community and custodial settings and must significantly improve the reintegration of service users into the community.

3. Current Arrangements

- 3.1 In Leicester the commissioning of community based drug treatment is managed through a partnership commissioning body which reports through the Drug and Alcohol Delivery Group to the Safer Leicester Partnership. In Leicestershire commissioning of community based drug treatment provision takes place within the Leicestershire DAAT Adult Commissioning Sub Group (CSG) and reports to the Leicestershire DAAT Board.

- 3.2 For commissioning this provision the Drug and Alcohol Action Teams (DAATs) receive a number of grants/budgets from Central Government. The Pooled Treatment Budget (PTB) is a Department of Health allocation that is ring-fenced to support services for adult drug users. Additional funds are also contributed towards the PTB by the Ministry of Justice for the additional treatment hours required for Drug Rehabilitation Requirements over and above 'standard' treatment. The Drug Intervention Programme (DIP) main grant are Home Office funds that are to be used to target drug using offenders, and provide a route out of crime and into treatment.
- 3.3 Joint commissioning structures were in place across the sub-region between the three DAATs between 2001 and 2008. Following National Guidance and feedback through consultation, the Leicester DAAT and the Crime and Disorder Reduction Partnership (CDRP) merged to form an integrated Crime and Drugs Partnership for the City. This saw the disaggregation of the three DAATs and the formation of separate reporting structures in line with geographical arrangements. Although no longer part of the same structures, and having separate commissioning groups, the DAATs have continued to jointly procure services across the sub-region for drug users, supported by shared performance management and contract management arrangements. The DAATs are currently undertaking a full service re-tendering process and are intending to procure services separately on a locality basis going forward.
- 3.4 In HMP Leicester commissioning of Counselling, Assessment, Referral, Advice and Throughcare (CARAT) services is undertaken by National Offender Management Service (NOMS) through the regional Director of Offender Management (DOMs) office. More recently, following the implementation of Integrated Drug Treatment System (IDTS) in the establishment, commissioning of other drug treatment services, including specialist prescribing for substance misuse, is commissioned by NHS Leicester City as part of the Prison Healthcare contract.
- 3.5 Commissioning arrangements for drug treatment along the criminal justice pathway are therefore complex with multiple partners involved at a regional and local level. Consequently there is no one body or individual holding overall responsibility and accountability for drug treatment provided to offenders and there is no single focused strategy guiding the delivery of treatment to prisoners/offenders locally. This results in a lack of join up that can mean duplication of effort in the commissioning process (e.g. treatment planning, needs assessment etc), potential duplication of resource and limited partnership approach to achieving desired outcomes.
- 3.6 It is important to note that there is further lack of co-ordination/join up between commissioners of treatment and commissioning by those partners that have a responsibility for throughcare/wrap-around provision, i.e. housing; education, training and employment and commissioners of alcohol services and these are areas for development as part of both the System Change Project and Total Place. It is not the intention of these proposals to address these issues.

4. Proposal for Future Model and Rationale

- 4.1 The proposal for future commissioning of criminal justice treatment services has the following key components;
- Joint commissioning across the sub-region for community CJ treatment services

- Joint commissioning of treatment services across community/custody to include existing community CJ services and CARATs and IDTS services within HMP Leicester.
- 4.2 There are a number of drivers to support the development of joint commissioning processes including the Local Government White Paper, *Strong and Prosperous Communities; Our Health, Our Care, Our Say*; and the Community Empowerment White Paper, *Communities in Control, Real People and Real Power*. The joint commissioning approach is in line with the vision for intelligent commissioning in local government, as outlined in *Empowering communities, shaping prospects, transforming lives*, Communities and Local Government which views commissioning as the prime framework for service improvement and transformation.
- 4.3 Total Place indicated that where there are opportunities to jointly commission or procure services sub-regionally this should be considered and where appropriate pursued. It is proposed that commissioning of CJ treatment services across Leicester, Leicestershire and Rutland provides such an opportunity for the following reasons;
- To ensure efficient/effective delivery of DIP
 - To ensure efficient/effective delivery of DRRs as a specialised service
 - To ensure fit to local courts which service Leicester, Leicestershire and Rutland
 - To ensure fit to HMP Leicester as the local prison that services Leicester, Leicestershire and Rutland
 - To achieve economies of scale
 - To continue to deliver a 'tried and tested' best practice model
 - To avoid complications caused by cross boundary offending
 - To ensure efficient/effective systems for Police
 - To ensure efficient /effective systems for Probation
- 4.4 Further to this it is proposed that the commissioning of treatment services within HMP Leicester is aligned with the sub-regional community approach. In practice this would involve the procurement of existing CARATs services alongside community-based services and a review of the existing arrangements for the procurement of IDTS as part of the prison healthcare contract to reflect increased DAAT Officer involvement. The further benefits of this include;
- Better co-ordination of care within the prison
 - Reduced attrition when service users move between community and custody and vice versa
 - Improved consistency in range and quality of services provided within the prison and in the community
 - To remove duplication and improve efficiency
- 4.5 The intention under the new arrangements would be to commission a single fully integrated criminal justice treatment service across the sub-region and across the community/custody boundary. In order to do this and to ensure appropriate delivery for each community and each 'element' of the system it will be essential to specify the service(s) appropriately and it will therefore be essential for a balance of commissioners across the partnership to be involved in the development of service specifications and the commissioning process.

Under this approach it will be essential that particular effort is built in during the planning stage to consider delivery options that respond to the needs identified across each locality and for this reason it should be made clear that the proposals require all partners to be involved in the commissioning process and that the City 'lead' relates specifically to the procurement process. Similarly whilst the City PCT have 'lead' responsibility for the procurement process for IDTS services, DAAT Officers will play a key role in terms of needs assessment and treatment planning for this element of the treatment system to ensure join-up across the whole pathway.

- 4.6 In order to take these proposals forward commissioners will need to work together to develop formal partnership agreement(s) for the joint commissioning of services for 2011/12. These partnership agreements will provide further detail to the partnership arrangements including details of risk-sharing and processes for review of the new arrangements. There is also further work required regarding the detail of information flows under the new arrangements to ensure transparency and allow for scrutiny by all partners.
- 4.7 It should be noted that at this stage these proposals only relate to prison treatment delivered within HMP Leicester. If at a later stage it is decided that treatment delivery within the County establishments (HMP Stocken, HMP Ashwell, HMP Gartree and HMYOI Glen Parva) should also be included within the proposed arrangements a full review of the arrangements would be undertaken.

5. Expected Outcomes

- 5.1 Both the Total Place programme and the Drug System Change Project are guided by the principle that service outcomes can be improved through robust joint commissioning approaches across organisational and service area boundaries.
- 5.2 The proposed model will bring together the contributions of different partner organisations to deliver a more coherent set of services and represents the most efficient approach to commissioning this element of the treatment system. The proposed commissioning model presents an opportunity to rationalise back office support functions, and strengthen the entire commissioning process. The joint commissioning model provides the platform for more efficient use of resources, and effective delivery at every stage of the commissioning process. This will result in the optimum CJ treatment system, with the desired outcomes for service users.
- 5.3 The proposals streamline the procurement process and also allow for consideration of how System Change pilot status can be utilised to secure freedoms and flexibilities. For example, should the proposals be agreed, administrative burden could be reduced through a request to receive a single sub-regional DIP Main Grant allocation.

	Responsible Who performs the activity or does the work	Accountable Who is accountable and has Yes/No/Veto	Consulted Who needs to feedback and contribute to the activity	Informed Who needs to know about the decision or action
Analyse				
Data and Intelligence	DAAT Officers (City and County)	SLP JCG and County CSG/County DAAT Board	PCT, NOMs, Prison and wider stakeholders	
Stakeholder Mapping	DAAT Officers (City and County)	SLP JCG and County CSG/County DAAT Board	PCT, NOMs and Prison	
Consultation and Engagement	DAAT Officers (City and County)	SLP JCG and County CSG/County DAAT Board	PCT, NOMs, Prison and wider stakeholders	
Needs Analysis/Assessment	DAAT Officers (City and County)	SLP JCG and County CSG/County DAAT Board	PCT, NOMs, Prison and wider stakeholders	
Identify Commissioning Priorities	DAAT Officers (City and County)	SLP JCG and County CSG/County DAAT Board	PCT, NOMs, Prison	
Policy, Legislation and Best Practice	DAAT Officers (City and County)	SLP JCG and County CSG/County DAAT Board	PCT, NOMs, Prison	
Supply Mapping	DAAT Officers (City and County)	SLP JCG and County CSG/County DAAT Board	PCT, NOMs, Prison	
Plan				

Identify Gaps in Supply	DAAT Officers (City and County)	SLP JCG and County DAAT Board		
Agree Priorities	DAAT Officers (City and County)	SLP JCG and County CSG/County DAAT Board	Prison Partnership Board (HMP Leicester)	
Agree Treatment Plans	DAAT Officers (City and County)	SLP JCG and County CSG/County DAAT Board	Prison Partnership Board (HMP Leicester)	
Undertake EIA	DAAT Officers (City and County)	SLP JCG and County CSG/County DAAT Board		
Consider Delivery Options	DAAT Officers (City and County)	SLP JCG and County CSG/County DAAT Board	Prison Partnership Board (HMP Leicester). Category Management.	
Agree Commissioning Intentions	DAAT Officers (City and County)	SLP JCG and County CSG/County DAAT Board - These must be reconciled at this point. County CSG/County DAAT Board to communicate to SLP JCG for final sign-off.	Prison Partnership Board (HMP Leicester)	

Do				
Develop Service Specifications	1)City PCT for IDTS 2) DAAT Officers (City and County)	1)Prison Partnership Board 2)SLP JCG	1)City DAAT Officers	

Prepare Contract Documentation	1)City PCT for IDTS 2) DAAT Officers (City and County)	1)Prison Partnership Board 2)SLP JCG	1)City DAAT Officers	
Negotiate and Hold Contract	1)City PCT for IDTS 2) DAAT Officers (City and County)	1)Prison Partnership Board 2)SLP JCG		
Contract Management	1)City PCT for IDTS 2) DAAT Officers (City and County)	1)Prison Partnership Board 2)SLP JCG		

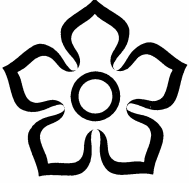
Review				
Contract Monitoring	1)City PCT for IDTS 2) DAAT Officers (City and County)	1)Prison Partnership Board 2)SLP JCG		
Performance Management	1)City PCT for IDTS 2) DAAT Officers (City and County)	1)Prison Partnership Board 2)SLP JCG		2) County CSG/County DAAT Board and Safer Rutland Partnership
Undertake Strategic/Operational Review	Operational Review - DAAT Officers (City and County) Strategic Review – SLP JCG and County CSG	SLP JCG and County DAAT Board		
Service Improvement/Redesign or Decommissioning	1) City PCT for IDTS 2)DAAT Officers (City and County)	1) Prison Partnership Board 2)SLP JCG and County CSG/County DAAT Board	1)City DAAT Officers	

Clinical Governance				
Agree Clinical Governance/Quality Schedule	City PCT	NHS Leicester City Quality Directorate		County DAAT Board

Monitoring of Clinical Governance Schedule	1)City PCT for IDTS 2)DAAT Officers (City and County)	1)Prison Partnership Board 2)SLP JCG via Clinical Governance Forum		1&2) NHS Leicester City Quality Directorate
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Budgets and Financial Control				
Identify Resources	1) City PCT for IDTS 2)DAAT Officers (City and County)	1)Prison Partnership Board 2)SLP JCG and County DAAT Board		
Budget Setting	1) City PCT for IDTS 2)DAAT Officers (City and County)	1)Prison Partnership Board 2)SLP JCG and County DAAT Board	1)City DAAT Officers	
Financial Controls	1) City PCT for IDTS 2)City DAAT for all other services	1)Prison Partnership Board 2)SLP JCG		2)County DAAT Board and NOMs
Budget Changes/New Commissioning Intentions		1)Prison Partnership Board 2)SLP JCG	2)County DAAT Board and NOMs	
Final Accounts	1) City PCT for IDTS 2)City DAAT for all other services	1)Prison Partnership Board 2)SLP JCG		2)County DAAT Board and NOMs
Audit Requirements	1) City PCT for IDTS 2)City DAAT for all other services	1)Prison Partnership Board 2)SLP JCG		2)County DAAT Board and NOMs

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Leicester
City Council

WARDS AFFECTED

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS: CABINET

2nd August 2010

REFORM OF HOUSING REVENUE ACCOUNT FINANCE

Report of the Director of Housing Services and Chief Finance Officer

1. PURPOSE OF REPORT

- 1.1 This report summarises the Government's proposals for reform of Housing Revenue Account (HRA) finance, as detailed in the consultation paper "Council Housing – A Real Future". Also the report seeks the Cabinet's endorsement of the action taken by the Divisional Director and Chief Finance Officer, in consultation with the Council Leader and Cabinet Lead for Housing, in responding to the consultation document.

2. RECOMMENDATIONS

- 2.1 **The Cabinet is recommended** to endorse the action taken to respond supportively to the consultation.

3. REPORT

3.1 Introduction

- 3.1.1 The previous Government published its proposal for the reform of HRA finance on 25th March 2010 in a consultation document entitled "Council Housing – A Real Future". Responses to the consultation document were required by 6th July, 2010.

3.2 The Proposal

3.2.1 'Self Financing'

The main proposal is for 'self financing' to be introduced for all HRA's, under which the current annual subsidy system would be ended in return for a one-off reallocation of debt to or from each HRA. The Government would calculate this debt reallocation by extending the current subsidy calculation for each HRA for thirty years into the future (and then discounting the resultant cash flows back to the current value). An 'indicative' debt reallocation figure was supplied to each HRA, and for Leicester this represented an approximate £40m reduction in its HRA debt, which is currently about £220m. Following this debt reallocation, Leicester's HRA would avoid future annual negative subsidy payments to Government (which, for example is expected to be £16.5m in

2010/11) but would no longer receive the Major Repairs Allowance (MRA) from Government (£13.4m in 2010/11).

3.2.2 'Right to Buy' (RTB) Capital Receipts

Under the proposed system, the current requirement for local authorities to pay 75% of their capital receipts from RTB sales to Government would be ended, as long as the additional usable receipts were used for financing affordable housing (including HRA) or regeneration capital expenditure. The proposed arrangements would give Leicester about £3m of extra usable capital receipts each year.

3.2.3 Other Aspects of the Proposals

- i) it is not intended that local authorities would be able to set their own rents – instead these would be controlled by the Tenants Services Authority (TSA).
- ii) The ending of the subsidy would expose HRAs to the risk from interest rate increases – for Leicester's HRA, a 1% increase in interest rates would increase annual capital financing costs by some £2m.
- iii) The ability of HRAs to enter into new borrowing would be strictly limited.
- iv) Capital grants would still be available from Government to tackle decent homes backlogs, but it is unclear at what level and how they would be assessed.

3.3 Impact of the Proposals on Leicester's HRA

3.3.1 The impact of the proposed new system and the indicative debt settlement on Leicester's HRA has been modelled in conjunction with outside specialists. This modelling has indicated that the proposals would be generally beneficial, subject to the following:

- i) uncertainty remains about future capital grant funding (e.g., for decent homes backlog, disabled adaptations for council stock, asbestos works, etc)
- ii) Some flexibility concerning future HRA borrowing limits would be desirable.
- iii) Any HRA debt reallocation must have no detrimental impact on General Fund finances.

3.4 Response to the Consultation Document

3.4.1 After consultation with the Council Leader and Cabinet Lead for Housing, a generally supportive response (but raising the concerns noted above) has been made to the Government. This indicates that we would like to discuss the possibility of Leicester becoming self-financing further with the Government, but does not bind us to any course of action.

3.5 The Future for the Proposals

- 3.5.1 The previous Government was considering a voluntary introduction of the new system from 1st April, 2011 with full implementation from 1st April, 2012. The new Government is currently reviewing the existing proposals, any may of course decide not to pursue them in the same way.

4. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

4.1 Financial Implications

This report is concerned solely with proposed changes by the Government to the financial operation of the Housing Revenue Account.

4.2 Legal Implications

None

5. OTHER IMPLICATIONS

OTHER IMPLICATIONS	YES/NO	Paragraph references within the report
Equal Opportunities	Yes	7.1
Policy	No	
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	Yes	7.1
Corporate Parenting		
Health Inequalities Impact		

6. EQUAL OPPORTUNITIES IMPLICATIONS

- 6.1 Any reduction or restriction of HRA finances directly affects the Council's ability to deliver high quality services that meet the needs and aspirations of Council tenants, many of whom are elderly and/or come from disadvantaged groups.

7. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

- 7.1 i) 'Council Housing – A Real Future' (CLG, March 2010)
ii) 'Reform of Council Housing Finance – Consultation' (CLG, July 2009)

8. CONSULTATIONS

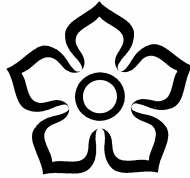
8.1 This is a joint report of the Divisional Director of Housing Services and Chief Finance Officer.

9. REPORT AUTHOR

Dave Pate
Director of Housing Services
x 29 8222

Mark Noble
Chief Finance Officer
x 29 7401

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



Leicester
City Council

WARDS AFFECTED: All Wards

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Cabinet

2nd August 2010

Procurement Requirements for provision of Occupational Health Services to Leicester City Council

Report of the Strategic Director for Human Resources

1 PURPOSE OF THE REPORT

- 1.1 This report is submitted to obtain SMB and Cabinet approval to include the retender of Occupational Health Services (OHS) on the Council's Procurement Plan for 2010/2011. This re-tendering process is being considered on a regional basis with other local authorities as one of the Public Services Board's projects. It is a requirement under the Council's procurement processes that approval by SMB and Cabinet is required before it can be included on the Council's Procurement Plan. This project will also require approval under the Council's new procurement scrutiny process.

The Council is required to have in place a comprehensive range of occupational health services in order to be able to meet its common law and statutory duties of care for the health, safety and welfare of our employees in their working environment and to provide advice and medical assessments in relation to sickness management.

- 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, and
 - (b) To provide members with overview of significant procurement activity, as recommended by the District Auditor in his report on housing contracts.
- 1.3 The 2010/11 Procurement Plan was approved by Cabinet on 29th March 2010 and listed procurement exercises above the EU thresholds (currently, £156,442 for supplies and services and £3,927,260 for works). Leicester City Council's element of this joint procurement exercise would be approximately £651,000.

2 RECOMMENDATIONS

2.1 Cabinet is recommended to;

- a) **Note the requirement to continue to have in place a comprehensive range of occupational health services and,**
- b) **Approve the addition to the Corporate Procurement Plan as set out in the appendix of this report**

3. REPORT

Work is underway to undertake a potential joint procurement exercise under the auspices of the Public Services Board, with the support of ESPO, and in partnership with Leicestershire County Council and districts.

- 3.1 The City Council had intended to re tender for the Occupational Health Service contract in the year 2009/2010, but in the interests of collaborative working agreed to an extension to the current OHS provider with the County Council. This contract runs until 23rd March 2011. The retender timetable requires agreement on the key criteria and Invitation to Tender documentation by October 2010 in order to meet procurement rules.

4 CONSULTATION

- 4.1 Director of HR Services

5 FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1 Financial Implications

No financial implications arise directly from this report but from the procurement plan itself, as assessed in the tender process. See attached addition to the procurement plan.

5.2 Legal Implications

(Beena Adatia, Senior Solicitor/ Team Leader, ext 29 6378)

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.

5.3 Climate Change Implications

This report does not contain any significant climate change implications and therefore should not have a detrimental effect on the Council's climate change targets.

Helen Lansdown, Senior Environmental Consultant - Sustainable Procurement

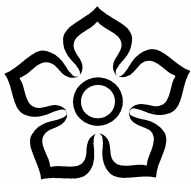
5.4 Other Implications

Other Implications	Yes/No	Paragraph/References Within Supporting information
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	
Elderly Persons/People on Low Incomes	No	
Corporate Parenting	No	

6 REPORT AUTHOR

Janice Millman
Deputy Head of Human Resources
39 5081

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

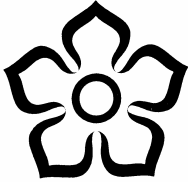


Leicester
City Council

Appendix

**LEICESTER CITY COUNCIL PROCUREMENT PLAN 2010/2011
FINANCIAL YEAR APRIL 2010 TO MARCH 2011**

Portfolio:	COMMUNITY COHESION AND HUMAN RESOURCES
Division:	Human Resources
Section:	Pay & Workforce Strategy
Name of Contract:	<i>Occupational Health</i>
Description of Contract:	Provision of a comprehensive range of occupational health services.
Expiry Date of existing Contract:	23 March 2010 extended to 23 March 2011 (Original contract extended to 23 March 2011 as joint re-tender process with other partners)
Anticipated start of new Contract:	24/03/2011
Duration of new Contract:	3yrs (+1 +1 years)
Value of new Contract:	£651,000 (£217,000 per annum over 3 years) –in relation to City council only
Lead Officer:	Fiona Skene



Leicester
City Council

WARDS AFFECTED

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:
Cabinet

2nd August 2010

AMENDMENT TO RESIDENTS PARKING PERMIT RULES

Report of the Director, Regeneration, Transport & Highways

1. Purpose of Report

- 1.1. This report clarifies the proposal to offer permits in residential parking areas, which was a matter of concern to OSMB, and seeks authority to open consultation.

2. Recommendations

- 2.1.
 - a) Cabinet agree to propose that visitor permits may be made available to the over 60s in residents parking areas free of charge, subject to consultation.
 - b) The amended document "Rules relating to the issue of Parking Permits within Leicester City" (Appendix 1) is to be submitted to public consultation.
 - c) Upon conclusion of the public consultation the Cabinet Lead for Regeneration, Transport & Highways to make a determination on the analysis under delegated powers.

3. Background

- 3.1. A review of the management and administration of residents parking permits has resulted in a number of proposals to vary the way in which residents' parking permits in Leicester are managed and administered.
- 3.2. In December 2009, the then Cabinet Lead for Highways & Transportation, agreed that Leicester City Council would simplify permissions authorised within the TRO to facilitate those improvements identified by the review.

4. Report

- 4.1. The substantive proposed rules, which will be the subject of public consultation, were contained within the attached report (Appendix 2) which was taken to the Overview Scrutiny & Management Board on 8th July 2010.

4.2. A copy of the minute extract of the OSMB meeting of 8th July 2010 is attached at Appendix 3.

4.3. In order to address the concerns of OSMB it is clarified that the proposal to offer residents over the age of 60 in residents parking areas free permits be limited to visitor permits only and is subject to public consultation.

5. Report Author

5.1. Sangita Pattni, Team Leader (Maintenance & Systems Support), Traffic Management Section, 394106

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



Rules relating to the issue of Residents Parking Permits within Leicester City

1) Introduction

Following a review of the management and administration of residents parking permits a number of changes have been identified as a way of reducing bureaucracy and the length of time it takes for a resident to obtain and renew permits.

2) Extent

In accordance with Section 8, Article 3 of the Leicester (Consolidated) Traffic Regulation Order 2006, as amended (the "TRO") this document contains the rules as to the issuing and use of permits and replaces from the effective date those as stated in the TRO. The changes in this document will take effect from the 1st November 2010.

3) General

i) 1.8 of Schedule 2, Section 1 of the TRO is replaced by the following:

(1) The maximum number of 48hr visitor parking permits a resident is permitted in any consecutive period of 7 days is 15. Permits can be obtained by post, in person by visiting one of the Council's Customer Service Centres or via on-street pay & display type machines (in available areas).

(2) 2hr free visitor permits will be available online and via on-street pay & display type machines (in available areas). The maximum number of 2hr permits a resident may obtain in a given period of 7 days is 15.

ii) Upon first application a residents parking permit shall be valid for a minimum period of 12 months from the date of issue. Subsequent renewals may be issued for up to 3 years upon payment of the correct fee for the term requested.

4) Disabled Badge Holders

1.6 of Schedule 2, Section 1 shall be amended to add the following "The holder of the disabled badge is not required to be the owner/driver of the vehicle. A member of the household who regularly drives the disabled badge holder will be entitled to a free residents parking permit provided the appropriate documentation is provided (as determined by the Council from time to time).

5) Over 60s

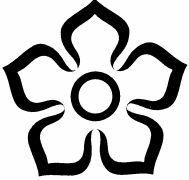
A resident over the age of 60 yrs is exempt from paying the fee for visitor parking permits determined from time to time by the Council (on provision of proof of relevant documentation).

6) Landlords

Non-resident landlords of vacant properties within designated residents parking zones can apply for a visitor permit in order that they may carry out necessary maintenance work on the property concerned. The Council reserves the right to retract this benefit should it be discovered that the use of visitor permits has been abused. The landlord must pay such fee as is determined from time to time by the Council for the visitor permit.

7) Discretionary Powers

The designated Traffic Manager as defined under the Traffic Management Act 2004 will have the power to issue permits by exception as appropriate subject to an annual review of such discretionary decisions being reported to the Council's Overview Scrutiny and Management Board (OSMB).



Leicester
City Council

WARDS AFFECTED
Type in Ward

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:
OSMB Agenda
OSMB

28th June 2010
8th July 2010

AMENDMENT TO RESIDENTS PARKING PERMITS RULES

Report of the Director, Regeneration, Highways and Transportation

1. Purpose of Report

- 1.1. To make OSMB aware of the proposals to introduce a variation permitted within the Leicester (Consolidated) Traffic Regulation Order 2006 As Amended (the TRO) as stipulated in Appendix 1, "Rules relating to the issue of Parking Permits within Leicester City".

2. Recommendations

- 2.1. The attached document "Rules relating to the issue of Parking Permits within Leicester City" is approved by the Cabinet Lead Member of Regeneration and Transport, taking into account comments from the Overview and Scrutiny Management Board (OSMB).
- 2.2. Councillors authority-wide are consulted on the document
- 2.3. Public consultation takes place on the proposed variations to the TRO prior to them being effected
- 2.4. Note that under delegated powers the decision making authority is delegated to the Cabinet Lead for Highways & Transportation.

3. Summary

- 3.1. The Parking Team has reviewed the way in which residents' parking permits in Leicester are managed and administered. There are a number of initiatives being considered to help minimise bureaucracy (particularly as far as the customer/resident is concerned) in the application process, management and administration of residents' parking permits.
- 3.2. In December 2009, the then Cabinet Lead for Highways & Transportation, agreed that Leicester City Council would simplify permissions authorised within the TRO to facilitate those improvements identified by the review. To that end Appendix 1 has been prepared in conjunction with the parking team, TRO team and Legal Services. Section 8 (Appendix 2) and Schedule 2 (Appendix 3) of the TRO are also attached for reference purposes.

- 3.3. These changes will support the development of standard operating procedures for the improvement of renewals of residents' permits and visitor permits as identified by the review aimed at improving the customer service experience.

4. Report

- 4.1. The TRO does not need to be amended because it includes within it Section 8, Article 3 which states "The Council may from time to time make rules as to the issuing and use of permits and permits issued will only be valid if issued and used in accordance with those rules as specified in schedule 2 of this Order". This report introduces new rules identified within that clause.
- 4.2. The change in the issue of permits proposed will attract the following benefits:
 - 4.2.1. Puts the resident in charge of who visits them by making visitor permits available in different ways i.e., by post, in person, online (when available) and pay & display type machines (where and when available);
 - 4.2.2. In the future contractors will not need to get separate permits because the resident will be able to authorise their parking
 - 4.2.3. Reduces the need for residents to attend Council offices to obtain permits;
 - 4.2.4. Free permits for the over 60s as part of the Council's commitment to this age group
 - 4.2.5. Making permits available to landlords
- 4.3. The new permissions proposed are:
 - 4.3.1. 2hr free permits available on-line (when available) and via pay & display type machines (where available);
 - 4.3.2. Free permits to the over 60s
 - 4.3.3. Permits available to landlords
 - 4.3.4. Provides discretionary powers to the Traffic Manager to issue permits by exception as appropriate

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1. Financial Implications

The 2010/11 budgeted income from residents parking is £32k. This change is expected to have minimal impact on this figure.

Paresh Radia, Finance, Ext 296507

5.2. Legal Implications

As stated at 4.1 of the report, the Traffic Regulation Order allows the Council to make rules regarding the issue of parking permits. These new rules, if agreed, will be the new rules as to which parking permits will be issued and will be updated or amended when necessary.

An element of the new rules that the Council could be challenged on is the free permits to over 60's, as this may seem unfair to other people seeking a permit. Therefore the Council will need to be able to justify the reasoning for its decision to give free permits to the over 60's

Jamie Guazzaroni, Legal Services, 296350

5.3. Climate Change Implications

None

6. Other Implications

OTHER IMPLICATIONS	YES/ NO	Paragraph/References Within Supporting information
Equal Opportunities	N	
Policy	Y	Appendix 1
Sustainable and Environmental	N	
Crime and Disorder	N	
Human Rights Act	N	
Elderly/People on Low Income	Y	5.2, Appendix 1
Corporate Parenting	N	
Health Inequalities Impact	N	

7. Consultations

7.1. Councillors authority-wide to be consulted

7.2. Public Consultation

8. Report Author

8.1. Sangita Pattni, Team Leader (Maintenance & Systems Support), Traffic Management Section, 394106

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Leicester
City Council

MINUTE EXTRACT

Minutes of the Meeting of the
OVERVIEW AND SCRUTINY MANAGEMENT BOARD

Held: THURSDAY, 8 JULY 2010 at 5.30pm

PRESENT:

Councillor Grant – Chair
Councillor Bhavsar – Vice-Chair

Councillor Bajaj
Councillor Newcombe
Councillor Suleman

Councillor Joshi
Councillor Scuplak

1. APOLOGIES FOR ABSENCE

There were no apologies for absence.

24. AMENDMENTS TO RESIDENTS PARKING PERMIT RULES

The Director, Regeneration, Highways and Transportation submitted a report that made the Board aware of the proposals to introduce a variation permitted within the Leicester (Consolidated) Traffic Regulation Order 2006 as Amended (the TRO) as stipulated in Appendix 1, “Rules relating to the issue of Parking Permits within Leicester City”.

An officer from Traffic Management was in attendance and introduced the report. She stated that the amendments to the residents parking rules were in part an attempt to reduce some of the bureaucracies of the scheme. It was also pointed out that the revised scheme allowed people over 60 to obtain a free parking permit.

In response to a query, it was confirmed to the Board that the revised scheme would lead to no increase in the cost of residents obtaining permits.

Concern was expressed around businesses such as restaurants, immediately affected by resident parking schemes. It was confirmed that additional permits were available for businesses such as garages etc, but the officer from Traffic Management agreed to look further into issues around businesses within such schemes.

A number of points were raised around the provision of free parking permits for those people over the age of 60. In particular, concerns were expressed around whether the Council could be legally challenged on the grounds of age discrimination. Members felt that it would be more logical for elderly retired people to be entitled to a free permit, but did not agree that all people over 60 should be entitled to free permits as many of these people remained in full-time employment. The officer from Traffic Management could not confirm how many free permits would be provided to those over 60 or the costs of doing so. Members felt that there were a significant number of people over 60 who would be entitled to a free pass, and were concerned that the potential loss of revenue to the City Council could lead to an increase in the price of parking permits in the future.

The Legal Officer present advised that no justification could be seen for allowing all people over 60 to be entitled to obtain a free parking permit. She advised that an equality impact assessment be carried out which assessed whether the scheme had a disproportionate effect on the elderly and infirm members of society.

A Member of the Young People's Council was invited to speak. He was of the view that the provision of free parking permits to all people over 60 was particularly unfair for younger people. He stated that people aged between 16 and 25 was the most highly populated age category of people living within Leicester, and that the majority of these people were either students, not in employment, or on a low income.

The Board agreed that a revised version of the report be brought to the Board that included statistics on the number of people over 60 who would potentially be entitled to a free pass and the related costs that would be incurred by the City Council. An equality impact assessment was also requested to be carried out. In light of the legal advice provided, the Board asked that officers and the Cabinet Lead Member reconsider whether free parking permits should be provided to all people over 60. The Board also requested that the Cabinet Lead Member for Regeneration and Transport be invited to the meeting that considers the revised report.

RESOLVED:

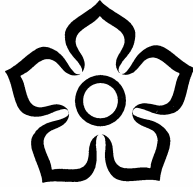
- (1) That a revised version of the report be requested to be brought to the Board that included statistics on the number of people over 60 who would potentially be entitled to a free pass and the related costs that would be incurred by the City Council.
- (2) That the revised version of the report includes an equality impact assessment which assesses

MINUTE EXTRACT

whether the scheme had a disproportionate effect on the elderly and infirm members of society.

- (3) That in light of the legal advice provided, the Board requests that officers and the Cabinet Lead Member reconsider whether free parking permits should be provided to all people over 60, and;
- (4) That the Cabinet Lead Member for Regeneration and Transport be invited to the meeting that considers the revised report.

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Leicester
City Council

WARDS AFFECTED
All Wards

STANDARDS COMMITTEE
CABINET

30TH JUNE 2010
12TH JULY 2010

CORPORATE GOVERNANCE: ANNUAL REPORT FOR 2009/10

REPORT OF THE DIRECTOR OF CORPORATE GOVERNANCE

1. PURPOSE OF REPORT

1.1 The purpose of this report is to:

- * Enable compliance with the requirements of the Council's Corporate Governance Code by carrying out an annual review of Corporate Governance arrangements for the year 2009/10;
- * Report the position regarding Local Government Ombudsman complaints;
- * Inform the Council's Annual Governance Statement which was reported to and approved by the Audit Committee on the 20th May and Cabinet in June and forms part of the Council's Statutory Statement of Accounts;
- * Gain support for the proposal to monitor implementation of action plans via quarterly performance management reporting.

2. SUMMARY

2.1 An annual review has been carried out in consultation with lead officers responsible for all key policies and procedures which form the Council's Corporate Governance Framework. Wherever possible assurances have been given but where this has not been possible an action plan has been presented with the aim of enabling assurance to be given within a reasonable timescale. The outcome is summarised in **Appendix 1**, attached, and shown in full in **Appendix 2 (this will be available on the intranet only for Standards Committee and Cabinet)**.

2.2 The Framework requires an annual self-assessment as to compliance with CIPFA/SOLACE's six core principles of good governance. See **Appendix 3**.

2.4 This report also summarises the position in respect of complaints to the Local Government Ombudsman during 2008/9. See **Appendix 4 and 5**. There have been no findings of maladministration during the year.

3. RECOMMENDATIONS

3.1 **Audit and Standards Committees** are asked to review the position as summarised in this annual report and to forward any comments to Cabinet for consideration.

3.2 **Cabinet is recommended to:**

3.2.1 Review the position as summarised in this annual report together with any comments received from Audit and Standards Committees; and

3.2.2 Authorise the Director of Legal Services to produce a final form of Corporate Assurance Statement in consultation with the Council's Leader and Chief Executive;

4. REPORT

4.1 **What do we mean by governance?**

Corporate Governance has been defined as "the system by which organisations are directed and controlled".

Every Council operates through a governance framework; the more effective the framework the more effective the Council will be as a community leader and deliverer of services.

CIPFA has stated that governance is "about how Local Government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

It comprises of systems and processes, and cultures and values, by which Local Government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities".

4.2 **The Authority's current Corporate Governance Code**

Leicester's well established Code was updated in 2008 to comply with CIPFA/SOLACE's most recent guidance in 2007, "Delivering Good Governance in Local Government".

The Framework has been enhanced to provide for an annual self assessment as to whether the Authority complies with CIPFA/SOLACE's six core principles of good governance:

- i. Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area;
- ii. Members and officers working together to achieve a common purpose with clearly defined functions and roles;

- iii. Promoting values for the Authority and demonstrating the values and good Governance through upholding high standards of conduct and behaviour;
- iv. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
- v. Developing the capacity and capability of members and officers to be effective;
- vi. Engaging with local people and other stakeholders to ensure robust public accountability;

The Code builds on the private sector's experience and makes use of a governance system to provide a framework of accountability as a basis for continuous improvement in the delivery of services.

4.3 **Annual Review 2009/10**

Lead officers have been appointed for all key policies and procedures, as set out in **Appendix 1**. They are responsible for satisfying themselves that the policies and procedures work properly in practice and must provide the necessary reports and assurance statements to enable the annual report to be co-ordinated.

The outcome of the Annual Review for 2008/9 is detailed in **Appendix 2 (available on the intranet only for Committees and Cabinet)** and the level of assurance given in respect of each Key Policy and Procedure is summarised in **Appendix 1**. A five category traffic light approach has been used i.e

- * Green
- * Green/amber
- * Amber
- * Amber/red
- * Red

“Green” means the standards have been met, compliance can be assured, and that the evidence of compliance can be provided by management.

“Green/amber” means controls sufficiently reduce the level of risk but there are some reservations; most risks are adequately managed for others there are minor issues that need to be addressed by management.

“Amber” means only some of the risks are adequately managed; for others there are significant issues that need to be addressed by management.

“Red/amber” means there are indications that the level of risk remains high and immediate action is required by management.

“Red” means the level of risk remains high and immediate remedial action is required by management.

Lead officers have been asked to complete the Annual Assurance Statements so that it is clearly linked to that of the previous year; to update action plans to show:

- * Tasks completed with completion date.
- * Tasks ongoing with a realistic target date.
- * Tasks that have been carried forward from one year to the next with an explanation of a realistic target date.
- * New tasks identified matched with a realistic target date.

There has also been a request for action plans to be prioritised, by showing the priority to be given for each action i.e. “high” (**H**), “medium” (**M**), or “low” (**L**).

The Director of Change and Programme Management has carried out an assessment of the Authority’s compliance with CIPFA/SOLACE’s Six Core Principles of Good Governance. See **Appendix 3**.

The Chief Executive is the officer responsible for signing off an “Annual Assurance Statement”, together with the Leader of the Council.

Oversight of the Council’s corporate governance arrangements is a function of Cabinet and also falls within the remit of the Audit and Standards Committees.

4.5 **Overall position and future development**

Wherever possible lead officers have provided assurances that procedures work properly in practice. Where they cannot give a full assurance an action plan has been produced with the aim of enabling assurance to be given within a reasonable timescale.

In a number of cases, assurances provided by a lead officer have been supported by assurances received from Service Departments.

The overall corporate position is positive, all assessments are shown as green, green/amber or amber. See the summary in **Appendix 1**.

Assurance statements have been given subject to implementation of action plans, so it is proposed that implementation be monitored as part of the quarterly performance reporting mechanism, significant delays to be reported by way of exception. Lead officers have been notified that they are required to produce their first progress report for Quarter 1 i.e. June, 2010.

4.6 **Comments of Audit Committee**

Audit Committee on the 20th May reviewed this report, noted the position but also asked that Cabinet consider what action was necessary in those areas where no progress had been made over the past three years and that consideration be given to the position regarding the Communication Strategy where no assurance had been given for 2009/10.

4.7 **CAA use of resource report – August, 2009**

In addition to providing a useful basis for ensuring improvement in performance, the Annual Corporate Governance review provides essential evidence for the CAA process.

The CAA use of resources report in August, 2009 noted significant progress but also identified areas for improvement which need to be addressed:

- * Ensure that all councillors are fully aware of ethical governance issues through a systematic, personalised programme.
- * Ensure that partnership governance arrangements are robust including dispute resolution procedures.

4.8 **Internal Audit**

Corporate Governance procedures are subject to annual scrutiny by internal audit. Each year to date the outcome has been positive, supported by recommendations for improvement which have been implemented. The 2009/10 review is currently subject to audit and any recommendations will be reported to Committees and Cabinet.

4.9 **Complaints to the Ombudsman**

A summary of Local Government Ombudsman complaints received from 1st April 2009 to 31st March 2010 is shown attached as **Appendix 4** including a comparison with the previous two years 2007/8 and 2008/9.

There have been no findings of maladministration in 2009/10 against the Council.

Appendix 5 is a comparison table Family Authorities for the years 2007/8, 2008/9 and 2009/10.

Local settlements: 12 complaints were closed as “local settlements” i.e. where a complaint does not warrant a full investigation by the Ombudsman or where it is not necessary to bring the matter to the public attention. In such cases the Council can initiate a local settlement by taking action or agreeing to take action which the Ombudsman considers to be satisfactory in the

circumstances. This can take the form of compensation or provide some other benefit for that person.

This is an increase compared to 9 complaints closed in this way during 2008/9.

A total of £39,756 compensation has been paid to complainants which is a dramatic increase compared to a total of £4,717.10 paid in 2008/9. However, this can be explained by the fact that £36,731 was paid in respect of one settlement.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1 Financial Implications

Covered in the report.

5.2 Legal Implications

Covered in the report

6. OTHER IMPLICATIONS

OTHER IMPLICATIONS	YES/NO	Paragraph references within supporting information
Equal Opportunities	Yes	E.g consultation strategy policy
Policy	Yes	E.g. partnership policies
Sustainable and Environmental	Yes	EMAS policy
Crime and Disorder	Yes	E.g. partnership policies
Human Rights Act	Yes	E.g. information governance
Elderly/People on Low Income	Yes	E.g. partnership policies

7. RISK ASSESSMENT MATRIX

See Appendices 1 and 2: all lead officers have provided assurance statements together with prioritised action plans.

8. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

Relevant legislation, national policies and guidance, the Council’s corporate rules, policies and standards referred to in this report.

9. CONSULTATIONS

Miranda Cannon, Perry Holmes, Jill Craig, John Doyle, Mark Bentley, Fiona Skene, James Royston, Carol Brass, Geoff Organ, Laurie Goldberg, Mark Noble, Tony Edeson, Rachel Dickinson, Andy Smith, Johanne Robbins.

5. REPORT AUTHOR

Peter Nicholls, Director of Legal Services, x6302

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

APPENDIX 1

(Page numbers refer to full document on insite only)

Page no.	KEY POLICIES AND PROCEDURES	LEAD OFFICER	ASSESS- MENT OF LEVEL OF OF ASSURANCE 07/08	ASSESS- MENT OF LEVEL OF OF ASSURANCE 08/09	ASSESS- MENT OF LEVEL OF OF ASSURANCE 09/10	SUMMARY POSITION
18	Consultation strategy	Director of Change and Programme Management	Green / amber	Green / Amber	Green / amber	The consultation toolkit continues to meet best practice.
21	Performance management framework	Director of Change and Programme Management	Amber	Green	Green	The Audit Commission have looked at performance management arrangements as part of the CAA assessment (including as part of a review of ODI) and have confirmed that the direction we are taking is positive.
24	Project management	Director of Change and Programme Management	Amber	Green	Green	A programme of assurance reviews across a sample of the Council's portfolio of programmes and projects is continuing. The process involves assurance of each project / programme against a "best practice" checklist with a report produced and action plans agreed. The lessons learnt from each 6 monthly programme of reviews are compiled and shared with senior officers and members. Directors receive reports from reviews conducted on projects / programmes in their portfolios.

Page no.	KEY POLICIES AND PROCEDURES	LEAD OFFICER	ASSESS- MENT OF LEVEL OF ASSURANCE 07/08	ASSESS- MENT OF LEVEL OF ASSURANCE 08/09	ASSESS- MENT OF LEVEL OF ASSURANCE 09/10	SUMMARY POSITION
						<p>The process provides a picture of the Council's overall performance in this area, and helps target future training and development activity.</p> <p>The Corporate Portfolio Management Office (CPMO) determine the programme in conjunction with Internal Audit and Corporate Risk Management.</p> <p>In addition the work on project and programme management has recently been reviewed by the Audit Commission in their review of the ODI programme overall. The report which was received in January 2010 confirmed that arrangements had significantly improved for project and programme management.</p>
28	Members' Code of Conduct and Political Conventions and Members support framework	Director of Corporate Governance	Green / amber	Green/Amber	Green / amber	<p>Good evidence of Members conducting business of Council according to law and Constitution. Monitoring Officer and Legal Officers providing support in meetings.</p> <p>Good evidence of Members acting within the Code of</p>

Page no.	KEY POLICIES AND PROCEDURES	LEAD OFFICER	ASSESS- MENT OF LEVEL OF ASSURANCE 07/08	ASSESS- MENT OF LEVEL OF ASSURANCE 08/09	ASSESS- MENT OF LEVEL OF ASSURANCE 09/10	SUMMARY POSITION
						<p>Conduct within the Chair of the Standards Committee annual report. Good profile for Standards Committee. Monitoring Officer has visible presence at key meetings to deal with conduct issues.</p> <p>Good evidence of good Officer/Member relations even during period of political change.</p> <p>Good evidence of effective constituency work by Councillors.</p> <p>Internal audit report into Members Allowances scheme did not indicate any instances of violation.</p>
31	The Council Constitution	Director of Legal Services	Green / amber	Green/Amber	Green / Amber	Assurance can be given in all areas subject to an improvement plan.
33	Information Governance	Director Information Support.	Amber	Amber / red	Amber ☺	<p>Assurance can be given in all areas covered by the central function.</p> <p>Assurance cannot be given at member level.</p> <p>All divisions now have reasonable compliance for Freedom of Information requests and much improved processes in place to deal with them. However "Reasonable compliance" is not legislative compliance required by law which entails 100% compliance. Many access to</p>

Page no.	KEY POLICIES AND PROCEDURES	LEAD OFFICER	ASSESS- MENT OF LEVEL OF ASSURANCE 07/08	ASSESS- MENT OF LEVEL OF ASSURANCE 08/09	ASSESS- MENT OF LEVEL OF ASSURANCE 09/10	SUMMARY POSITION
						<p>information requests have been answered outside of legal timescales; last year saw 23% answered outside the legislative timescales.</p> <p>Assurance cannot be given that Subject Access Requests are consistently being answered in time or in accordance with the law. The central function does not have oversight of these requests, and therefore cannot monitor or manage performance. The complaints procedure indicates that many Subject Access Requests are not answered within 40 calendar days. Some Staff seem unaware that they should charge £10 for requests and do not understand exemptions under the data protection Act 1998. An audit will be undertaken during the coming year to assess levels of compliance.</p> <p>A detailed Information Security work programme with SIRO oversight continues to improve the security condition across the information estate following two previous locally high profile incidents. Work covers both manual and electronic data and considers extensive dependencies. Through</p>

Page no.	KEY POLICIES AND PROCEDURES	LEAD OFFICER	ASSESS- MENT OF LEVEL OF ASSURANCE 07/08	ASSESS- MENT OF LEVEL OF ASSURANCE 08/09	ASSESS- MENT OF LEVEL OF ASSURANCE 09/10	SUMMARY POSITION
						<p>independent external assessment connectivity to GCSx has been gained and PCI compliance recognised.</p> <p>The number of Access to information requests continue to increase with a 25% increase being recorded for the first quarter of 2010 for Freedom of Information requests. Requests continue to be considerably more complex. An increase in numbers and complexity has seen a knock on effect of more appeals being submitted, putting a resource pressure on the central team.</p> <p>Information Sharing Agreements are positively being put in place across the Council, although there are still some areas where staff still claim to be unaware of the need for a legal basis to share information.</p>
39	Communication strategy	Chief Executive (Mark Bentley)	Red / amber	Amber	Amber	The review of the Communications function is now underway – the strategy will be completed by April 2011.
41	Partnership policies	Director of Change and Programme Management	Green / amber	Green	Green	<p>The Council has adopted a governance framework for major partnerships.</p> <p>Internal Audit are currently conducting a review of</p>

Page no.	KEY POLICIES AND PROCEDURES	LEAD OFFICER	ASSESS- MENT OF LEVEL OF ASSURANCE 07/08	ASSESS- MENT OF LEVEL OF ASSURANCE 08/09	ASSESS- MENT OF LEVEL OF ASSURANCE 09/10	SUMMARY POSITION
						partnership arrangements, and will continue to audit the Local Area Agreement and Area Based Grant as key performance management and resource allocation arrangements within the Leicester Partnership.
44	Effective Human Resource Policies	HR Director	Green / amber	Green / Amber	Green / amber	A new 'pay and workforce strategy' for the organisation was agreed by CDB in late 09/10. An action plan for the strategy's implementation was developed and approved by members and progress against the action plan has been reviewed by Performance and Best Value Committee. Good progress has been made against the action plan particularly in relation to single status.
49	Whistle blowing	HR Director	Green / amber	Green / Amber	Green / amber	The Council has a whistleblowing policy and the associated processes for proper handling of disclosure in place. Periodic awareness raising of the policy is undertaken. The existing policy subject to formal agreement to reflect concerns raised by External Audit. However, a new

Page no.	KEY POLICIES AND PROCEDURES	LEAD OFFICER	ASSESS- MENT OF LEVEL OF ASSURANCE 07/08	ASSESS- MENT OF LEVEL OF ASSURANCE 08/09	ASSESS- MENT OF LEVEL OF ASSURANCE 09/10	SUMMARY POSITION
						modernised policy is currently being written.
50	Code of Conduct (officers)	HR Director	Green / amber	Green / Amber	Green / amber	Current code works well. However, a new modernised code is being written.
51	EMAS	Strategic Director of Development, Culture and Regeneration	Green / amber	Green / Amber	Green / amber	November 2009 Verification The annual verification of the Council's EMAS system (including schools) was undertaken by LRQA, the Council's external verifiers, during November 2009. LRQA raised nine minor non-conformities and two minor non-conformities from previous visits were left open. Two of the new minor non-conformities are specific to schools. No major non-conformities were raised during the visit so EMAS re-registration proceeded immediately.
56	Procurement strategy	Chief Finance Officer	Green / amber	Green	Amber ⊕	A Contract Management and Procurement Improvement Plan is being implemented on target.
57	Contract Procedure Rules	Chief Finance Officer	Green / amber	Green	Green	CPRs re-written and simplified. Approved by Council. A further review will be carried out once a decision on the introduction of Category Management has taken place.
58	Anti-fraud and corruption	Chief Finance Officer	Green / amber	Green	Green	The Anti-Fraud and Corruption Policy was reviewed and updated by the Audit Committee on 22 nd June 2009. There is an increasing trend of referrals to the

Page no.	KEY POLICIES AND PROCEDURES	LEAD OFFICER	ASSESS- MENT OF LEVEL OF ASSURANCE 07/08	ASSESS- MENT OF LEVEL OF ASSURANCE 08/09	ASSESS- MENT OF LEVEL OF ASSURANCE 09/10	SUMMARY POSITION
						<p>Corporate Counter-Fraud Team and improved performance by the HB Counter-Fraud Team in terms of its position relative to other Unitary Authorities. (There are currently no national performance measures for either element of Counter-Fraud work.</p> <p>The programme of fraud awareness training is progressing well and fraud awareness training is increasingly being targeted at key risk areas of Council business.</p> <p>The Council participates in the National Fraud Initiative and the most recent exercise identified minimal issues for further investigation.</p> <p>On the basis of the above significant assurance can be provided that the Policy is effective in managing the risk of fraud. Further developments planned include use of new systems to capture outcomes in a systematic way to provide benchmark information on the effectiveness of our investigation work.</p>
61	Risk management strategy	Chief Finance Officer	Green	Green / amber	Green / amber	A Corporate Risk Management strategy and action plan was approved by Cabinet on 30 November 2008 and endorsed by the Audit Committee on 3 February 2010.

Page no.	KEY POLICIES AND PROCEDURES	LEAD OFFICER	ASSESS- MENT OF LEVEL OF ASSURANCE 07/08	ASSESS- MENT OF LEVEL OF ASSURANCE 08/09	ASSESS- MENT OF LEVEL OF ASSURANCE 09/10	SUMMARY POSITION
						<p>One of the actions is to replace the old Corporate Risk Register (agreed at Cabinet in January 2009) with Operational and Strategic Risk registers that better reflect the new structure of the Council. These are planned to be in place by the end of April 2010.</p> <p>Assurances that this strategy is being complied with is derived from the formal consideration of risks at departmental management team level, Operational Directors Board and Strategic Management Board. There is considerable evidence that risk management is becoming better embedded in the authority, based on the identification of issues for which support is sought. This position should be enhanced following the launch in March 2010 of the RMIS training programme for 2010.</p>

Page no.	KEY POLICIES AND PROCEDURES	LEAD OFFICER	ASSESS- MENT OF LEVEL OF ASSURANCE 07/08	ASSESS- MENT OF LEVEL OF ASSURANCE 08/09	ASSESS- MENT OF LEVEL OF ASSURANCE 09/10	SUMMARY POSITION
64	Effective administration of financial affairs (Finance Procedure Rules and associated guidance)	Chief Finance Officer	Green	Green/amber	Green ☺	<p>A framework exists through finance procedure rules which is fit for purpose. Audit testing suggests minor non-compliance is still tolerated in too many instances but that the position has improved as indicated from levels of assurance from arising from Internal Audit's work during 2009/10.</p> <p>FMSIS audits suggest continuing improvement in schools.</p>
66	Health and safety policy	HR Director	Green / amber	Green / Amber	Green / amber	<p>The corporate H&S report and action plan ensures that senior management are aware that senior managers are aware of current H&S performance, key H&S challenges. HSE interventions throughout the organisation and priority actions for the coming year.</p> <p>A head of profession for the H&S function is in place.</p>
71	Safeguarding Children	Strategic Director of Children	Green	Green / Amber	Green / Amber	<p>Well embedded safer recruitment procedures across the council & preparations in place for new ISA arrangements. 09/10 has seen a significant increase in referrals to children's social</p>

Page no.	KEY POLICIES AND PROCEDURES	LEAD OFFICER	ASSESS- MENT OF LEVEL OF ASSURANCE 07/08	ASSESS- MENT OF LEVEL OF ASSURANCE 08/09	ASSESS- MENT OF LEVEL OF ASSURANCE 09/10	SUMMARY POSITION
						<p>care & child protection activity, which continues to place additional pressure on front line services. However, no priority areas for action were identified from unannounced inspection completed by Ofsted in Aug 09. Safe disaggregation of the former tripartite LSCB to a city LSCB. The division has an action plan in place covering all key priorities over the next 12 months. This includes implementing recs arising from Lord Laming's report which includes the new Working Together guidance, recs from the Social Work Taskforce Report, all of which is challenging due to issues of limited capacity and resources.</p>

APPENDIX 2 AVAILABLE ON INSITE ONLY

GOOD GOVERNANCE IN LOCAL GOVERNMENT – LEICESTER CITY COUNCIL

SUPPORTING PRINCIPLES	LOCAL AUTHORITY REQUIREMENTS
<p>1. Focusing on the purposes of the Authority and on outcomes for the community and creating and implementing a vision for the local area.</p>	
<p>1.1 Exercising strategic leadership by developing and clearly communicating the Authority’s purpose and vision and its intended outcome for citizens and service users.</p>	<p>(a) Develop and promote the Authority’s purpose and vision. (b) Review on a regular basis the Authority’s vision for the local area and its implications for the Authority’s governance arrangements. (c) Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all partners. (d) Publish an annual report on a timely basis to communicate the Authority’s activities and achievements, its financial position and performance.</p>
<p>1.2 Ensuring that users receive a high quality of service whether directly or in partnership or by commissioning.</p>	<p>(a) Decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available. (b) Put in place effective arrangements to identify and deal with failure in service delivery.</p>
<p>1.3 Ensuring that the Authority makes best use of resources and that tax payers and service users receive excellent value for money.</p>	<p>(a) Decide how value for money is to be measured and make sure that the Authority or partnership has the information needed to review value for money and performance effectively. Measure the environmental impact of policies, plans and decisions.</p>

WHERE ARE WE NOW?	ACTION PLANNED	RESPONSIBILITY	TIMESCALE
<p>1.1 One Leicester remains the overarching vision & direction for the City. State of the City report reviews the current position of the city and has informed the Corporate plan for 2010/11 – 12/13 approved by Council in March 2010. Response to CAA has resulted in an action plan focused on delivering outcomes through improved partnership working.</p>	<p>Implementation of the CAA action plan to drive improvements in relation to Partnerships.</p> <p>As above</p>	<p>Director of Change & Programme Management</p>	<p>June 2010</p>
<p>1.2 CAA service scores in the organisational assessment are at 2 out of 4 for managing performance and overall the Council is rated as adequate. Organisational Development and Improvement Plan 2010/11 approved by Cabinet in March 2010 which aims to deliver One Excellent Council scoring a 4 by 2012. New performance management framework agreed by SMB in March 2010 to support delivery of improvements.</p>	<p>Delivering the priorities set out in the 2010/11 Organisational Development and Improvement Plan.</p> <p>Implementation of the performance management framework.</p>	<p>Director of Change & Programme Management</p> <p>Director of Change & Programme Management</p>	<p>Ongoing – to achieve excellence by 2012.</p> <p>April 2010</p>

<p>1.3 Managing resources judgement in the organisational assessment indicates that the council regularly operates above minimum standards (3) with an adequate Value for Money rating. Efficiencies described in the ODI plan for 2010/11.</p>	<p>As above</p>	<p>As above</p>	<p>As above</p>
<p>2. members and officers working together to achieve a common purpose with clearly defined functions and roles</p>			
<p>2.1 Ensuring effective leadership throughout the Authority and being clear about executive and non-executive functions and the roles and responsibilities of the scrutiny function.</p>	<p>(a) Set out a clear statement of the respective roles and responsibilities of the executive and of the executive's members individually and the Authority's approach towards putting this into practice. (b) Set out a clear statement of the respective roles and responsibilities of other Authority members, members generally and senior officers.</p>		
<p>2.2 Ensuring that a constructive working relationship exists between Authority members and officers and that the responsibilities of members and officers are carried out to a high standard.</p>	<p>(a) Determine a scheme of delegation and reserve powers within the constitution, including a formal schedule of those matters specifically reserved for collective decision of the Authority, taking account of relevant legislation and ensure that it is monitored and updated when required. (b) Make a Chief Executive or equivalent responsible and accountable to the Authority for all aspects of operational management. (c) Develop protocols to ensure that the Leader and Chief Executive (or equivalent) negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained. (d) Make a senior officer (the S151 officer) responsible to the Authority for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts and for maintaining an effective system of internal financial controls. (e) Make a senior officer (usually the Monitoring Officer) responsible to the</p>		

	<p>Authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.</p>
<p>2.3 Ensuring relationships between the Authority, its partners and the public are clear so that each knows what to expect of the other.</p>	<p>(a) Develop protocols to ensure effective communication between members and officers in their respective roles.</p> <p>(b) Set out the terms and conditions for remuneration of members and officers and an effective structure for managing the process, including an effective remuneration panel (if applicable).</p> <p>(c) Ensure that effective mechanisms exist to monitor service delivery.</p> <p>(d) Ensure that the organisation's vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated.</p> <p>(e) When working in partnership, ensure that members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the Authority.</p> <p>(d) When working in partnership:</p> <ul style="list-style-type: none"> - ensure that there is clarity about the legal status of the partnership. - ensure that representatives of organisations both understand and make clear to all other partners the extent of their Authority to bind their organisation to partner decisions.

WHERE ARE WE NOW?	ACTION PLANNED	RESPONSIBILITY	TIMESCALE
2.1 Constitution and scheme of delegation were revised to reflect the new organisational structures.	Review scheme of delegation to ensure it supports timely & effective decision making	Director of Corporate Governance	June 2010
Roles descriptions being drafted for all councillor positions.	Finalise descriptions through the member development forum.	As above	July 2010
2.2 These protocols exist and the roles are identified in the existing structure.	As above	As above	June 2010
2.3 a & b – these protocols and terms exist.			
2.3 c & d – Quarterly performance monitoring is in place to the Partnership, SMB, Priority Boards and Operational Board, and to Scrutiny. This is confirmed in the agreed performance management framework. ODI Plan includes a priority to continue to improve performance management.	Deliver ODI priority to further improve performance management	Director of Change & Programme Management	March 2011
2.3 e & f - Leicester Partnership agreed its current constitution in September 2009. The constitution sets out the aims and objectives, membership rules and process for making decisions.	Deliver CAA action plan which includes actions to ensure the partnership is fit for purpose through a review of structures and membership, development of a clear scheme of delegation for decision making & development of a protocol setting out the role of the City Council in relation to the Partnership	Director of Change & Programme Management	June 2010

3. Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.	
<p>3.1 Ensuring Authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance.</p>	<p>(a) Ensure that the Authority’s leadership sets a tone for the organisation by creating a climate of openness, support and respect.</p> <p>(b) Ensure that standards of conduct and personal behaviour expected of members and staff, of work between members and staff and between the Authority, its partners and the community are defined and communicated through codes of conduct and protocols.</p> <p>(c) Put in place arrangements to ensure that members and employees of the Authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice.</p>
<p>3.2 Ensuring that organisational values are put into practice and are effective.</p>	<p>(a) Develop and maintain shared values including leadership values for both the organisation and staff reflecting public expectations, and communicate these with members, staff the community and partners.</p> <p>(b) Put in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice.</p> <p>(c) Develop and maintain an effective standards committee.</p> <p>(d) Use the organisation’s shared values to act as a guide for decision making and as a basis for developing positive and trusting relationship within the Authority.</p> <p>(e) In pursuing the vision of a partnership, agree a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners’ behaviour both individually and collectively.</p>

WHERE ARE WE NOW?	ACTION PLANNING	RESPONSIBILITY	TIMESCALE
3.1 A Code of Conduct is in place and 'One Leicester' sets out the culture for public services aspired to by the Council and its partners .	Review and refresh the approach and offer in relation to member development to ensure members understand their roles & responsibilities and are effectively supported	Director of Corporate Governance	September 2010
3.2 Values are set out in One Leicester and are shared across the Leicester Partnership. The Standards Committee has been reconstituted.	As above	As above	As above
4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.			
4.1 Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny.	(a) Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the Authority's performance overall and that of any organisation for which it is responsible. (b) Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based. (c) Put in place arrangements to safeguard members and employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice. (d) Develop and maintain an effective audit committee (or equivalent) which is independent of the executive and scrutiny functions or make other appropriate arrangements for the discharge of the functions of such a committee. (e) Ensure that effective, transparent and accessible arrangements are in		

	place for dealing with complaints.
4.2 Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs.	<p>(a) Ensure that those making decisions whether for the Authority or the partnership are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications.</p> <p>(b) Ensure that proper professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately.</p>
4.3 Ensuring that an effective risk management system is in place.	<p>(a) Ensure that risk management is embedded into the culture of the Authority, with members and managers at all levels recognising that risk management is part of their jobs.</p> <p>(b) Ensure that effective arrangements for whistle blowing are in place to which officers, staff and all those contracting with or appointed by the Authority have access.</p>
4.4 Using their legal powers to the full benefit of the citizens and communities in their area.	<p>(a) Actively recognising the limits of lawful activity placed on them by, for example, the ultra vires doctrine but also strive to utilise their powers to full benefit of their communities.</p> <p>(b) Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on Authorities by public law.</p> <p>(c) Observe all specific legislative requirements placed upon them as well as the requirements of general law, and in particular to integrate the key principles of good administrative law</p> <ul style="list-style-type: none"> - rationally, legally and natural justice. - into their procedures and decision making processes.

WHERE ARE WE NOW?	ACTION PLANNED	RESPONSIBILITY	TIMESCALE
4.1 These arrangements and functions are in place.	Continue to consider arrangements and effectiveness	Director of Corporate Governance	Ongoing
4.2 Structure of formal reports has been reviewed and guidance produced to ensure they are robust and evidence based. Reports on which decisions are made are required to set out legal and financial implications provided by the relevant professional officers.	Communicate and embed the guidance	Director of Change and Programme Management	June 2010
4.3 Risk management arrangements have been reviewed to align with the new organisational structures to include strategic and operational risk registers. Risk management training is in place. The Council has a whistleblowing policy & procedure in place.	Continue to embed the revised risk management arrangements.	Corporate Risk Manager	Ongoing
4.4. These principles are followed for the benefit of communities.			
5. Developing the capacity and capability of members and officers to be effective.			
5.1 Making sure that members and officers have the skills, knowledge, experience and resources they need	(a) Provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a		

<p>to perform well in their roles.</p>	<p>regular basis. (b) Ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the Authority.</p>
<p>5.2 Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group.</p>	<p>(a) Assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively. (b) Develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed. (c) Ensure that effective arrangements are in place for reviewing the performance of the executive as a whole and of individual members and agreeing an action plan which might, for example, aim to address any training or development needs.</p>
<p>5.3 Encourage new talent for membership of the Authority so that best use can be made of individual's skills and resources in balancing continuity and renewal.</p>	<p>(a) Ensure that effective arrangements are in place designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the Authority. (b) Ensure that career structures are in place for members and officers to encourage participation and development.</p>

WHERE ARE WE NOW?	ACTION PLANNED	RESPONSIBILITY	TIMESCALE
<p>5.1 Induction for staff and managers has recently been revised and strengthened. A review to test the effectiveness of the new arrangements has been undertaken and findings are being acted on. A further review is planned later in 2010 to ensure the arrangements continue to be fit for purpose. Induction for members is in place but requires review.</p>	<p>Review and refresh the approach and offer in relation to member development to ensure members understand their roles & responsibilities and are effectively supported</p>	<p>Director of Corporate Governance</p>	<p>September 2010</p>
<p>5.2 The appraisal scheme for officers is being redeveloped to a competency based approach and which better links incremental pay progression to a positive appraisal. Working towards the IDEA member development charter. All Elected Members who elected to opt-in to sessions issued with Personal Development Plans. 70% of Elected Members participated.</p>	<p>As above</p>	<p>As above</p>	<p>As above</p>
<p>5.3 Structures and resources for community engagement are being reviewed as part of the Support Services Transformation. The Council is also focused on embedding strategic commissioning to include robust analysis and understanding of the needs of communities.</p>	<p>Deliver ODI priorities relating to support service transformation and strategic commissioning in the ODI Plan</p>	<p>Director of Change & Programme Management</p>	<p>March 2011</p>

6. Engaging with local people and other stakeholders to ensure robust public accountability	
<p>6.1 Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships.</p>	<p>(a) Make clear to themselves, all staff and the community to whom they are accountable and for what. (b) Consider those institutional stakeholders to whom the Authority is accountable and assess the effectiveness of the relationships and any changes required. (c) Produce an annual report on the activity of the scrutiny function.</p>
<p>6.2 Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the Authority, in partnership or by commissioning.</p>	<p>(a) Ensure clear channels of communication are in place with all sections of the community and other stakeholders and put in place monitoring arrangements and ensure that they operate effectively. (b) Hold meetings in public unless there are good reasons for confidentiality. (c) Ensure that arrangements are in place to enable the Authority to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands. (d) Establish a clear policy on the types of issues they will meaningfully consult on or engaged with the public and service users about including a feedback mechanism for those consultees to demonstrate what has changed as a result. (e) On an annual basis publish a performance plan giving information on the Authority's vision, strategy plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period. (f) Ensure that the Authority as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so.</p>

<p>6.3 Making best use of human resources by taking an active and planned approach to meet responsibility to staff.</p>	<p>(a) Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making.</p>		
<p>WHERE ARE WE NOW?</p>	<p>ACTION PLANNED</p>	<p>RESPONSIBILITY</p>	<p>TIMESCALE</p>
<p>6.1 A Scrutiny annual report was prepared and published to reflect the work of scrutiny which was undertaken during 2008/09.</p>	<p>Develop and publish the Scrutiny annual report for work undertaken during 2009/10.</p>	<p>Director of Corporate Governance</p>	<p>July 2010</p>
<p>6.2 The ODI Plan includes a clear priority to develop strategic commissioning. As part of this the approach to consulting and engaging communities in the commissioning cycle is being reviewed and strengthened. The consultation toolkit continues to be revised and updated and consultation work is co-ordinated across the Council. Support service transformation will strengthen the structures and resources which support this work.</p>	<p>Deliver ODI priorities relating to support service transformation and strategic commissioning in the ODI Plan</p>	<p>Director of Change & Programme Management</p>	<p>March 2011</p>
<p>6.3 Framework for relationships with Trade Unions has been revised in light of the new organisational arrangements. The ODI programme has placed a strong emphasis on developing internal communications with staff. A staff survey has been conducted and the findings published.</p>	<p>Embed the new framework for TU relations. Deliver the action plan from the staff survey which includes a focus on listening and engaging with staff.</p>	<p>Director of Human Resources Senior Leadership Team (SMB / Divisional Directors / Heads of Service)</p>	<p>Ongoing March 2011</p>

LOCAL GOVERNMENT OMBUDSMAN COMPLAINTS

COMPLAINTS RECEIVED			
	0708	08/9	09/10
Complaints received	130	136	117
Complaints closed	109	117	108
Complaints closed – less premature	70	73	71
Complaints open at year end 31 March 2008	21	19	9

	07/08	08/09	09/10
Chief Executive	0	0	0
R&C	18	29	24
C&YPS	18	17	17
Adults and Housing	88	88	73
Resources	6	2	3
<i>TOTAL</i>	130	136	117

Divisional Breakdown	09/10
Adult Services	6
Chief Executive's Office	0
Corporate Governance	3
Environmental Services	6
Financial Services	15
Housing Services	43
Housing Strategy	6
Learning Environment	2
Learning Services	8
Planning & Economic Development	5
Regeneration, Transport & Highways	9
Social Care & Safeguarding	13
Older Persons Services	1
Total	117

LOCAL GOVERNMENT OMBUDSMAN COMPLAINTS			
BREAKDOWN OF OUTCOMES			
	07/08	08/09	09/10
No Maladministration	30(28%)	35(30%)	30
Local Settlement	14(13%)	10(8%)	20
Outside Jurisdiction	10(9%)	8(7%)	12
Ombudsman's Discretion*	15(14%)	20(17%)	9
Premature	39(35%)	44(38%)	37
Discontinued/Withdrawn	1(1%)	0	0
Maladministration found	0	0	0
Total	109	117	108

*complaints described as Ombudsman's Discretion are those which have been terminated for reasons other than that there was no evidence of maladministration or that the complaint was locally settled. For example, a complaint might be terminated because the complainant wishes to withdraw his/her complaint.

LOCAL GOVERNMENT OMBUDSMAN COMPLAINT OUTCOMES BY DIVISION 2009/2010								
	NM	LS	OJ	OD	MI	P	W	TOTAL
Adult Services	4					1		5
Chief Executive's Office						0		0
Corporate Governance		1	1	1				3
Environmental Services	3					3		6
Financial Services	3	3		3		4		13
Housing Services	12	10	3	1		10		36
Housing Strategy	1		2			6		9
Learning Environment	1					1		2
Learning Services	4	1	0					5
Planning & Economic Development		2	2			2		6
Regeneration, Transport & Highways		1	2	3		2		8
Social Care & Safeguarding	2	1	2	1		8		14
Older Persons Services		1						1
Total	30	20	12	9		37		108

NM No Maladministration

LS Local settlement

OJ Outside Jurisdiction

OD Ombudsman Discretion

MI Maladministration & Injustice

P Premature (opportunity to put the complainant through our 3 stage complaint procedure **NOT** recorded in the Ombudsman's year end figures.

The total amount paid out in Local Settlement payments was
£39406.00 detailed below:

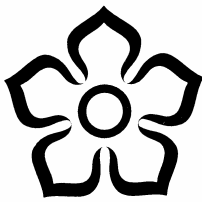
Department	Ref No	Subject	Compensation
Planning & Economic Development	07/14792	Failed to take action to enforce planning permission	£750.00
	07/11511	Failed to take action to enforce planning permission	£250.00
			Total: £1000.00
Housing Services	08/016574	Delay in completing repairs	£150.00
	09/019561	Failure to keep the tenant informed of planned works to windows and doors	£100.00
	09/014307	Delay in completing repairs	£200.00
	09/012963	Carrying out repairs that were defective	£125.00
			Total: £575.00
Financial Services	08/012765	Recovery action for Council Tax	£250.00
	08/010787	Incorrectly amended the complainants rent account	£250.00
			Total: £500.00
Housing Strategy	09/007837	Failure to take appropriate action to deal with serious racial harassment and ASB	£350.00
			Total: £350.00
Adult Services	09/004883	Failings in respect of the implementation and review of Section 17 and after care for part of which was overcharged	£36731.00
			Total: £38256.00
Social Care & Safeguarding	09/10623	Failure to invite the complainant to LAC meetings	£250.00
			Total: £250.00
			Total: £39406.00

**Complaints – Findings of Maladministration
Comparison Table of Family Authorities**

Authority	07/08		08/09		09/10	
	Findings of Maladministration	Total No. of complaints	Findings of Maladministration	Total No. of complaints	Findings of maladministration	Total No. of complaints
Leicester	0	94	0	78	Figures not released by the LGO until July 2010	Figures not released by the LGO until July 2010
Birmingham	0	386	0	303		
Blackburn with Darwen	0	41	0	31		
Bolton	0	54	0	48		
Bradford	1	80	1	72		
Bristol	3	116	30	120		
Coventry	1	59	0	47		
Derby	0	37	0	30		
Dudley	6	71	0	55		
Kingston-upon-Hull	0	63	0	57		
Nottingham	1	74	0	60		
Plymouth	1	54	1	59		
Portsmouth	0	37	1	35		
Southampton	0	41	0	27		
Wolverhampton	1	40	0	51		

These figures do not include complaints which are 'premature'. That is complaints which the authority has not had an opportunity to deal with.

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Leicester
City Council

Minutes of the Meeting of the
STANDARDS COMMITTEE

Held: WEDNESDAY, 30 JUNE 2010 at 5:30 pm

P R E S E N T:

Mrs Sheila Brucciani (Independent Member) - Chair

Ms Mary Ray

Independent Member

Councillor Draycott

Councillor Porter

Councillor Thomas

* * * * *

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Clair, Keeling and Potter.

2. DECLARATIONS OF INTEREST

Members were asked to declare any interests they may have in the business on the agenda and/or declare if Section 106 of the Local Government Finance Act 1992 applied to them. No such declarations were made.

9. CORPORATE GOVERNANCE: ANNUAL REPORT FOR 2009/10

The Director of Corporate Governance submitted a report regarding issues relating to the Corporate Governance Annual Report for 2009/10.

It was queried whether the Council had carried out the requirements of the Economic Development and Construction Act with regard to Scrutiny. It was noted that the Audit Commission felt that the Council's Scrutiny arrangements were not adequate, and action was being taken to remedy this.

With regard to Freedom of Information Act (FOIA) requests, it was suggested that encouragement for Local Authorities to publish more information on their websites, such as any item of expenditure over £500, could reduce the number of FOIA requests. However, it was noted that it could also encourage further requests.

Members considered the issue of whistleblowing, noting that all requests were handled by the Director of Corporate Governance. It was unclear why the Audit Commission felt that it was not fully green.

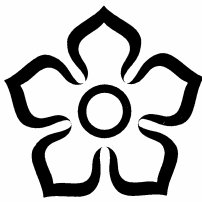
A request was made for details regarding a particularly large Local Settlement payment within Adult Services, as Members wished to know whether lessons had been learnt and appropriate action taken. The high number of complaints within Adults and Housing was highlighted, but it was noted that these service areas would always generate more complaints due to the nature of the business. The Director of Corporate Governance agreed to provide details to the Committee.

Members queried why the Code of Conduct for officers was not assessed as green, as it was noted as working well. It was reported that it had been recognised that there was a potential period of political flux and maintaining training, raising the Standards profile and good officer/Member relationships would reduce any risk. Members also stated that there was currently no Standards input into the Partnership policies, and this should be actioned.

Members stated that they felt that the procurement strategy should be treated as a priority to move from amber, as value for money was important. It was reported that a procurement officer was working on the matter and it was viewed as a priority. Saving money was seen to be a way of avoiding staff loss.

RESOLVED:

That the Standards Committee recommends to Cabinet that it considers the areas of concern of the Standards Committee, as minuted.



Leicester
City Council

Minutes of the Meeting of the
AUDIT AND RISK COMMITTEE

Held: THURSDAY, 20 MAY 2010 at 5.30pm

P R E S E N T :

Councillor Johnson (Chair)
Councillor Chowdhury (Vice Chair)

Councillor Bhavsar

Councillor Desai

Councillor Senior

* * * * *

67. APOLOGIES FOR ABSENCE

No apologies for absence were received.

68. DECLARATIONS OF INTEREST

Members were requested to declare any interests they may have in the business on the agenda and/or indicate if Section 106 of the Local Government Finance Act 1992 applied to them.

Councillor Senior declared a personal interest in items on the agenda as her partner was a City Council employee. Councillor Choudhury declared a personal interest in items on the agenda as his son was a teacher employed by the City Council.

70. CORPORATE GOVERNANCE: ANNUAL REPORT FOR 2009/10

A report and presentation of the Director of Corporate Governance was received which gave details of the results of the annual review of the key policies and procedures which form the Council's Corporate Governance Framework. The Framework required annual self-assessment to assess compliance against the CIPFA/SOLACE six core principles of good governance. It was noted that the overall position was positive with all assessments green or green/amber though constant change to aspects such as the Constitution meant that there was always change required and so was difficult to reach the highest levels of assurance.

Appendices to the report summarised the position, gave full details of action against each requirement, the core principles and summarised the position in respect of complaints to the Local Government Ombudsman. It was noted that

there had been no findings of maladministration from the Ombudsman during the year 2009/10 though the number of local settlements had increased with a considerable increase in payments made, though much of the increase in costs related to one particular case. For future years it was stated that lead officers would prepare updates quarterly with reports required for Senior Management Board where progress slipped.

Members noted that a number of policies didn't show improvement since the period 2007/08 and referred to Communications Strategy which remained at Amber. In response it was noted that the Communications Strategy was currently awaiting development. The changes to Standards processes proposed by Government were also noted.

RESOLVED that:

1. the position summarised in the annual report be noted;
2. Cabinet be requested to consider what action was necessary in those areas where no progress had been made; and
3. Cabinet be requested to consider the position regarding the Communication Strategy where no assurance was able to be given.