



Leicester
City Council

Minutes of the Meeting of the
CABINET

Held: MONDAY, 6 SEPTEMBER 2010 at 1:00 pm

P R E S E N T:

Councillor Patel - Chair
Councillor Dempster - Vice-Chair

Councillor Bhatti
Councillor Naylor
Councillor Palmer
Councillor Wann

Councillor Dawood
Councillor Osman
Councillor Russell
Councillor Westley

ALSO IN ATTENDANCE

Councillor Coley
Councillor Grant
Councillor Hall

Liberal Democrat Group Leader
Conservative Group Leader
Representing the Regeneration
and Transport Task Group
Leader

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64. APOLOGIES FOR ABSENCE

There were no apologies for absence.

65. 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.

Councillor Westley declared a personal, non-prejudicial interest in Item 13, Any Other Urgent Business: Phoenix Film and Digital Media Centre, as a relative had been made redundant from the facility and another relative worked at De Montfort Hall and had links with the Centre.

66. LEADER'S ANNOUNCEMENTS

GCSE RESULTS

The Leader stated that the City's secondary schools had achieved a significant rate of improvement in GCSE pass rates, with an increase from 44.4% to 48.61% of students gaining 5 A*-C including English and Maths matching last year's national averages. He reported that that some schools had performed better than several County schools. He stated that this showed to parents that it was not necessary to send children to county schools. Councillor Dempster stated that the achievement should not be underestimated and thanked school staff, Council officers, students and parents for the work that had been put in.

YOUTH OPPORTUNITIES FUND AND YOUTH CAPITAL FUND

The Leader reported that officers and Members had worked together to ensure that there would be continued support for existing 2010/11 applications that had been endorsed by the Youth Panel.

EVERY DISABLED CHILD MATTERS FUN DAY EVENT

The Leader reported that an event was held at the Aylestone Leisure Centre and adjacent recreation ground in August 2010 and more service users attended than ever before. Councillor Dempster re-signed the charter, which recommitted the Council to the charter for 2010/11.

NATIONAL NOMINATIONS FOR ENVIRONMENTAL AWARDS

The Leader announced that an environmental partnership between Leicester City Council and the Leicester Comedy Festival, called "greening the laughs" had been nominated for the Edie's awards for environmental excellence, which recognised activity which shaped the future of the environmental sector and for partnerships which went far beyond good practice and helped set the sustainability agenda. Winners would be announced later in the year.

LEICESTER RE-ENABLEMENT SERVICE

The Leader announced that the Leicester Re-Enablement Service had been shortlisted for the Support for Independence Award in the East Midlands Health and Social Care Awards. These awards were an opportunity to acknowledge excellence in care and encourage examples of strong partnership working across the voluntary, charity and independent sectors. Winners would be announced on 7 October 2010.

67. MINUTES OF PREVIOUS MEETINGS

RESOLVED:

That the minutes of the Cabinet meeting held on 2 August 2010 and the Special Cabinet meeting, held on 16 August 2010 be confirmed as correct records.

68. MATTERS REFERRED FROM COMMITTEES

Performance & Value for Money Select Committee 28 July 2010 Equalities Performance

Councillor Patel stated that Cabinet had lobbied Government in relation to

Leicester's funding, but that Ministers were unwilling to meet to hear of Leicester City's issues. The Council would continue to respond to Government announcements. Cabinet was being made aware of potential impacts as certain bodies made announcements, and analysis was taking place to ascertain areas and residents that would be most affected. He thanked local MPs who had given assurance that they would press ministers to hear Leicester's case.

**Performance & Value for Money Select Committee 28 July 2010
Building Schools for the Future and Changes to School Governance**

Councillor Dempster responded to the recommendations, stating that concerns were noted, and that any proposals to change the agreed arrangements would require detailed legal analysis. Stewardship of school land had been dealt with in the previous Cabinet report, and further issues should be considered at a later date, where appropriate, in response to the Academies Act.

69. REGENERATION AND TRANSPORT TASK GROUP - REVIEW OF THE IMPACT OF HIGHCROSS LEICESTER

Councillor Hall submitted a report that presented to Cabinet the findings of the Task Group Review of the impact on the City Centre of a year of trading on Highcross Leicester.

Councillor Osman noted that the review had taken place over two years and strategic considerations on a number of issues had already been taken into account, such as transport and signage. Work was being done to attract footfall in the Cultural Quarter. He offered to submit a report to Cabinet which addressed the issues raised in the report.

Councillor Coley suggested that a peer review should be commissioned through a comparable local authority on traffic systems to assess whether they were appropriate. Councillor Osman responded that Government reductions in expenditure on traffic issues had had significant impact and that any review at the moment would be difficult. However, Traffic Regulation Orders had been submitted to address some city centre issues such as one way streets.

Councillor Hall thanked Councillor Osman for agreeing to submit a report that would address the recommendations of the Task Group and asked that City Centre management be consulted for their views. He also asked that consideration be given to traffic issues in the Cultural Quarter.

RESOLVED:

That Cabinet notes the recommendations of the Regeneration and Transport Task Group Review and agrees to receive a further report addressing these recommendations.

70. LEICESTER CITY COUNCIL'S PLEDGE TO LOOKED AFTER CHILDREN AND LEAVING CARE AND THE CHILDREN IN CARE COUNCIL

Councillor Dempster submitted a report that set out the work completed by Leicester City Council in respect of the Pledge and the Care Council and made recommendations for the Local Authority, ensuring the Pledge was fully integrated through the Council.

Councillor Dempster stated that she had great pride in the fact that the issue was taken seriously in the Council, such as through the Corporate Parenting Forum, which consisted of cross-party membership. She also drew Members' attention to the outstanding and good ratings of Leicester's Children's Homes. In response to the recommendations of the Children & Young People Scrutiny Committee, she stated that the Pledge would be looked at again in the future and that all Members had undertook to attend the training

Councillor Dempster was congratulated on her work in this area and its positive contribution to young people.

RESOLVED:

That Cabinet:

- 1) Receives and endorses the content of the report;
- 2) Agrees that the 'Pledge' be adopted by the City Council and monitored and reviewed accordingly;
- 3) Agrees that the Children in Care Council continue to be supported and inform the Local Authority about the progress of implementing the Pledge.

71. RUSHEY MEAD SCHOOL - SPORTS AND SCIENCE COLLEGE FINAL BUSINESS CASE APPROVAL

Councillor Dempster submitted a report that sought approval of the direction of travel towards Final Business Case (FBC) for the Council's Building Schools for the Future Rushey Mead School project and to obtain the necessary authority to progress the project.

Councillor Dempster stated that it was important that schools become the heart of communities, rather than just rebuilding existing schools. In response to the recommendation of the Children & Young People Scrutiny Committee, she stated that Members would be informed of the location of land identified for Council receipts within their ward as a matter of course.

RESOLVED:

That Cabinet:

- 1) Approves the direction of travel for the Final Business Case as presented in the report;
- 2) Endorses the Director's Action in approval of the staged process towards Final Business Case;

- 3) Notes that the Rushey Mead contract will be a 'Design and Build' contract, not a PFI contract;
- 4) Approves the further design development of the Rushey Mead project on the basis that the cost capital build does not exceed £19,607,335. The FBC is to provide a separate cost analysis reconciled against the OBC for both the design and build plus the ICT elements of the project. The most recent analysis indicates the proposal is affordable and within the funding envelope;
- 5) Pursuant to 3.2.3 of the report, notes the expenditure required to progress the project to completion as identified in section 5 of the report;
- 6) Approves the use of prudential borrowing against future receipts from land sales to support the project as shown in Section 5.1.2 of the report;
- 7) Approves in principle the expected commercial proposal offer from the LEP to pay the capital amount required for the Combined Heat and Power plant and to receive energy saving gains to repay that capital cost and thereby avoid any financial contributions from the City Council;
- 8) Authorises the Divisional Director, Learning Environment to negotiate on behalf of the Council project specific amendments to the standard form of contracts (without prejudice to final business case approval);
- 9) Following Cabinet approval of FBC, authorises the Head of Legal Services to sign necessary contracts to enable construction to start on the basis of delivering the scheme described in the FBC. These will be the Design and Build contract, FM contract and ICT contract as well as the commercial contract for the CHP unit;
- 10) Authorises the Chief Finance Officer to provide PfS with assurance that the Council understands this report is concerned with the Final Business Case (FBC). When submitting the FBC, the Chief Finance Officer is required to certify that the Council understands the content of the Final Business Case, and that it is affordable, value for money and deliverable;
- 11) Notes the intention to provide flexible access for communities to facilities in the school and the use of 'zoning' of the school buildings to provide a more cost effective and environmentally sustainable solution to community use of these public

buildings;

12) Authorises the Strategic Director Children, in consultation with the Cabinet Lead, to take such decisions as she thinks fit to implement the scheme within the scope of the FBC;

13) Notes the requirement for Full Council approval of the FBC prior to sign off by PfS. Rushey Mead School FBC Direction of Travel report has been added to the full Council agenda of 16th September 2010.

72. DRAFT LEICESTER AND LEICESTERSHIRE LOCAL ENTERPRISE PARTNERSHIP (LLLEP) PROPOSAL

Councillor Osman submitted a report that informed Cabinet of the Government's proposal to create Local Enterprise Partnerships (LEPs) to replace the Regional Development Agencies (RDAs).

Councillor Osman noted and endorsed the recommendations of the Overview & Scrutiny Management Board.

Members stated that the proposals had been drawn up with very little guidance or detail. Recruitment to, and composition of, the Board was recognised as an important issue. It was felt that senior Member representation, such as the Leader was required. It was also suggested that there should be trade union representation, along with other key stakeholders.

Councillor Grant stated that there was little guidance as a result of Government emphasis on local authorities shaping services. OSMB's recommendation was due to previous concerns about openness of appointments to certain bodies.

RESOLVED:

That Cabinet:

- 1) Approves the submission of the Leicester and Leicestershire Local Enterprise Partnership (LLLEP) proposal to Government by 6th September 2010;
- 2) Approves the key features and process for establishing the LLLEP.

73. ONE COUNCIL CUSTOMER SERVICE PROMISE AND STANDARDS

Councillor Bhatti submitted a report that sought approval for a new One Council Customer Service Promise and revised Customer Service Standards.

Members discussed balancing overall customer service training needs and focusing on particular issues in certain service areas where customer feedback had raised issues about the consistency and standard of customer service. It was noted that complaints could originate from a dislike of a certain response

rather than the way a person had been served. It was noted that the vast majority of customers were satisfied with the services they received from the Council and that when looking at the numbers of complaints in the context of the numbers of contacts from the public overall, the level of complaints was low. It was felt that the main issue was making people aware of what service they could expect and how to complain if that expectation was not met. It was suggested that the Council should view its customer service in the same way as a business would.

Opposition Group Leaders expressed support for the proposals as excellence in customer service was to be welcomed, but expressed concern that there was insufficient evidence to state that the proposals would be cost neutral, and that some areas lacked the ability to record performance against measures on which to evaluate success. It was suggested that on-line training be targeted to those who needed it not just those who had access to the web. Members were assured that it was to be built into existing training and development at no cost. Success of training would be monitored through the performance monitoring mechanisms that were being put in place. It was also stated that good customer service should be supported by all officers, regardless of their role, and the on-line training would not take up a large amount of time.

RESOLVED:

That Cabinet:

- 1) Approves the new One Council Customer Service Promise (section 3.5 of the report);
- 2) Approves the revised Customer Service Standards (section 3.6);
- 3) Supports the development of a pilot improvement initiative that will contribute to the development of the corporate performance management framework in the area of customer service (section 3.7).

74. THE SAFER LEICESTER PARTNERSHIP ANTISOCIAL BEHAVIOUR STRATEGY AND POLICY

Councillor Naylor submitted a report that presented two inter-related partnership documents, namely the Antisocial Behaviour (ASB) Strategy and ASB Policy.

Councillor Naylor acknowledged the recommendation of the Overview & Scrutiny Management Board and agreed to further consult with the Youth Council.

RESOLVED:

That Cabinet:

- 1) Notes the documents as part of the consultation process; and

that formal agreement and adoption of these documents may necessitate services to amend current working practices;

- 2) Agrees that once the strategy, policy and action plan have been developed and agreed, that Members review and evaluate these documents to an agreed timescale to ensure that they remain “fit for purpose”

75. SHARED INTERNAL AUDIT SERVICE

Councillor Patel submitted a report that informed Members of the potential for the development of a shared Internal Audit Service between Leicestershire County Council and Leicester City Council, together with a number of Leicestershire District Councils.

Opposition Group Leaders expressed concern that the report had not been included on the Forward Plan and had not been considered by Scrutiny. An apology was received for this. They also felt that the report contained insufficient information. An example of the valuable service carried out by the City Council’s Audit section was given, namely audit of De Montfort Hall, and it was felt that there was insufficient evidence that a shared service would lead to better productivity in such cases. It was reported that, alongside improved efficiency, it would offer improved staff progression opportunities than would otherwise have been the case in the current financial climate. The new service would be based upon standard expectations of each client authority which would be beneficial for cost control. It was noted that Members would be kept informed of developments.

RESOLVED:

That Cabinet agrees to the appointment of a joint Head of Audit.

76. ANY OTHER URGENT BUSINESS

PHOENIX SQUARE FILM AND DIGITAL MEDIA CENTRE

The Leader agreed to accept this item as urgent business on the grounds that, due to negotiations, it was not possible to release the report in time for despatch with the agenda and an urgent decision was required to ensure continuity of service.

Councillor Wann submitted a report that informed Cabinet that Leicester Arts Centre Trust (LAC), the operator of the Phoenix Square Film and Digital Media Centre, had advised of a significant forecast end of (financial) year deficit. The report contained a private appendix, containing legal advice, which Cabinet had been recommended to consider in private session should they wish to discuss it. Councillor Wann informed Members that Option 3 in the report was recommended and that it had not been easy to find funding to allocate in the current financial climate.

Officers were thanked for the work they had put in over the last few weeks.

Members recognised that the Phoenix was a vital part of the city's cultural offer, but concerns were raised regarding the staffing arrangements to deliver the services at the centre. In order for the centre to be viable it was considered that there was a need for programming and education to be sound features going forward. It was felt that the removal of these specialist posts appeared to indicate that the proposed structure would not recognise the important role these played. Assurance was sought that, by agreeing to the proposals, Cabinet would be supporting a service that would still deliver these objectives.

It was suggested that work could be carried out to look at governance arrangements in cultural venues to ascertain whether they were appropriate in the current climate, and that the possibility of a trust to oversee the cultural offer across the city could be investigated, in order to protect the services. Alternatively, it was suggested that there could be more local authority control over the Phoenix or shared services between De Montfort Hall, Curve and the Phoenix, such as marketing and communications.

Opposition Group Leaders stated they supported the proposals as the only way of protecting investment made to date but that they were firmly of the view that a sound business plan was required. They also highlighted that long-term issues regarding footfall and accessibility had contributed to the current situation and should have been addressed prior to opening. It was also recommended that the composition of the Board should be considered, to ensure that a level of business acumen was represented. It was pointed out that a significant level of officer input had been provided without charge on the matter.

Concern was expressed regarding the purchase of the digital equipment with regard to maintenance and depreciation but Members were informed that this provided an asset in return for funding and would help the Council if LAC ran into future difficulties. There was also concern that information had not been provided regarding how management issues were to be addressed. However it was also accepted that the timing of this issue which required urgent action had precluded some of this work happening to the level of detail required.

Acting upon advice from the council's Director of corporate governance Members agreed to consider the appendix in private under the provisions of Schedule 12A of the Local Government Act 1972, as amended, as it contained information in respect of which a claim to legal professional privilege could be maintained and in all the circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

Members received and discussed legal advice in detail, after which, the meeting moved back into public session.

RESOLVED:

That Cabinet:

1. Restates its public commitment to the Phoenix Square Film and Digital media centre and the offer that it makes to culture and Arts in the city

- 1) Approves expenditure of up to £250,000 in accordance with the delegations in Paragraph 2 of the report to enable a negotiated agreement with LAC, that involves the purchase of the cinema equipment (leased back to LAC) to secure the continued operation of Phoenix Square Film & Digital Media Centre by the current operator LAC. This funding is on the basis of an initial payment of £100,000, with the payment of the remaining £150,000 in instalments delegated to the Director of Cultural Services, in consultation with the Chief Executive and Leader of the Council. These further instalments will be payable on production of a full business plan, which should contain clear milestones demonstrating a move towards sustainability associated with the future release of funding, and shall be subject to member consideration;
- 2) Delegates authority to the Director of Cultural Services in consultation with the Chief Finance Officer and the Director of Legal Services to finalise the heads of terms and legal agreements with LAC;
- 3) Agrees that, under Cabinet Procedure Rule 12 (d) there be no call in of this decision for reason of urgency, namely the immediate consequences of the amount of the forecast deficit of the operator of Phoenix Square Film & Digital Media Centre;
- 4) Confirms the action taken by the Deputy Chief Executive to make an advance payment of £41,500 to LAC (comprised of the final £18,600 of 2010/11 revenue grant and £22,900, of the £250,000 additional support referred to in recommendation 1) above;
- 5) Support the proposed actions to raise the profile, improve access and develop footfall into and through the Cultural Quarter;
- 6) Stresses that, although the decision was difficult, Cabinet values the Phoenix Film and Digital Media Centre for its provision of alternative films and its educational value, and continues to support these objectives. Cabinet thanks officers who have worked extremely hard on producing a solution and the Vice-Chancellor of De Montfort University who has supported Cabinet's decisions. Cabinet looks forward to the centre being a thriving and profitable facility.