



Leicester
City Council

MEETING OF THE CABINET

DATE: MONDAY, 8 NOVEMBER 2010
TIME: 1PM
**PLACE: THE COUNCIL CHAMBER - FIRST FLOOR, 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.

*Officer contact: Heather Kent/ Julie Harget
Democratic Support,
Leicester City Council
Town Hall, Town Hall Square, Leicester LE1 9BG
Tel: 0116 229 8816/8809 Fax: 0116 229 8819
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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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Meetings are held at the Town Hall. The Meeting rooms are all accessible to wheelchair users. Wheelchair access to the Town Hall is from Horsefair Street (Take the lift to the ground floor and go straight ahead to main reception).

BRAILLE/AUDIO TAPE/TRANSLATION

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

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

General Enquiries - if you have any queries about any of the above or the business to be discussed, please contact Heather Kent or Julie Harget, Democratic Support on (0116) 229 8816/8809 or email heather.kent@leicester.gov.uk 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 4 October 2010 have been circulated to Members and the Cabinet is asked to approve them as a correct record.

5. MATTERS REFERRED FROM COMMITTEES

6. BABINGTON COMMUNITY COLLEGE, FULLHURST COMMUNITY COLLEGE AND NEW COLLEGE LEICESTER - IMPLICATIONS OF THESE SCHOOLS BECOMING A TRUST - PENSION AND EMPLOYMENT LIABILITIES [Appendix A](#)

Councillor Dempster submits a report that outlines the arrangements for managing the protection of pensions for school based support staff in schools that decide to change their status and become Trust schools. Cabinet is asked to approve the recommendations in Paragraph 3 of the report.

A minute extract of the Children & Young People Scrutiny Committee meeting on 2 November 2010 will be circulated as soon as it is available.

7. ICT PROVISION IN LEICESTER TO SUPPORT PUPIL LEARNING AND IMPLEMENTATION OF PILOT NETBOOK LOAN SCHEME FOR CITY PUPILS [Appendix B](#)

Councillor Dempster submits a report that updates Cabinet on the current levels of ICT equipment available to Children in Leicester City Primary Schools, the uptake of the National Home Access Scheme in City households and seeks approval for the immediate implementation of a pilot Netbook loan scheme for pupils in five City schools. Cabinet is recommended to agree the implementation of the pilot Netbook loan scheme as detailed in the accompanying report.

A minute extract of the Children & Young People Scrutiny Committee meeting on 2 November 2010 will be circulated as soon as it is available.

8. SERVICE PLAN FOR FOOD LAW ENFORCEMENT 2010/2011

Appendix c

Councillor Russell submits a report that has been produced to meet the requirements of the Food Standards Agency's Framework Agreement service planning guidance. Cabinet is recommended to note the Service Plan for Food Law Enforcement 2010/2011 and approve the plans as set out in sections 5.1.1 and 5.2.1 of the service plan.

A copy of the plan is attached for Members of Cabinet only. A copy can be viewed at the Customer Service Centre, B Block, New Walk Centre or at the following link to the Council's website:

<http://www.cabinet.leicester.gov.uk/ieListMeetings.aspx?CId=78&Year=2010>

9. ENFORCEMENT OF LEGISLATION REGULATING THE SALE OF AGE-RESTRICTED PRODUCTS TO YOUNG PEOPLE

Appendix D

Councillor Russell submits a report that seeks the approval of Cabinet for a programme of preventative and enforcement activities relating to the sale of age-restricted products to young people. Cabinet is recommended to approve the programme of preventative and enforcement actions as set out in the Trading Standards Service Enforcement Plan 2010-2011 in Appendix One of the report.

10. CORPORATE VOLUNTARY & COMMUNITY SECTOR CONTRACTS QUARTERLY MONITORING

Appendix E

Councillor Dawood submits a report that sets out performance for Quarter One (April to June 2010) of the seven corporate contracts with voluntary and community sector (VCS) organisations that currently sit within the remit of the Partnership Executive Team. Cabinet is asked to note the performance of the contracts as set out in Appendix A of the report.

11. CORPORATE CAPITAL PROGRAMME - PROPERTY SCHEMES

Appendix F

Councillor Patel submits a report that seeks authorisation for the release of capital monies for Property Schemes as identified within the report. Cabinet is recommended to approve the list of Property schemes identified in Appendix A of the report and to approve the release of £1,000,000, from the capital programme which has been allocated for Property Schemes by Council at its meeting on 25th March 2010.

A minute extract of the meeting of the Overview & Scrutiny Management Board on 4 November 2010 will be circulated as soon as it is available.

12. REVENUE BUDGET MONITORING 2010/11 - PERIOD 4 [Appendix G](#)

Councillor Patel submits a report that shows a summary position comparing spending with the budget. Cabinet is recommended to note the expenditure to date and the budgetary issues which have emerged so far this year; and note the proposals put forward to ensure that spending is contained within the Divisional budgets;

A minute extract from the meeting of the Performance & Value for Money Select Committee on 2 November 2010 will be circulated as soon as it is available.

13. 2010/11 CAPITAL PROGRAMME MONITORING - PERIOD 4 [Appendix H](#)

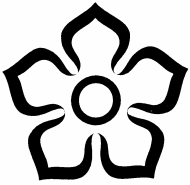
Councillor Patel submits a report that shows the position of the capital programme for 2010/11 at the end of Period 4. Cabinet is asked to approve the recommendations in Paragraph 3.1 of the report.

A minute extract from the meeting of the Performance & Value for Money Select Committee on 2 November 2010 will be circulated as soon as it is available.

14. ANY OTHER URGENT BUSINESS

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Appendix A



Leicester
City Council

WARDS AFFECTED
All Wards

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

**Children & Young Peoples Scrutiny
Cabinet**

**2/11/10
8/11/10**

**Babington Community College, Fullhurst Community College
and New College Leicester**

**Implications of These Schools Becoming a Trust-
Pension and Employment Liabilities**

Report of the Strategic Director, Children's Services

1. PURPOSE OF REPORT

This report outlines the arrangements for managing the protection of pensions for school based support staff in schools that decide to change their status and become Trust schools.

Further, this report identifies the employment liabilities affecting the Governing Bodies of the above three schools, and the contribution of the Council in these matters. The apportionment of these liabilities has been the subject of discussions and in principle agreement between the separate IEB/Governing Bodies and the City Council.

2. SUMMARY

The report seeks Cabinet approval to admit support staff currently employed and those that will be employed at National Challenge Trust Schools to the Local Government Pension Scheme.

The report also seeks Cabinet approval to support the current practice of funding mandatory compensation for teachers in respect of pension contributions and for all staff in respect of redundancy costs, subject to national regulations and the Council being satisfied that the Governing Bodies have adhered to the policies and procedures in place at the time.

3. RECOMMENDATIONS (OR OPTIONS)

It is recommended that:-

All school based support staff employed by the Governing Bodies of Babington Community College, Fullhurst Community College and New College Leicester to be members of the Local Government Pension Scheme in accordance with regulation 8(1)(b) of the Local Government Pension Scheme(Administration) Regulations 2008 provided the Governing Bodies of the schools concerned consent.

The Strategic Director, Children's, be authorised, in consultation with the Director of Legal Services, under regulation 8 of the Local Government Pension Scheme (Administration) Regulations 2008 to determine eligibility for the Local Government Pension Scheme in relation to future admission to the Local Government Pension Scheme of school based staff in schools that decide to be come trust schools.

Cabinet agrees to support the current practice of funding mandatory compensation for teachers in respect of pension contributions and for all staff in respect of redundancy costs, subject to national regulations and the Council being satisfied that the Governing Bodies have adhered the policies and procedures at place at the time. Costs are chargeable to the DSG. The Council will only fund redundancy and termination costs where it is required to avoid a budget deficit or as apart of an agreed managed budget recovery plan which is In line with the provision for all schools maintained by the Council.

4. REPORT

A) Local Government Pension Scheme

The Governing Bodies of Babington Community College, Fullhurst Community College and New College Leicester, following consultation on the proposal to establish a Trust under the provisions of the 2006 Education and Inspections Act, resolved to complete the transfer to Trust school status, with formal acquisition of the Trust for each school completing on 1 June 2010. The schools believe that by establishing a trust they can bind some high profile key partners into helping the schools develop and improve.

On acquiring Trust status, the schools through their Governing Bodies become the legal employer of all the school's staff both teaching and support under the provisions of the School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2007. Those staff are no longer the employees of the Council.

There are no changes required in respect of teaching staff membership of the national Teachers' Pension Scheme.

One of the consequences of a Governing Body decision to become a Trust school is in relation to support staff membership of the Local Government Pension scheme. In particular, a person may still be eligible after transfer of their employment to a new employer to be an active member of the scheme if s/he is an employee of the Governing Body of:

- A voluntary school
- A foundation school or foundation special school (which includes Trust schools)
- Any technical institute or other similar institution which is assisted by the Local Education Authority

- A federated school

These Governing Bodies are not scheme employers as defined by the Pension Regulations. Therefore to enable the support staff concerned (and any future new employees) to continue to be members of the scheme their membership needs to arise by virtue of regulation 8 of the Local Government Pension Scheme (Administration) Regulations 2008. Eligibility requires the Local Education Authority to designate the employee or the class of employees to which s/he belong as being eligible for membership of the scheme.

The mechanics of regulation 8 also require that the consent of the employer (i.e. the Governing Body) has been obtained.

When the support staff transfer from a Scheme Employer such as the Council to a Resolution Employer such as the Trust, there is no break in service and no crystallisation of any pension liability. There will therefore be no requirement from the Pension Administrator (in this case Leicestershire County Council) for any bond payment to guarantee the employees' future benefits. In addition all continuity of service is guaranteed for staff moving from a Scheme Employer to a Resolution Employer for the purpose of both pension calculations.

B) Employment Liabilities affecting the Governing Bodies of National Challenge Trust schools

i The Governing Bodies have agreed to adhere to national and local conditions of service including local agreements negotiated between the Council and Trade Unions/Professional Associations, currently in place for existing employees and new staff.

The Governing Bodies are seeking assurance from the Council that where they are required to appear before an employment tribunal in discrimination or unfair dismissal cases, the Council will fund any compensation/legal costs.

The Governing Bodies accept that if the Council can show good reason to charge the respective college budgets, e.g. if the Governing Bodies have been previously advised that an employment tribunal would likely decide in favour of the claimant, then the Council can be empowered to take the costs from the schools budgets.

ii The Governing Bodies as the employer can grant premature retirement to staff, in cases of redundancy or in the interest of efficient discharge of their employer function. The Council is requested, as the compensating authority to pay mandatory compensation towards a teacher's annual pension and retirement lump sum costs and/or redundancy payments for any employees of the colleges.

The Council will only fund redundancy and termination costs where it is required to avoid a budget deficit or as part of an agreed managed budget recovery plan as for all schools maintained by the Council.

The Council is empowered, where it has good reason, to take the costs of the premature retirement/redundancy payments from the colleges' delegated budgets if the Council has not agreed to the premature retirement or in the case of redundancy, where the payment is in excess of the Council's redundancy policy.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1. Financial Implications

As Resolution Employers, Trust schools will remain part of the City Council's pension fund (administered by the County Council) and will pay from their delegated budgets the same employer's contribution rate as applies to the City Council and its maintained schools generally from time to time. This rate comprises the expected cost of pensions for current staff and funding of the accumulated pension fund deficit.

As compensating authority the Council will continue to fund mandatory compensation payments and /or redundancy payments subject to the Council being satisfied that the Governing Body has applied the appropriate policy and acted reasonably at all times. The agreement to fund mandatory compensation for teachers in respect of pension contributions and all staff in respect of redundancy costs is subject to the Council's policies regarding maintained schools generally and to any future changes to school funding arrangements such that schools would generally be expected to meet such costs directly.

Failure by a Governing Body to comply with these requirements would result in any such costs being charged to the school's delegated budget.

Members will wish to note that in the event of any of the schools subsequently transferring to academy status, the existing DfE guidance advises that all staff will have the right to transfer on their existing terms and conditions and would be eligible to be in either the Teachers or Local Government Pension schemes. However in these circumstances the Council would not retain any pension funding responsibilities. In particular academies are separate employers for the Local Government Pension Scheme purposes, rather than Resolution Employers. An actuarial assessment of the Academy's pension liabilities would be undertaken, and an employer's contribution rate would be calculated based on the Academy's current staff profile and the historical fund deficit. The arrangements proposed in this report seek to ensure that in such an event, the Council and the trust schools would be in no different position to any other maintained school becoming an academy.

It is important that the schools continue to abide by the Council's policies and procedures for the approval of early retirements and redundancies that result in early retirement. Early retirements cause a strain on the Pension Fund, so the approval and funding of such retirements must be carefully managed

Colin Sharpe, Head of Finance, Investing in Children, Ext. 29 7750

5.2 Legal Implications

A Trust school is a Council maintained foundation school supported by a charitable Trust. To protect the pensions of the support staff employees who are currently members of the Local Government Pension Scheme and who are now employed by the Governing Bodies of the schools in question, the Council is required to make a decision under regulation 8 of the Local Government Pension Scheme administration regulations to designate those employees as eligible for membership of the Local Government Pension Scheme provided the Governing Bodies consent.

In the event of any future further transfer of those employees to a new employer consideration should be given to ensuring protection of pensions

The report also deals with employment liabilities affecting the Governing Bodies concerned. The mechanics of the transfer of both teaching and support staff from the employment of the Council as Local Education Authority to the respective Governing Bodies is governed by the School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2007. These regulations are similar to the more well known Transfer of Undertaking (Protection of employment) Regulation 2006. Under these regulations staff transfer over to their new employer on the same employment terms and conditions.

Governing Bodies of Trust schools are not restricted to taking legal advice from in-house Legal Services. It is advised that the Director should make clear to the Governing Bodies concerned that if in-house legal advice is not obtained with regard to employment disputes this may impact on any decision of whether or not to charge the schools budget if for example a claim is made to the employment tribunal which rules in favour of the employee.

There are also implications with regard to Single Status. The Council is currently trying to implement this through negotiation with the trade unions. The Director should seek to ensure that the Governing Bodies are aware of the negotiations and support any final agreement reached. Despite the transfer of support staff to the employment of the Governing Bodies the risk of equal pay claims for support staff continues and therefore they should be treated in line with the remaining staff of the council.

Anthony Cross, Head of Litigation, Ext 29 6362

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
Ext 29 6770

6. OTHER IMPLICATIONS

OTHER IMPLICATIONS	YES/NO	Paragraph References Within the Report
Equal Opportunities	No	

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

7. RISK ASSESSMENT MATRIX

Delete if not required and renumber paragraphs.

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

Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/appropriate)
1 failure to consult /employee claim	L	L	Consultation has taken place with unions/staff and Governing Bodies have given necessary consent.
2			
3			
4			
5			
6 etc			

L – Low L – Low
M – Medium M – Medium
H - High H - High

8. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

The following background papers and research reports have been used in the compilation of this report and are available for inspection at the offices of the author.

Redundancy Policy for school based employees

Early retirement policy

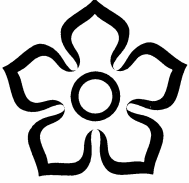
Local Government Pension Scheme (Administration) Regulations 2008

9. CONSULTATIONS

10. REPORT AUTHOR

Margaret Libreri
Director, Learning Services

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

WARDS AFFECTED
All

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Children and Young People Scrutiny Committee
Cabinet

2 November 2010
8 November 2010

ICT provision in Leicester to support pupil learning & implementation of pilot Netbook loan scheme for City pupils

1. Purpose of Report

- 1.1 This report updates Committee on the current levels of ICT equipment available to Children in Leicester City Primary Schools, the uptake of the National Home Access Scheme in City households and seeks approval for the immediate implementation of a pilot Netbook loan scheme for pupils in five City schools.

2. Recommendations

- 2.1 Scrutiny Committee is invited to comment upon the current level and nature of provision in City establishments/ homes and the proposed pilot Netbook Loan Scheme in 5 City Primary Schools.
- 2.2 Cabinet is recommended to agree the implementation of the pilot Netbook loan scheme as detailed in the accompanying report.

Report

3. Summary of current ICT availability for Leicester Primary school children

- 3.1 There are 25,843 children currently in city maintained primary schools. All Primary Children currently have access to computers with safe and secure internet provision. These are provided from the following sites:

- All City Primary Schools
- Two City Learning Centres
- Four Study Support Centres
- All Leicester City Libraries

In addition to the above

- All Children's homes have access to the internet and each home has 5/6 devices mixed between desktops and laptops.

- 210 Looked After Children received grant packages that enables them to have their own personal laptop with internet connectivity.
- 2691 Leicester City families have benefited from the National Home Access scheme – which provides a grant to families with children aged 7 -14 on low incomes to buy their own computer and internet provision. From the figures available 1720 families have stated the main user will be a primary school child. 39 households have been provided with assistive technology to assist children with special educational needs. This scheme has been actively promoted by the City Council and take up is amongst the best nationally.
- Schools have enriched their provision by providing Interactive Whiteboards, Visualisers, Nintendos, Wii and iTouches.
- The majority of primary schools run lunch time and after school clubs giving children, and in some cases, families access to ICT out of hours.
- The Two City Learning Centres also provide enhanced ICT equipment (e.g. design technologies) and Loan Project boxes such as sets of Nintendos and I touches specifically for primary schools

3.2 A consortium of East Midlands Local Authorities (embc) provides safe, secure and resilient connection to the internet for all Leicester schools and each school is supported by the council with advice and guidance to develop the use of ICT.

3.3 In the 2010/11 budget, the Council agreed to invest £630,000 over three years to increase access to laptops for every primary school child. Given that this decision was prior to the announcement of the National Home Access scheme which has itself increased investment in ICT in the city by approximately £1.4m and enabled 2691 low income families to purchase their own Laptop and there has been a significant change in funding at a national level, it is now prudent to re examine options for deployment of these resources.

4. **Proposed implementation of pilot Netbook Loan Scheme**

4.1 Following budget decisions at Cabinet on 16 August 2010 it is now proposed to implement a netbook loan scheme in a small number of targeted schools. This will provide for up to 30 netbooks with usb internet access dongles to be available to five targeted schools to be loaned to pupils aged 7-10 years old, over a period of 3 years. These pupils are most likely to benefit from this initiative and be able to practically handle equipment with minimum risk. Administering this scheme from schools provides the most secure model to ensure physical security and control of assets. This will also facilitate the monitoring and evaluation of learning outcomes and effectiveness of this pilot. Details of the equipment and support to be provided is detailed in **Appendix A**.

4.2 In addition to the provision within the pilot schools it is proposed to provide every family with primary aged children within the City with free access to Cyber sentinel for a period of 18 months. Cyber Sentinel is a leading market web security product that will help promote safe surfing and safeguarding in home environments where children may currently have unrestricted and potentially unsafe access.

4.3 Technical support will also be provided to each participating school to ensure all loan units are clean and contain no personal data or inappropriate content from a previous loan.

4.4 Pilot schools have been identified through an iterative process involving systematic consideration of deprivation levels, prior educational attainment, educational progress, prior

and planned capital investment and, finally, consideration of schools below floor target and subject to intensive support.

4.5 As a result of the above process it is proposed to pilot this provision in the following schools.

School	Ward	Notes
Woodstock Primary	Abbey	School previously in category and record of performing below floor target
Caldecote Community Primary	Braunstone Park & Rowley Fields	More than 25% of cohort resides in top 5% most deprived super output area. School performing below floor target
Merrydale Junior	Charnwood	More than 25% of cohort resides in top 5% most deprived super output area
Knighton Fields Primary	Freeman	School previously in category and record of performing below floor target
Hazel Primary	Castle	School previously in category and record of performing below floor target

4.6 In determining pilot schools, officers have determined that it is important to make sure that schools that have not had significant investment for some time, or have no immediate planned investment, are prioritised to ensure a fair and equitable sharing of resource across the City.

4.7 For the purposes of this exercise officers have considered the allocation of Primary Capital Programme funds from the Department For Education (which in some instances has included up to £50k for ICT equipment and infrastructure); Mobile Classroom Replacement and Kitchen Capital monies. Having taken this into account Officers have then focused upon reviewing the adequacy of progress made by individual pupils/ school category (benchmark performance) and this has informed the final selection.

4.8 Each of the schools identified has action plans to improve learning and raise achievement but faces significant challenges in doing so. It is proposed to link the allocation of netbooks to local authority intensive support packages for pupils. This will help ensure that this investment contributes to tangible improvements in educational outcomes. These plans will be supported and monitored through Learning Services.

4.9 It is proposed to provide each pilot school with 30 internet enabled netbooks and associated software and support as detailed in **Appendix A**. A number of units will also be ordered to provide additional capacity and resilience. The cost of providing Cyber Sentinel to all families of school aged children in City Schools is also detailed in **Appendix A**. Provision has been made within the General Fund account to support this programme in 2010/11.

4.10 Contextual data on deprivation and pupil performance is provided at **Appendix B**. Further information is available on request.

5 FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1 Financial Implications

The Council's 2010/11 General Fund Revenue Budget included £530,000 for the introduction of this initiative, with a forward provision of £50,000 in each of 2011/12 and 2012/13 (a total of £630,000). As part of the Council's response to in-year funding cuts by the Government, and taking into account the success locally of the National Home Access Scheme, Cabinet on the 16 August 2010 reduced the funding provision in 2010/11 to £300,000. The revised three-year total (assuming that £50,000 remains available in each of 2011/12 and 2012/13) is therefore £400,000. The updated proposals presented in this report are estimated to cost £370,278 over the three years and are, therefore, within the revised budget.

Colin Sharpe, Head of Finance, Investing in our Children ext: 29 7750

5.2 Legal Implications

The power to achieve the aims identified in this paper is rooted in the Council's statutory "well being" powers derived from section 2 Local Government Act 2000. The statutory scheme has the following requirements and freedoms which are pertinent in this case:

1. It empowers the Council to do anything which they consider is likely to achieve any one or more of the following objects...

- a) the promotion or improvement of the economic well-being of their area;
- b) the promotion or improvement of the social well-being of their area

2. The power above may be exercised in relation to or for the benefit of

- a) the whole or any part of a local authority's area, or
- b) all or any persons resident or present in a local authority's area

3. The power includes power for a local authority to

- a) incur expenditure,
- b) give financial assistance to any person,
- c) enter into arrangements or agreements with any person,
- d) co-operate with, or facilitate or co-ordinate the activities of, any person,
- e) exercise on behalf of any person any functions of that person, and
- f) provide staff, goods, services or accommodation to any person

4. In determining whether or how to exercise the power a local authority must have regard to its published Community Strategy.

5. The power cannot be exercised in contravention of any other enactment which limits, restricts or prohibits that power, and neither can it be used to raise money.

The purchasing of the range of hardware and of the service contracts identified in the report will need to comply with the Councils procurement and contracting rules, about which specific legal advice will need to be sought.

(Kamal Adatia, Barrister, ext 7044)

5.3 Climate Change Implications

The procurement and use of laptops, as outlined in this report, will result in an increase in carbon emissions. The specified netbooks conform with Energy Star standards however, those setting up the netbooks and installing software should be required to ensure that the energy saving features are enabled and running at the optimum level. In addition, the users (pupils and their parents) should be provided with clear information on ways to save energy when using the netbooks such as ensuring computers are not left idling and chargers are not left plugged in - this is beneficial not just in saving carbon but in ensuring families do not face increases in their electricity bills. A laptop charger plugged in 24hrs a day for 365 days uses 973kw/h per computer which would cost around £97.30; for 160 laptops this equates to 64 tonnes CO2.

(Helen Lansdown, Senior Environmental Consultant, ext 29 6770)

6 Other Implications

OTHER IMPLICATIONS	YES/ NO	Paragraph/References Within Supporting information
Equal Opportunities	X	The proposed pilot programme seeks to target pupils and schools in greatest need and makes a clear contribution to narrowing the gap.
Policy	X	Implements a commitment within One Leicester
Sustainable and Environmental		N/A
Crime and Disorder	X	The provision of Cyber Sentinel to every family in the City as described in the report is a significant contribution to combating cyber abuse, promoting safeguarding and championing the Council's role as Corporate Parent.
Human Rights Act		N/A
Elderly/People on Low Income	X	This proposal is targeted on those in greatest need. This strategy also complements the National Home Access Initiative for low income families.
Corporate Parenting	X	The provision of Cyber Sentinel to every family in the City as described in the report is a significant contribution to combating cyber abuse and evidences strong corporate parenting. It seeks to promote a home safeguarding culture.
Health Inequalities Impact		N/A

7 Risk Assessment Matrix

Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/appropriate)
1 Netbook units will be subject to theft and misuse	M	H	<p>Advice has been sought from Risk Management on appropriate management strategies and insurance covers. Costings are contained within Appendix A.</p> <p>Provision of appropriate on board security software and technician support will ensure that units are “clean” and abuse identified and addressed.</p> <p>Participating parents will be required to sign an undertaking about appropriate use and misuse.</p>
2 Netbooks will place young people at increased risk of assault or physical harm	M	H	<p>Consideration will be given to ensuring loans take place in a controlled manner and practical parental support engaged where possible.</p> <p>Pupils will be provided with advice on personal safety and instruction on safe use.</p>

8 Background Papers – Local Government Act 1972

8.1 None that require citation.

9 Consultations

9.1 None.

10 Report Author

Trevor Pringle

Divisional Director

Planning & Commissioning

Appendix A

Netbooks for Primary School Children in pilot schools

3 Year Cost Estimate

Item	Technical Specification	Number	Unit Cost	Total Cost
Netbook	Toshiba NB250-10G Netbook Intel Atom N450 1.66GHz Processor 1GB DDR2 Memory 160GB SATA Interface Hard Drive 2 in 1 Card Reader 10.1 inch Display 1024 x 600, WSVGA Integrated Web Camera 0.3 MegaPixel 10/100 Internal LAN RJ-45 connector Windows 7 Starter Edition Wireless LAN 802.11bg upto 54Mbps	160	£255	£40,800
Warranty	Toshiba International Warranty 1 to 3 Years for Netbooks	160	£20	£3,168
Lapjacket	Lapjacket with LCC security marking	160	£8	£1,355
Laptop Bag	Targus Essential Notebook Backpack	160	£14	£2,178
USB Stick	Integral 2GB USB Key	160	£5	£827
T-Mobile dongles	USB Modem (Setup including 36 months connectivity)	160	£761	£121,800
Software	Microsoft Office Professional 2007	160	£34	£5,458
	Anti Virus for 3 years	160	£5	£800
	Parent Control	160	£10	£1,536
Total Cost per device		160	£1,112	£177,922
LapCabby	LapCabby 32 Port Blue Trolley	5	£785	£3,927
Parental Control	Hosting of Parental Control 3 years	1	£9,700	£9,700
Insurance Underwriting	Cost per year + underwriting	3	£1,500	£4,500
Technical support	Technical support and setup Year 1	1	£35,000	£35,000
	Year 2 and Year 3	2	£35,000	£70,000
Cyber Sentinel for all City Children and Young People	Cost of Cyber Sentinel for all City Children This would give 18 months free access for parents and carers in the city	1	£46,229	£46,229
Project Support to roll out the scheme	Three months' support	1	£15,000	£15,000
Contingency	Project contingency	1	£8,000	£8,000
Total cost of the scheme				£370,278

APPENDIX B

Pupil attainment and deprivation

There are 25,843 children currently in city maintained primary schools (January 2010).

There are 10,059 children in year 3,4 or 5 (7 to 10 year olds) who live in the city. Of these 2679 children did not achieve L2 or better in reading, writing and mathematics at the end of year 2 when they were 7 years old.

There are 1744 children who live in areas of the city that are amongst the 5% most deprived nationally.

Of the children who live in these deprived areas 620 of them did not achieve L2 or better in reading, writing and mathematics.

These children attend 65 different schools, 576 of them attend 54 different city maintained primary schools. A further 12 are maintained in special school day provision. 22 attend the Samworth Academy, 3 attend county schools. 1 is at a residential special school and 6 children attend independent schools.

These children live in the following wards:

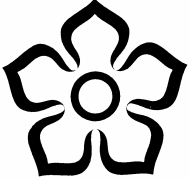
WARD	YEAR 3	YEAR 4	YEAR 5	TOTAL
Abbey	3	9	4	16
Beaumont Leys	23	23	28	74
Braunstone Park and Rowley Fields	51	30	35	116
Charnwood	13	8	17	38
Coleman	10	14	14	38
Freemen	30	35	18	83
Latimer	1	3	1	5
New Parks	19	26	28	73
Spinney Hills	44	50	53	147
Stoneygate	10	9	11	30
Grand Total	204	207	209	620
Bold text indicates ward contains school identified to take part in Netbook pilot programme				

Numbers of current children in target pilot schools with low prior attainment living in deprived areas

Proposed pilot school	YR 3	YR 4	YR 5	TOTAL
Caldecote Community Primary School	7	1	9	17
Woodstock Primary School	2	5	5	12
Knighton Fields Primary School	4		1	5
Hazel Community Primary School			1	1
Merrydale Junior				

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)

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Leicester
City Council

WARDS AFFECTED
All Wards

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Cabinet

8 November 2010

Service Plan for Food Law Enforcement 2010/2011

Report of the Chief Operating Officer and Deputy Chief Executive

1. PURPOSE OF REPORT

- 1.1 This report and the Service Plan for Food Law Enforcement 2010/2011 (appendix) have been produced to meet the requirements of the Food Standards Agency's Framework Agreement service planning guidance. This guidance recommends that to help ensure local transparency and accountability and, to show their contribution to our corporate plans, food service plans should be approved by the relevant member forum.

2. RECOMMENDATIONS (OR OPTIONS)

- 2.1 Cabinet is asked to
- a) note the Service Plan For Food Law Enforcement 2010/2011 (appendix) and,
 - b) approve the plans as set out in sections 5.1.1 and 5.2.1 of the service plan.

3. SUMMARY

- 3.1 The Service Plan for Food Law Enforcement 2010/2011 outlines how the City Council intends to fulfill its statutory duties and other obligations and how these link to the Council's priorities. A summary of the planned activities are set out below:

- Food hygiene inspections at all Categories A and B establishments
- Food standards interventions at a minimum of 50% of Category A businesses
- Interventions at food importers (from countries outside the EU)
- Investigation of complaints
- Investigation of food related illness
- Taking food samples for microbiological examination
- Sampling and analysis for accurate descriptions and food frauds
- Training services offered to food businesses
- Technical and legal advice for local businesses.

4. REPORT

4.1 Please see Service Plan for Food Law Enforcement 2010/2011 (appendix)

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1. Financial Implications

There are no financial implications. The Service Plan has been written to make best use of available resources.

5.2 Legal Implications

There are no legal implications. The food law enforcement in the Service Plan does not go beyond legal powers already vested in and /or delegated to Trading Standards and Environmental Health officers.

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.

6. OTHER IMPLICATIONS

OTHER IMPLICATIONS	YES/NO	Paragraph references within the report
Equal Opportunities	No	
Policy	Yes	Paragraph 1 of the Service Plan
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	No	
Corporate Parenting	No	
Health Inequalities Impact	No	

7. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

None

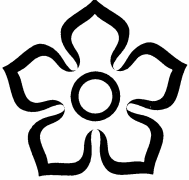
8. CONSULTATIONS

None

9. REPORT AUTHORS

David Barclay Rhodes	Food Safety Team Manager	29 6425
John Fox	Trading Standards Manager	29 6581

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



Leicester
City Council

WARDS AFFECTED
Citywide

CABINET

8TH NOVEMBER 2010

**ENFORCEMENT OF LEGISLATION REGULATING THE SALE OF
AGE-RESTRICTED PRODUCTS TO YOUNG PEOPLE**

Report of the Strategic Director of Public Health & Health Improvement

1. PURPOSE OF REPORT

- 1.1 To seek the approval of Cabinet for a programme of preventative and enforcement activities relating to the sale of age-restricted products to young people.

2. RECOMMENDATIONS (OR OPTIONS)

- 2.1 Cabinet is recommended to approve the programme of preventative and enforcement actions as set out in the Trading Standards Service Enforcement Plan 2010-2011 as set out in Appendix One.

3. SUMMARY

- 3.1 The Council has a statutory duty to enforce a number of Acts that place legal prohibitions on the sale of products to persons under the age set by law, in most cases 18 years of age. Two of these enactments, relating to the under-age sales of tobacco and aerosol paints, also require that the authority gives annual consideration to its enforcement programmes.
- 3.2 In addition to the legal requirements placed upon the Council this report contains details of activities linked to local priorities including the Wellbeing & Health Priority Board's contributions to Leicester Partnership's Health Inequalities Improvement Plan and, the Safer Leicester Partnership's Overall Crime Delivery Group Action Plan.
- 3.3 Therefore, for the first time, this annual report is based on not only our statutory duty to enforce the law but also on an intelligence-led process with our partners that has identified some clear, mutually understood and outcome-focused priorities.

4. REPORT

- 4.1 In previous years the Trading Standards Service has set its priorities for the enforcement of under-age sales legislation by reference to policies relating to the health

and welfare of children and the prevention of anti-social behaviour set down by Leicester City Council, the Department of Health and the Home Office. In this report a number of these priorities have now been set through mutual agreement with partner agencies, as set out below.

4.2 The most significant change in our tactical approach has been brought about by the Leicester Partnership Health Inequalities Improvement Plan (HIIP) which was published in November 2009. The HIIP was the Partnership's strategic response to a red flag in the Audit Commission's 2009 Comprehensive Area Assessment which highlighted a range of health inequalities in Leicester with particular emphasis on higher than expected levels of death and disease caused by smoking and alcohol misuse. Actions outlined in the HIIP relating to under-age sales of tobacco and alcohol are to be incorporated in the Wellbeing & Health Priority Board Commissioning Statement for 2011/12.

4.3 Cigarettes and tobacco:

4.3.1 Included in the HIIP are actions focused on reducing the inflow of young people recruited as new smokers. The Trading Standard Service's response is to reduce the availability of cigarettes and other forms of tobacco through a mix of advice to businesses and enforcement operations.

4.3.2 Our programme will include 60 test purchases at targeted premises, ten of which will be from vending machines on licensed premises. We shall use, as a proportionate response, new powers to apply for a Restricted Premises Order against "repeat offenders".

4.3.3 In 2010/11 we shall target the small, but growing, number of Shisha cafes in the city. This will be a response to intelligence that indicates a range of regulatory non-compliance at some businesses, including information that under 18s are regular smokers at these outlets. A programme of joint Trading Standards/Health & Safety team business advice visits will be followed by under-age test purchases at those businesses assessed to be the highest risk.

4.3.4 For the second year running, our tobacco enforcement will be part-funded by a Department of Health grant. This includes a specific allocation for the higher costs of test purchasing at Shisha cafes. Funding is also provided for our activities to detect and disrupt the supply of counterfeit and other illicit sources of cigarettes. It is probable that these illicit supplies are being sold to under 18s as well as to adults.

4.4 Alcohol:

4.4.1 Under-age drinking not only has adverse effects on health and personal development but frequently results in anti-social behaviour and personal injuries to young persons. Although government statistics indicate that the numbers of young people who are drinking has declined, they also show that those who do drink are drinking more alcohol, more often.

4.4.2 To assist in the prevention of supply of alcohol to young people we shall, in partnership with Leicestershire Police, re-launch the "Challenge 21" scheme, initiated in the city in

2005. Research has shown that 90% of the target age group are aware of Challenge 21. The launch will coincide with the introduction of new mandatory licensing conditions on 1 October 2010 under which all sellers of alcohol must have in place a “due diligence” refused sales procedure. Many large retailers have corporate procedures in place but, in order to assist smaller businesses in the city, we shall produce guidelines as part of the launch.

4.4.3 To help reduce alcohol abuse by young people we aim to reduce availability to under 18s through a continuing programme of 120 under age “mystery shopper” test purchase operations. These will be targeted at off licences suspected or known to sell alcohol to under 18s and will include a random element to assess general compliance levels.

4.4.4 This level of activity is made possible through the appointment of two Alcohol Control Officers, funded by the RIEP until July 2011, who are shared with Leicestershire and Rutland county councils.

4.5 Knives:

4.5.1 As part of its response to a red flag relating to crime levels in the 2009 Comprehensive Area Assessment, the Safer Leicester Partnership has produced a Tackling Knives Action Plan (TKAP) to address serious youth violence. As partners, the Trading Standards Service’s contribution to TKAP will be actions to improve retailers’ awareness of the under-age sales law and a series of test purchase operations. Test purchasing will be carried out before and after the business education campaign to assess whether compliance levels have improved.

4.6 Aerosol paints:

4.6.1 Our contribution to the Council’s One Clean Leicester anti-graffiti campaign will be a test purchasing operation to assess compliance levels of the prohibition of sales of spray paints to under 16s. This will be the first test since the new law was introduced in 2005. The main purpose of the enforcement action will be to raise awareness of both the law and of the local problems caused by graffiti amongst a retail sector that has so far not generally been included in other under-age sales campaigns.

4.7 Fireworks:

4.7.1 We will carry out one test purchasing operation in the October-November permitted sales period which coincides with Diwali and Bonfire Night we shall target businesses identified as high risk during 2009 and respond to new complaints.

4.7.2 In addition to protecting children from injury, our enforcement of this under-age sales law is linked to the noise-nuisance caused by unsupervised use in public places. We liaise with local police in this respect.

4.8 Other age-restricted products:

4.8.1 The Trading Standards Service Enforcement Plan (Appendix 1) sets out the full range of legislation that prohibits the sale or supply of age-restricted products that can be

enforced by the Service together with the current operational responses in each product area.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1. Financial Implications

This report raises no financial implications. Any enforcement action will be included in the Trading Standards Service plans at no additional cost to the authority.

Martin Judson, Head of Resources, Extension 29 7390

5.2 Legal Implications

5.2.1 As an authority having the statutory duty to enforce, Leicester City Council is required by virtue of Section 5 of the Children and Young Persons (Protection from Tobacco) Act 1991 and Section 54A of the Anti-Social Behaviour Act 2003 to consider, at least once in every period of twelve months, the extent to which it is appropriate to carry out a programme of enforcement action in relation to the prohibition of the sale of tobacco and aerosol paint to young people.

5.2.2 The Regulation of Investigatory Powers Act 2000 (RIPA) applies to activities whose purposes are to prevent or detect crime, particularly where covert actions are used. Failure to comply may lead to any evidence obtained being ruled as inadmissible by the courts.

5.2.3 The welfare implications of using children in test purchase operations are set out in Article 3 of the UN Convention on the Rights of the Child. The UK Government has ratified this international treaty.

5.2.4 The legal and welfare implications have been addressed in national guidelines, "A Practical Guide to Test Purchasing", revised by the Local Authority Coordinating Body on Trading Standards (now "LG Regulation") and the Trading Standards Institute in March 2010. This revision includes new advice received from the Office of the Surveillance Commissioner relating to compliance with RIPA.

5.2.5 All under-age test-purchasing operations carried out by the Trading Standards Service follow the principles set out in this guidance.

Anthony Cross, Head of Litigation and Advocacy Law, Extension 29 6362

6. CLIMATE CHANGE IMPLICATIONS

None

7. OTHER IMPLICATIONS

OTHER IMPLICATIONS	YES/NO	Paragraph references within the Report
Equal Opportunities Policy	No	
Sustainable and Environmental Crime and Disorder	Yes	5.2: Statutory requirement to make policy considerations annually.
Human Rights Act	No	
Elderly/People on Low Income	Yes	4.2, 4.3, 4.4, 4.5: Anti-social behaviour resulting from use of purchased products.
Corporate Parenting	Yes	5.2: Welfare considerations of use of young persons in test purchasing.
Health Inequalities Impact	No	
	Yes	Reducing under-age sales of tobacco will help to reduce smoking in the city.

8. BACKGROUND PAPERS – NONE

9. CONSULTATIONS - NONE

10. REPORT AUTHOR

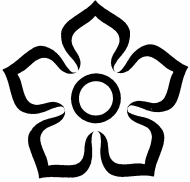
John Fox
 Trading Standards Manager
 x 29 6581
john.fox@leicester.gov.uk

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

APPENDIX ONE

TRADING STANDARDS SERVICE ENFORCEMENT PLAN 2010-2011

Product	Age	Legislation	Enforcement Plans
Aerosol paints	16	Anti-Social Behaviour Act 2003, Section 54	Test purchasing operation as part of LCC anti-graffiti campaign. Respond to complaints.
Air weapons	18	Firearms Act 1968, Section 24	Respond to complaints. Enforcement action undertaken in partnership with the police.
Alcohol	18	Licensing Act 2003, Sections 146, 147, 147A, 149.	Programme of test purchasing operations to test compliance. Relaunch of "Challenge 21" Respond to complaints.
Cigarette lighter refills	18	Cigarette Lighter Refill (Safety) Regulations 1999, Reg.2	Respond to complaints.
Crossbows	18	Crossbows Act 1987, Section 1	Respond to complaints. Enforcement action undertaken in partnership with the police.
Fireworks	18	Fireworks (Safety) Regulations 1997, Reg.6 and Fireworks Act 2003	Test purchasing operation in Oct/Nov to test compliance. Respond to complaints.
Knives	18	Criminal Justice Act 1988, Section 141A	TKAP project with SLP to include business advice/awareness campaign and test purchasing operations. Respond to complaints
Liqueur confectionery	16	Licensing Act 2003, Section 148	Respond to complaints.
Lottery products	16	National Lottery Act 1993, Section 13 and, National Lottery Regulations 1994	Refer complaints to the National Lottery's own enforcement team.
Party poppers, caps etc.	16	Explosives Act 1875, Section 31	Respond to complaints.
Solvents	18	Intoxicating Substances (Supply) Act 1985, Section 1	Respond to complaints.
Tobacco	18	Children and Young Persons Act 1933, Section 7	Programme of test purchasing operations to test compliance. Shisha cafes project to include business advice and test purchasing operations. Respond to complaints.
Video recordings, including some games	12 15 18	Video Recordings Act 1984, Section 11	Respond to complaints



Leicester
City Council

WARDS AFFECTED
All Wards

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

CABINET

8th November 2010

CORPORATE VOLUNTARY & COMMUNITY SECTOR CONTRACTS QUARTERLY MONITORING

Report of the Director of Change and Programme Management

1. Purpose of Report

- 1.1. This report sets out performance for Quarter One (April to June 2010) of the seven corporate contracts with voluntary and community sector (VCS) organisations that currently sit within the remit of the Partnership Executive Team.

2. Recommendations (or OPTIONS)

- 2.1. Cabinet is asked to note the performance of the contracts as set out in Appendix A.
- 2.2. In order to make this and future reports more useful, it is intended to present these findings, where appropriate, to portfolio leads via their regular briefing sessions.

3. Summary

- 3.1. On 20th April 2010, the Thriving and Safe Communities Priority Board agreed to take strategic ownership of the seven corporate VCS contracts and to receive quarterly progress reports.
- 3.2. At Cabinet on 17th May 2010, it was agreed that following quarterly monitoring to the Thriving and Safe Priority Board, there would be upward reporting to Cabinet, and that the results of strategic reviews, evidence of underperformance or adverse impacts on outcomes that might result in a recommendation to withdraw funding, would be on the basis of a full report to Cabinet.
- 3.3. Appendix A sets out the progress against targets for these seven contracts for the period 1st April to 30th June 2010.

4. Report

- 4.1 There are seven corporate VCS contracts that currently sit within the Partnership Executive Team:
- African Caribbean Citizens Forum (ACCF)
 - Federation of Muslim Organisations (FMO)
 - Leicester Council of Faiths (LCoF)
 - Leicestershire Centre for Integrated Living (LCIL)
 - Somali Development Services (SDS)
 - The Race Equality Centre (TREC)
 - Voluntary Action Leicester (VAL)
- 4.2 From 1st September 2010, these contracts will transfer to the Voluntary Sector Team within the Service Contracting and Procurement Unit within Adult and Community Services . Continuity of monitoring will be maintained as the Monitoring Officer will also transfer across along with the contracts and they will continue to be led strategically by the Strategic Director Adults and Communities and the Thriving and Safe Communities Priority Board.
- 4.3 Performance against targets is set out in Appendix A to this report.
- 4.4 Each contract has been rated either Red (major concerns over performance), Amber (some concerns) or Green (no concerns).
- 4.5 Three contracts have been rated Green: FMO, LCoF and SDS.
- 4.6 The other four contracts have been rated Amber:
- ACCF – due to the organisation not having a Director in post for seven months. Although interim arrangements have been in place, the service has not been able to operate at full capacity. A new project manager has now been appointed and commenced on 6th September.
 - LCIL, TREC and VAL. Specifications for these organisations have been reviewed and revised, and we were waiting approval from Cabinet on 16th August to sign off these new specifications and contracts. This process was linked into the decision-making process around in-year cuts faced by the Council which has taken some time and has meant that we have not had clearly defined specifications and outcomes with these organisations during this period, and as a result of this these contracts have an amber rating. Following Cabinet's decision on 16th August not to make any in-year reductions in this area, specifications have now been signed off. Contracts have been sent to TREC and LCIL for signature. The VAL contract has taken a little longer due to the inclusion of funding from the PCT and the Police. However, it is anticipated that this contract will be ready soon.
- 4.7 The agreement with FMO has been extended to 31st March 2011 and work has started to renegotiate the specification to include clear outcomes around supporting the infrastructure between Muslim organisations in the City.
- 4.8 The specification with ACCF is now under review to set clearer objectives and outcomes, linking this to the community cohesion strategy and to widen support with African communities.

- 4.7 Cabinet is asked to note the contents of this report.
- 4.8 In order to make this and future reports more useful, it is intended to present these findings, where appropriate, to portfolio leads via their regular briefing sessions.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1 Financial Implications

- 5.1.1 2010-11 budgetary provision for these Organisations is £612,500
- 5.1.2 The organisations generally receive funding quarterly in advance. For the three organisations that have simple funding agreements (ACCF, LCoF and FMO) there is provision for payments advanced to be clawed back in the event that the money is not being used in accordance with the agreement. For the other organisations the service contract arrangements provide for cessation of funding if services were not being provided as agreed.

Jon King, Accountancy Services
X 29 7433

5.2 Legal Implications

- 5.2.1 The approach to former “grant aid contracts” (including the procurement approach) is underpinned by Cabinet decisions in March and April 2008. This has, subject to a handful of contracts being queried, been successful.
- 5.2.3 For ACCF and LCoF the decision was then taken, on further consideration, to continue a funding arrangement as the purpose of the relationship reflected more of a “grant in aid” (core funding) approach rather than the delivery of particular outputs.
- 5.2.4 It will be recalled that the procurement approach to the award of the VAL contract was subsequently based on the fact that, because VAL had been awarded the contract for voluntary infrastructure in Leicestershire and because of our MAA, they were in effect the body that could provide these services in Leicester.
- 5.2.5 The recommendations in this report are supported as they will lead to clarity about the nature of the arrangements and ownership of the outcomes. It is obviously in no-one's interest for arrangements to continue that have not been properly “closed”, where money is being paid on an inchoate basis. This means that neither party can be certain what the contractual arrangement is and this could lead to disputes and service failure.
- 5.2.6 Procurement principles and contract procedure rules still apply to the award of these contracts (unless the relationship is clearly one of grant funding – in which case the rules on State Aid may apply, but at these values and for these outcomes this should not be a barrier) The procurement approach approved in 2008 should therefore be reviewed on each renewal.

- 5.2.7 Equalities issues in contracting is a complex area and the most robust approach is to embed these in the service delivery requirements at a pervasive level. The proposed work on this issue is strongly supported.
- 5.2.8 The principal legal power used by the Council to enter into these arrangements are our “well being powers”. As ever regard must be had to our Sustainable Community Strategy in the exercise of these powers.

Joanna Bunting, Head of Commercial & Property Law
X 29 6450

5.3 Equalities Implications

- 5.3.1 An equalities checklist for commissioning has been developed and will be piloted by the Strategic Commissioning Project Board. The checklist highlights the range of equalities considerations across the various phases of the commissioning cycle: clarifying customer needs (whether for individuals or communities), identifying an effective service offer, equality risk assessing any proposal, specifying equality outcomes and wider social benefits to be achieved by the service, and monitoring the outcomes and benefits realised. As an authority, we have been poor at specifying and demonstrating equality outcomes achieved through our service provision. The good practice approach recommended within this report will enable the Thriving and Safe Communities Priority Board to get a clearer picture of the individual and community benefits realised through its commissioning activities. This in turn, will inform the Priority Board's future commissioning decisions. Another challenge is the ongoing development of a local market of a diverse range of potential providers, providers who know and are able to respond effectively to the needs of Leicester's communities. A larger pool of potential providers would stimulate entrepreneurship within the city, which is itself, a social benefit.

Irene Kszyk, Head of Corporate Equalities
X 39 1624

5.4 Climate Change Implications

None. However carbon reduction is a priority target for the Council and we want all our suppliers to consider how the service they are providing can contribute to this. It is recommended that as these services are reviewed and new specifications are developed, that environmental outcomes are built into all future contracts. The new outcome based service specification template developed for delivery of community based services has an environmental impact section and guidance on how to include environmental outcomes into service delivery and the support available to suppliers to help them to reduce their carbon emissions.

6. Other Implications

OTHER IMPLICATIONS	YES/ NO	Paragraph/References Within Supporting information
Equal Opportunities	Yes	Whole report. These organisations provide an important ‘gateway’ into key communities within the city, helping the Council to better understand need and engage with these communities
Policy	NO	
Sustainable and Environmental	NO	
Crime and Disorder	NO	
Human Rights Act	NO	
Elderly/People on Low Income	NO	
Corporate Parenting	NO	
Health Inequalities Impact	NO	

7. Risk Assessment Matrix

Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/appropriate)
1 Contracts do not deliver against agreed outcomes and do not demonstrate value for money	High	Medium	Clear outcome based specifications have been, or are being, negotiated with providers. Rigorous quarterly monitoring and reporting will be undertaken.
2 Not opening the funding or procurement process up to competition could lead to challenges from other providers	Medium	Medium	A Strategic review of contracts needs to take place in the longer term to assess future needs and priorities.
3 Services operating without signed contracts – LCC may not be able to claw back advance payments if dissatisfied with performance	Medium	Medium	It is hoped to issue new contracts very shortly.

8. Background Papers – Local Government Act 1972

5.3 Not applicable

9. Consultations

- 9.1 Julie Morley, Team Leader, Partnership Team
Miranda Cannon, Director Change and Programme Management
Kim Curry, Strategic Director, Adults and Communities
Irene Kszyk, Head of Corporate Equalities
Joanna Bunting, Head of Commercial & Property Law
Jon King, Accountancy Services

10. Report Author

- 10.1 Andrew Tovell, Regeneration Officer, Partnership Executive Team, x29 8665

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

QUARTERLY PERFORMANCE REPORTING – CORPORATE VCS CONTRACTS

PERIOD: 1st April to 30th June 2010

Name of Organisation: Somali Development Services			
Brief summary of service (as set out in specification):			
Somali Development Services (SDS) will:			
<ol style="list-style-type: none"> 1. Provide a range of support and advice services to address the needs of the Somali Community in Leicester. 2. Undertake general engagement and consultation with the Somali Community and maintain good communication with the council to ensure ongoing and constructive dialogue between the Somali community and the Council is supported. 			
Outputs/Outcomes	Target for period	Achieved	Comments
No of people supported at drop-in sessions	No target set	383	Advice given on benefits, form filling, GP referrals, utilities bills, onward referrals
No of service users reporting feeling satisfied or very satisfied with the service	75%	100% of those giving feedback	35% of users returned feedback sheets
No of community groups worked with	No target set	5	
No of community meetings held	No target set	2	
No of attendees at community meetings	No target set	8	
Development of effective partnerships and joint working with the Somali community		Situation much improved from 2-3 years ago. Dialogue between groups is now happening.	A number of meetings have been held with other groups (eg St Matthews Community Solutions). Dialogue has been maintained and progress is slowly being made in this sensitive area.
Performance rating: Green – no concerns over performance			

Other key activities undertaken:

Although the drop-in sessions are aimed at the Somali community, a large minority (37% this quarter) of those attending are new arrivals from Eastern Europe (eg Czech and Slovak Roma)

Current status of contract:

A new service contract was issued on 1st July 2009 and runs to 31st March 2012. The specification may need reviewing during 2010/11. The total value of the contract is £124,850:

£34,050 in 09/10 (9 months)

£45,400 in 10/11

£45,400 in 11/12

First two quarters in 2010/11 have been paid totalling £22,700

QUARTERLY PERFORMANCE REPORTING TEMPLATE – CORPORATE VCS CONTRACTS

PERIOD: 1st April to 30th June 2010

Name of Organisation: Leicester Council of Faiths			
Brief summary of service (as set out in specification):			
Leicester Council of Faiths will encourage and promote knowledge and understanding of, and between, the different faith communities in the city and will work with Leicester City Council and the Leicester Partnership to achieve this.			
Outputs/Outcomes	Target for period	Achieved	Comments
Number of faith organisations/communities worked with	No target set	13	8 member faith communities, plus Ahmadiyyah, Mormons, Pagan Alliance, Secular Society, Swaminarayan Mission,
Number of community meetings held	No target set	2	Council of Faiths meetings are open to members of all communities
LCoF develop effective collaborative working with community faiths groups in the city	N/A		Meeting on wearing of kirpan in schools with reps from all nine gurdwaras in Leicester.
To have a Board which is representative of the communities served	N/A		The Board is representative of the 8 member faith communities: Bahai, Buddhist, Christian, Hindu, Jain, Jewish, Muslim, Sikh)
Performance rating: Green – no concern over performance			
Other key activities undertaken:			
Use of technology and social networking to support a dialogue between different faith communities, and to develop greater understanding. Website – over 5,000 hits per quarter. Facebook page – 114 fans so far. Twitter account has 35 followers now. Blog with 50 signed up followers.			
Current status of contract:			
Current contract runs from 1 st April 2009 to 31 st March 2012. Total contract value is £75,000: £25,000 per year for 3 years. 3 quarterly payment of £6,250 each for 2010/11 have been made.			

QUARTERLY PERFORMANCE REPORTING TEMPLATE – CORPORATE VCS CONTRACTS

PERIOD: 1st April to 30th June 2010

Name of Organisation: African Caribbean Citizens Forum			
Brief summary of service (as set out in specification):			
A community based service that will work with Leicester City Council and its partners to improve our understanding of African and African Caribbean issues across the City and the impact this has on community cohesion. To work with the Council and its partners to ensure that the voice of its African and African Caribbean community is heard.			
Outputs/Outcomes	Target for period	Achieved	Comments
No of community meetings held	No target set	5	
No of community members representing the Forum	No target set	8	
No of new Forum members recruited	No target set	0	To be addressed once the new project manager has been appointed.
No of community groups worked with	No target set	20	77 individuals in total
To have a Forum which is representative of the communities served	N/A		19 community members on the Management Body representing 11 different groups
Development of effective joint working with community groups working with the African and Caribbean population	N/A	Recent work to try to calm tensions in Highfields	Youth of African Heritage Forum African Heritage consortium
Performance rating: Amber – some concerns (see below)			
Other key activities undertaken:			
The part-time Director of the Forum resigned in January 2010. A full-time Project Manager post has been advertised and interviews have been held. The successful candidate commenced work on 6 th September.			

Interim arrangements were in place for this quarter but the level of activity has dropped. This should improve with the appointment of the new Project Manager.

Current status of contract:

Current contract runs from 1st April 2009 to 31st March 2012. Total contract value is £129,300: £43,100 per annum for 3 years. The first two quarters for 2010/11 have been paid totalling £21,550.

In line with the recommendations from the report to Cabinet on 10th May 2010, the specification is currently being updated. The aims of the service have been agreed and activities/outcomes are currently being worked on.

QUARTERLY PERFORMANCE REPORTING TEMPLATE – CORPORATE VCS CONTRACTS

PERIOD: 1st April to 30th June 2010

Name of Organisation: Federation of Muslim Organisations			
Brief summary of service (as set out in specification):			
The FMO will represent the full range of Muslim communities in Leicester. It will act as a conduit for communication between Muslim communities, and the Council and Leicester Partnership.			
Outputs/Outcomes	Target for period	Achieved	Comments
No of individuals signposted to appropriate services	No target set	2,685	
No of awareness sessions held	No target set	67	
To be representative of the full range of Muslim communities	N/A		The Executive Committee represents Muslims from various different mosques, ethnic heritage, and schools of thought. The first Somali office bearer was elected in 2010. A new young Bangladeshi member has also been elected.
To be a focal point for new arrivals from Muslim communities	N/A		Support for Somali, Iraqi, Iranian, Indian and Pakistani new arrivals.
To participate fully in inter-faith work	N/A		Working with Interfaith forum, Christian Muslim Dialogue group, Faith Leaders Forum, St Philips Centre, Leicester Council of Faiths
To actively promote democratic participation	N/A	Regular meetings held with Muslim and non-Muslim Councillors	FMO has a dedicated political participation sub-committee. FMO Engage ran a large campaign prior to General Election to encourage all Muslims to vote.

Performance rating: Green – no concern over performance

Other key activities undertaken:

Recruiting staff for the Drug 3 project – addressing the issue of drug abuse amongst Muslims, mentoring individuals and supporting families.

Youth and Community Awards 2010 were held in April – over 1,000 people attended

Current status of contract:

Existing contract expired 31st March 2010. However, this was extended for 12 months to 31st March 2011. Contract value is £25,000 per annum. Invoice for first two quarterly payments of 2010/11 totalling £12,500 have been made.

In line with the recommendations from the report to Cabinet on 10th May 2010, the specification is currently being updated.

QUARTERLY PERFORMANCE REPORTING TEMPLATE – CORPORATE VCS CONTRACTS

PERIOD: 1st April to 30th June 2010

Name of Organisation: Voluntary Action Leicester			
Brief summary of service (as set out in the current specification - the new specification has a different focus and this will be reflected in future monitoring reports.)			
<p>The service will improve the co-ordination, engagement and representation of VCS organisations in the city. The service will support the professional development and build capacity of VCS organisations to enable them to influence decision making and deliver effective services that meet the diverse needs of the people of Leicester. The service will provide training and ongoing support to the VCS representatives that sit on the Leicester Partnership and its delivery groups. It will also play a central role in the development of volunteering opportunities and the delivery of a range of volunteering services in the city that meet the needs of service users.</p>			
Outputs/Outcomes	Target	Achieved	Comments
Percentage of VCS groups feeling “well informed” or “very well informed” about strategies, policies and partnerships	77%	Not available	Will be reported as part of the VCS Annual Survey results
VAL membership profiles show a diverse range of membership reflecting the population	N/A		34% of groups are from BME communities. 61% of members have annual income below £10,000
Percentage of VCS groups receiving advice or training reporting they have increased their capacity or effectiveness	64% (training) 91% (advice & support)	65% 62%	Evaluation forms, feedback This target will be monitored closely over the year.
No of volunteer enquiries	4,000 (for the year)	842	To be monitored closely
Percentage of volunteers that take up volunteering opportunities	35%	28%	

Percentage of volunteers happy or very happy with their placement	80%	55%	VAL will be working hard to improve this
Performance rating: Amber – concerns due to operating without a signed contract for 12 months – see below			
Other key activities undertaken: Leicester Compact Training, 1:1 Support, Helpline, Resource Centre State of the Sector report due soon			
Current status of contract: Previous service contract expired on 31 st March 2009. This was extended to 30 th June 2009. We could not legally extend any further. Agreement could not be reached on a new specification. Payments continued to maintain service continuity. Value of payments for 2009/10 totalled £295,900. First two quarterly payments for 2010/11 totalling £147,975 have been made. New specification based on national standards that reflect the need for them to support and develop the VCS, and its role as an integral part of local planning and policy-making has been agreed with VAL. Following Cabinet decisions on 16 th August, instructions have been given to Legal to issue the contract. It is hoped that the contract will be issued shortly. The value of the new contract is currently £391,212 per annum – made up of City Council (£295,900), plus PCT (£85,312), and Police (£10,000)			

QUARTERLY PERFORMANCE REPORTING TEMPLATE – CORPORATE VCS CONTRACTS

PERIOD: 1st April to 30th June 2010

Name of Organisation: Leicestershire Centre for Integrated Living			
Brief summary of service (as set out in the new and agreed specification):			
Proposed 2010/2013 Spec - The service provider will seek the views and opinions of people with disabilities and organisations working with disabled people and ensure these views are represented appropriately to the local authority. The service will promote and foster two way communication and engagement between local authority and the service provider who will act as the 'voice of the community', to ensure our services are effective and responsive to the needs of local disabled people and meet our disability equality duties.			
Outputs/Outcomes	Target for period	Achieved	Comments
No of individuals receiving information	No target set	48	
No of organisations receiving information	No target set		
No of planning meetings held	No target set	41	
No of consultation events held	No target set	10	
No of individuals attending events	No target set	87	
No of organisations attending events	No target set		Sessions in 4 areas and events targeting groups representing 4 specific disability categories
Performance rating: Amber – concerns as they have been operating without a signed contract in place for 12 months			
Other key activities undertaken:			
Supporting 2 new emerging disability groups who have the potential to be User Led Organisations. Supporting the Adult Social Care transformation process with consultation groups and stakeholder forum work			

Current status of contract:

Previous service contract expired on 31st March 2009. This was extended to 30th June 2009. We could not legally extend any further. LCIL were sent a new contract in September 2009, but this was not signed as LCIL were not happy with the specification requirements. Payments continued to maintain service continuity. Value of payments for 2009/10 totalled £46,200. First two quarterly payments totalling £23,100 for 2010/11 have been made.

Contract negotiations have continued and a new specification has now been agreed. Following Cabinet decisions on 16th August, instructions have been given to legal services to issue the contract. The contract has now been engrossed and dispatched by Legal to LCIL for signature.

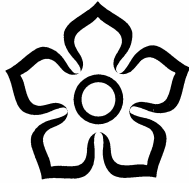
QUARTERLY PERFORMANCE REPORTING TEMPLATE – CORPORATE VCS CONTRACTS

PERIOD: 1st April to 30th June 2010

Name of Organisation: The Race Equality Centre			
Brief summary of service (as set out in the previous specification as the current specification is being finalised and agreed):			
To actively promote and raise awareness of local race equality issues through:			
<ul style="list-style-type: none"> • the promotion of racial equality and diversity • advice and assistance in the development and implementation of policies to challenge and tackle racism, including far right activity. • general support and advice to refugees, asylum seekers and other new arrivals to the UK. 			
Outputs/Outcomes	Target for period	Achieved	Comments
No of organisations supported with advice/guidance on equality issues	No target set	9	
No of individuals supported with advice/guidance on equality issues	No target set	31	
No of activities undertaken to reduce the impact of far right activity	No target set	3	
Refugees accessing the service report feeling 'more settled' in Leicester as a result of the service received	50%	99%	Work with refugees has significantly increased
Number of organisations reporting feeling 'satisfied' or 'very satisfied' with the service received	75%	Not reported	

Communities and ward councillors are aware of the threat to community cohesion brought about by the activities of those who advocate extreme and/or violent racist views and/or activities	N/A	"needs improving"	Voter registration workshops in Highfields & St Matthews
Performance rating: Amber – some concerns due to no contract being in place for 12 months			
<p>Other key activities undertaken:</p> <p>412 refugees supported by TREC in this period Participation in the Equality and Diversity Partnership Work to reduce tensions in Highfields</p>			
<p>Current status of contract:</p> <p>Previous service contract expired on 31st March 2009. This was extended to 30th June 2009. We could not legally extend any further. TREC were sent a new contract in October 2009, but this was not signed as TREC were not happy with the specification requirements. The Monitoring Officer visited TREC in October 2009; he shared with them a reporting template and asked them to report quarterly against this. TREC have started supplying quarterly information as of July 2010.</p> <p>Payments continued on the instruction of Miranda Cannon. Value of payments for 2009/10 totalled £117,800. First two quarterly payments totalling £58,900 for 2010/11 have been made. The new specification has now been agreed and a contract has been issued.</p>			

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Leicester
City Council

**WARDS AFFECTED
ALL WARDS**

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

OSMB

4 NOVEMBER 2010

CABINET

8 NOVEMBER 2010

CORPORATE CAPITAL PROGRAMME – PROPERTY SCHEMES

Report Chief Operations Officer

1. Purpose of Report

- 1.1 To seek authorisation for the release of capital monies for Property Schemes as identified within the report.

2. Recommendations

- 2.1. Cabinet is recommended to approve the list of Property schemes identified in Appendix A.
- 2.2. Cabinet is asked to approve the release of £1,000,000, from the capital programme which has been allocated for Property Schemes by Council at its meeting on 25th March 2010.

3. Summary

- 3.1 In March 2010, Council approved the allocation of a sum of £1,000,000 within the approved Capital Programme for Property Schemes subject to details of works to be undertaken being reported to Cabinet.
- 3.2 This report provides that detail and requests the release of the £1,000,000 funding for the year 2010 – 2011.
- 3.3 The attached appendix A sets out the proposed works, which have been prioritised using a risk matrix. The implementation of these works will improve the Council's ability to meet legal and service objectives.

4. Report

- 4.1 The City Council's building stock varies considerably in age and the type of construction and since originally built many assets have been adapted at various times over the years under the legislation and utilising technology that was applicable at the time work was carried out. However particularly in recent years changes in codes of practice, relevant legislation etc. (see below) have occurred, the implications of which need to be considered and any risks identified managed to ensure the Council is not exposed to unacceptable levels of risk. This is done by assessing, prioritising and addressing the risks as appropriate.
- 4.2 The assessment and management of the risks is an ongoing process and the capital bid was submitted to enable this work to continue and to enable the resulting priority works to be carried out.
- 4.2.1 Some of the risks identified are significant and carry the risk if not addressed of potential prosecutions, financial loss or service restrictions due particularly to the continuing changes in Health & Safety and environmental legislation. Examples of these are:-
- Where new legislation is introduced which is applicable to all buildings regardless of age, character, etc. Such a piece of legislation is the Regulatory Reform (Fire Safety) Order, which requires all occupiers to have an up to date fire risk assessment of not just the operations within the site but also of the structure and its performance. Surveys are being carried out at present. From these a prioritised list of amendments or improvements based on a risk assessment is produced. Some progress must be made to reduce the risks to users and staff at these facilities. The extent of work undertaken must be reasonable in light of the resources available, including time, cost, risk, practicality, occupants, etc. This will be assessed and questioned if a fire occurs and investigations and potential court cases follow. Initial fire risk assessments indicate that a considerably larger sum of money is likely to be required to address all 'high' risk issues. This can only be fully assessed once a substantial number of surveys have been carried out and financial assessments and prioritisation completed. This may necessitate a re prioritisation of some other works
 - Various health and safety codes of practice and guidance have also been introduced over the years, which are not directly retrospective, but have rendered practices that were deemed satisfactory, when the building was constructed or altered, to have become unacceptable unless various features are implemented e.g. fall restraints, specific access requirements in confined spaces. In addition, case law over many years has also affected the liability on

service provision. It has identified many aspects of inspection, risk assessment and repair which must be addressed. These may never be reflected in formal legislation. However Leicester City Council has a duty of care to all persons on its premises, including unauthorised persons. Inspection regimes have been introduced over the years to look at the various issues and to review potential risks. The inspection regimes are necessary because under case law, ignorance will not necessarily be an acceptable defence. Examples include the necessity for inspection of fencing following the collapse of park fencing in Derby, and various cases of unauthorised persons falling through or off roofs, etc.

- Over years various aspects of design are investigated, tested, commented upon and further developed. This means that aspects of design that were fully acceptable when a building was constructed may now not be suitable because of this further research. Even the environment in which any building functions has changed and the building does need to address the various social and economic issues of the local vicinity. i.e the surrounding neighbourhood has changed from, say, a suburban area to a front line facility
- Certain equipment which was originally installed some years ago, whilst still working, the company producing the spares has ceased to exist. This means that equipment is having to be repaired with materials or components of lower compatibility, leaving a higher level risk of potential failure, which also increases the risk of the complete breakdown of the service.

4.2.2 Furthermore insurance companies are taking a far firmer stance on these issues especially Health and Safety. This not only affects staff employed directly by the City Council, but also specifically by Contractors and companies employed to undertake work on our behalf. The requirements are such that we need to undertake not just risk assessments of areas but also risk reduction measures before companies are prepared to undertake the requested tasks. e.g the installation of safe access routes to tanks must be undertaken before water hygiene companies will test the system

4.3 **Process for Prioritising Risks**

A risk assessment, which is based upon the potential for harm to people or buildings, has been undertaken on each of the issues being raised in the attached schedule. This has been used as a basis for prioritisation.

Following the elimination of high risks in relation to water hygiene, moderate risks still present a significant risk if not managed or removed. Continuing the proposed programme will remove the need to manage the risks and the potential for human error in the management of the risks at site level.

A Water Hygiene risk assessment has been undertaken on each of the properties identified in the attached Appendix 1 & 2. The works identified and the service use of the building have been used as a basis for prioritisation using a risk algorithm. All high risk works in all high, medium

and low risk buildings have been completed. The risk is calculated using an algorithm that considers the use of the building, the service users,,the activities involving the use of water and the condition of the water system.

- 4.4 The attached Appendix A incorporates a list of projects which have been identified as requiring attention giving the cause for each item. This is a focussed programme of works which will meet legal and service objectives and bring benefits over and above basic compliance with legislation in terms of improved safeguards for the health and safety of those who use, operate and maintain our buildings, improved operational and maintenance efficiency and are a positive contribution to safeguarding the continuity of service delivery.
- 4.5 These works are outside of the scope of budgets for normal maintenance and/or service requirements.
- 4.6 Cabinet is recommended to approve the release of the monies to address the issues identified in Appendix A.

PROGRAMME OUTCOMES

Last financial year, £350,000 was spent completing the programme of high risk works at medium to low risk use buildings. Approximately 120 sites received planned high risk remedial works.

The works undertaken to date to prevent unauthorised access to the roofs at various sites has been a success. From almost daily occurrences of children on the roof, this has been substantially reduced to very limited occurrences.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1. Financial Implications – (Nick Booth, Extn. 297460)

A capital allocation of up to £1,000,000 for 2010/11 was previously approved by Council at its meeting on 25th March 2010 within the Corporate Capital Programme for Property Schemes subject to details being approved by Cabinet.

Details of the proposed expenditure are set out in appendix A, but the main items are £360,000 for high risk items identified from fire risk assessments and £345,000 for water hygiene works.

Members are reminded that because of the ongoing changes, updates, etc, it may be necessary to reprioritise actions to meet specific needs within the given time frame and budget allocation.

Failure to implement the recommended changes from the risk assessments could affect the validity of Leicester City Council's insurance cover and would also lead to additional or elevated insurance premiums.

5.2 Legal Implications – Joanna Bunting, Extn. 296450)

The legal background is contained in the report.

Offences under the Health and Safety at Work etc Act 1974 can result in liability to a fine or imprisonment. In very bad cases – where risk has been recklessly disregarded and where there has been a death it is possible that prosecutors could consider manslaughter charges.

The Council also has, in respect of the state of its buildings, a duty of care to anyone on its premises and to its employees. The extent of the action necessary under this duty of care should be determined as a result of a risk assessment. This liability is usually backed off by insurance arrangements.

Leicester City Council has a legal obligation under Section 4 of the Health and Safety at Work Act 1974 to control the risks associated with water hygiene in its properties so far as is reasonably practicable.

Responsible officers and members of the Council, as well as the Council itself, could be liable to prosecution under the Health and Safety at Work Act and under extreme cases the law of manslaughter, and if found guilty could be liable to a fine or imprisonment. Also under Owners Liability and Employers Liabilities the Council could have civil liability. This is usually covered by insurance. Case law has established the principle that if one could reasonably foretell that events could occur, then reasonable action must be put in place to mitigate risks.

5.3 Climate Change Implications - Helen Lansdown, Senior Environmental Consultant - Sustainable Procurement (extn 296770)

In general 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. However, the works proposed at the Gilmorton Rooms to improve heating controls should allow for greater energy efficiency in this building which has the potential to reduce the Council's carbon emissions.

Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References Within Supporting information
Equal Opportunities	No	
Policy	Yes	All council policies could be affected
Sustainable and Environmental	Yes	All actions enable a more sustainable

		building and service provision.
Crime and Disorder	Yes	Some of the issues are result of crime/illegal entry such as duty of care with regard to roof access.
Human Rights Act	No	
Elderly/People on Low Income	No	

6. Risk Assessment Matrix

See earlier under paragraph 4.3

7. Background Papers – Local Government Act 1972

The Health and Safety at Work etc Act 1974(HSWA).

Management of Health and Safety at Work Regulations 1999 (MHSWR).

Control of Substances Hazardous to Health Regulations 1999 (COSHH).

The Approved Code of Practice L8: The control of Legionella bacteria in water systems-Approved Code of Practice & Guidance. Health and Safety Commission (HSC)(ACOP L8).

Report of the public meetings into the outbreak in Barrow-in-Furness, August 20002. Health and Safety Executive(HSE).

Zurich Municipal Audit 2005

Corporate Directors Board (CDB) Water Hygiene Report 11/09/07

CDB Water Hygiene Follow up report 16/10/07

Capital Programme Submissions.

8. Consultations

Consultations have taken place with representatives of all Service Departments, specifically

Adult & Housing - Mick Bowers, Swarsha Balla and Michael Holmes
 Regeneration and Culture – Helen Davis
 Children & Young Persons – Rob Thomas

Various other staff – site and office based - have been consulted on each individual issue.

Consultation with regard to Water Hygiene has been carried out with officers in the Strategic Asset Management Division and representatives from Children and Young People's Services (CYPS), Resources, Regeneration and Culture, and Adults and Housing at the regular Corporate Asbestos & Water Hygiene Task and Finish Group meetings.

9. Report Author

Robin Matthewman
Building Maintenance Manager
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Key Decision	Yes
Reason	Capital expenditure in excess of £1m
Appeared in Forward Plan	Yes
Executive or Council Decision	Executive (Cabinet)

CORPORATE CAPITAL PROGRAMME – PROPERTY SCHEMES

Appendix A

2010-11

Issues to be dealt with	Basis of Requirement	Anticipated Cost	Schemes	Individual Project Amount	Issues/Risks	Comments/notes
		in £'000s		in £'000s		
Water Hygiene Works	Health & Safety	£345	See Appendix B	n/a	Breach of legislation. Risk of users and or staff contracting legionella	See Appendix 2
-						
Fire Risk Reductions - Undertaking high risk items identified in assessments	Health & Safety	£360	All sites to undertake any high risk issues identified within the Fire Risk Assessments presently being produced	n/a	Breach of legislation. Risk to users and staff in the event of a fire. Potential for death of occupants or other injury. Substantial damage to assets Disruption of service delivery	A programme of Fire Risk Assessments is being implemented across all corporate operational properties (excluding housing).. Within each risk assessment, issues at the individual property need to be addressed. This money is to contribute to the cost of dealing with these identified High Risk Issues. Lower risk issues still need to be addressed and these will be carried out if any money is left. it is unlikely that all the works identified in the Risk Assessment will be carried out within the existing resources and that the programme of works will take several years to fully address.
Safe Roof working - Prevention of Unauthorised access	Case Law & Health & Safety	£50	Tudor Centre	£25	Children frequently identified on the roof with potential for falls and injuries	Successful court cases against Portsmouth City Council, Longslade School. Regular damage occurring to buildings. Potential injury to individuals (children/thieves) in event of accident. Potential for damaged tiles etc to fall and water leaks. Encourages access for theft. Original design often left roofs easy to climb onto. Further sites continually being identified.
			Abbey Pumping Station	£25	Children frequently identified on the roof with potential for falls and injuries. Also identified adults on site for potential lead thefts	

CORPORATE CAPITAL PROGRAMME – PROPERTY SCHEMES

Appendix A

2010-11

Issues to be dealt with	Basis of Requirement	Anticipated Cost	Schemes	Individual Project Amount	Issues/Risks	Comments/notes
		in £'000s		in £'000s		
- Lift Remedial Works - obsolescent equipment	Technical Issue & Health & Safety	£30	Various	£30	Potential for injury and claims against the Council.	Currently have two public liability claims. Various equipment in lifts, whilst still working, is ageing and increasingly difficult to repair or obtain parts. Strictly there is no obligation to do this work but the lifts are becoming less reliable, which causes disruption in services for users and hence the potential for bad publicity and further public liability claims. Commence a programme of works
- Works to boundary fencing	Case Law & Health & Safety	£12	Belgrave Hall Gardens	£12	Fencing to river perimeter collapsed and others need repairing.	Successful case against Derby City Council involving a fatality of a child with a falling fence panel. Potential for injury to occur from any boundary walls and fencing which is in a poor state of repair. Overall inspection will be undertaken within Property Health Surveys - this is picking up sites with a potential to cause harm. The highest priority is listed here, The Park Wardens now regularly check fencing in the light of the Derby case.

CORPORATE CAPITAL PROGRAMME – PROPERTY SCHEMES

Appendix A

2010-11

Issues to be dealt with	Basis of Requirement	Anticipated Cost	Schemes	Individual Project Amount	Issues/Risks	Comments/notes
		in £'000s		in £'000s		
Lath And Plaster Ceiling Inspection Survey	Case Law & Health & Safety	£100	All sites with Lath & plaster ceilings.	£100	Potential for injury and claims against the Council.	Since collapse of some ceilings several years ago, a full survey was implemented utilising thermal imaging. These have been visually checked since this survey was originally undertaken in 2006/7 A full survey is now taking place using full thermal imaging, these will be compared to previous surveys to assess trends.
<u>Site specific Issues</u>						
- Cemetery Memorials/Churchgrounds	Technical Issue & Health & Safety	£30	Welford Road Cemetery	£30	Potential for injury and claims against the Council.	The Lottery funded scheme made safe some of the Memorials at the site. However several areas are now fenced off and others are laid flat. This would start making inroads to repair existing fenced off areas and enable public access. Priority within the site needs to be identified
Poor Brickwork	Technical Issue & Health & Safety	£10	Evington Place Play Area	£10	Water damage Possible collapse	Gable wall to neighbouring property has been incorrectly built. Water ingress is damaging existing wall and affecting occupied unit.
Obsolete Fire Alarm system	Technical Issue & Health & Safety	£40	Central Lending Library	£60	Potential for confusion amongst staff, children and others. Could lead to injuries or even death.	System installed still operates but now obsolete as system is not suitable for present day requirements. There is no monitoring, zoning or automatic detection. Will become part of the Fire Risk Assessment works once undertaken
			Linwood Workshops	£60	The fire alarms still operate but are now considered to be obsolete	
			Merrydale Junior School	£40		

CORPORATE CAPITAL PROGRAMME – PROPERTY SCHEMES

Appendix A

2010-11

Issues to be dealt with	Basis of Requirement	Anticipated Cost	Schemes	Individual Project Amount	Issues/Risks	Comments/notes
		in £'000s		in £'000s		
			Linden Primary School Key Way Centre	£40 £25	due to the age and technology of the equipment. Undertake first phase of works. Priority to be established	
Continuing design Issues	Technical Issue & Health & Safety	£18	Newarke Houses Museum	£18	Potential for injury and claims against the Council.	The refurbishment of the building took place some years ago. The works have meant that the ceilings in some rooms have become dangerous due to vibration, increased loads, etc
Obsolete Heating system	Technical Issue & Health & Safety	£5	Gilmorton Rooms	£5	Heating controls do not allow for differential between fully used offices and partially used public areas. Investigate potential for funding with Energy management	H&S and Environmental issue
Total Estimated Cost		£1,000				

WATER HYGIENE REMEDIAL WORKS

1. Report

- 1.1 New codes of practice and guidance have been introduced over the years that are not directly retrospective, but have rendered practices that were deemed satisfactory when our buildings were constructed or altered, to become unsatisfactory unless remedial works are actioned. Under the Approved Code of Practice L8 (The Control of Legionella Bacteria in Water Systems) organisations are required by law to manage their water systems.
- 1.2 This legislation and guidance was introduced by the Health and Safety Commission in 2002. The Council, being an employer and provider of services to the public, has a duty to ensure, so far as reasonably practicable, the health and safety of its employees and others affected by its work. The Strategy for managing our water systems was approved by Corporate Directors Board in September 2007.
- 1.3 As part of the ongoing management process the Water Hygiene risk assessments carried out within the last twelve month period identified high priority works that should be carried out in this financial year.
- 1.4 This work is additional to the annual maintenance/renewal of systems and arises out of the need to make changes to meet legislative requirements.
- 1.5 The estimated costs of works needing to be undertaken over this year is £345,000. Funds to this value have been allocated for the 20010/11 Capital Programme.
- 1.6 Water hygiene risk assessments have identified buildings with high, medium and low priority works that amount to £345,000 and these will be undertaken in the current financial year 2010/11 from the funding allocated. Sites that have a low user risk but have schemes identified for high priority works are detailed in Appendix 1. The schemes identified as medium and lower priority works are detailed in Appendix 2 and relate to further works in buildings containing high risk users where highest priority works have already been completed.
- 1.7 To date water hygiene risk assessments have been conducted at all of the 195 operational properties detailed in Tables 1 & 2 below. The Corporate Water Hygiene Co-ordinator has commissioned £44,968 of water hygiene remedial works to 14 of the sites targeted for this years capital funding. The other 181 properties currently have estimated values issued against them totalling £300,050. A detailed programme of works and exact costs and dates for completion, will be devised and reported on to the Corporate Asbestos & Water Hygiene Group bi-monthly, following a tendering and programming process conducted by Engineering Services. This programme of works will meet legal and service obligations and at the same time bring benefits over and above basic compliance with legislation. The works will provide improved safeguards for the health and safety of those who use, operate and maintain our buildings together with improved operational and maintenance efficiency and are a positive contribution to safeguarding the sustainability of service delivery.

TABLE 1 : Summary of Water Hygiene Register / Programme for 2010/11 (High Priority Works only)

Note : This list may be subject to some variation, due to possible reprioritisation during 2010/11 and unforeseen problems being encountered e.g. asbestos, emergency/reactive high risk remedial works from new water hygiene risk assessments.

Target completion dates for all proposed schemes is 31 March 2011

Department	Number of Properties	Cost
Children and Young People's Service	5	£22,480.00
Regeneration and Culture	19	£31,313.00
Resources	7	£12,200.00
Adults and Housing	3	£15,770.00
Totals	34	£75,968.00

Site	Department	Commissioned	Estimate
Watershed Youth Centre	AH	£ 920.00	
Vulcan House	AH	£ 885.00	
Layton House	AH	£ 4,600.00	
Northfield House Primary	CYPS	£ 5,750.00	
Alderman Richard Hallam Primary	CYPS	£ 3,450.00	
Uplands Infant School	CYPS	£ 2,300.00	
Uplands Junior School	CYPS	£ 1,150.00	
Inglehurst Junior School	CYPS	£ 9,830.00	
Abbey Park Depot	RAC	£ 1,150.00	
Abbey Park Bowling Pavillion	RAC	£ 690.00	
Abbey Park Pavilion Café	RAC	£ 690.00	
Cavendish House	RAC	£ 575.00	
Humberstone Heights Golf Course	RAC		£ 2,000.00
Humberstone Park Café	RAC		£ 1,000.00
Humberstone Park Bowls Pavilion and Green & Public Conveniences	RAC		£ 1,000.00
Knighton Park Depot	RAC		£ 1,000.00
Western Park Golf Course	RAC		£ 1,000.00
Rushey Fields Pavilion and Changing Rooms	RAC		£ 3,000.00
Rushey Fields Depot	RAC		£ 1,000.00
Saffron Hill Cemetery Chapel, Saffron Hill Cemetery	RAC		£ 1,000.00
Saffron Hill Cemetery Depot / Store	RAC		£ 1,000.00
Saffron Hill Cemetery Muslim Prayer HC	RAC		£ 1,000.00
Spinney Hill Park Public Conveniences and Pavilion	RAC		£ 1,000.00
Monks Rest Gardens Bowling Green Depot and Pavilion	RAC		£ 3,000.00
Welford Road Cemetery Office and Store	RAC		£ 1,000.00

2 Thurstaston Road	RAC		£ 1,000.00
New Parks Baths	RAC	£ 9,208.00	
Phoenix House	RES		£ 1,000.00
Sovereign House	RES		£ 2,000.00
10 York Road	RES		£ 2,000.00
Beaumont Enterprise Centre	RES		£ 4,000.00
1-7 Greyfriars	RES		£ 2,000.00
Linwood Workshops	RES		£ 1,000.00
Town Hall	RES	£ 3,770.00	
TOTAL		£44,968.00	£31,000.00
Grand total £75,968.00			

**TABLE 2 : Summary of Water Hygiene Register / Programme for 2010/11
(Medium Priority Works only)**

Note : This list may be subject to some variation, due to possible reprioritisation during 2010/11 and unforeseen problems being encountered e.g. asbestos, emergency/reactive high risk remedial works from new water hygiene risk assessments.

Target completion dates for all proposed schemes is 31 March 2011

Department	Number of Properties	Cost
Children and Young People's Service	101	£157,050.00
Regeneration and Culture	32	£53,500.00
Resources	4	£9,000.00
Adults and Housing	24	£49,500.00
Totals	161	£269,050.00

Site	Department	Commissioned	Estimate
Magpie Youth Club	AH		£ 1,000.00
New Parks Community Centre	AH		£ 500.00
African Caribbean Centre	AH		£ 3,000.00
Arbor House EPH	AH		£ 6,000.00
Beaumanor House	AH		£ 1,000.00
Brookside court EPH	AH		£ 2,000.00
Cooper House EPH	AH		£ 2,000.00
Abbey House EPH	AH		£ 2,000.00
Coleman NHC	AH		£ 1,000.00
Belgrave NHC	AH		£ 3,000.00
Northfields NHC	AH		£ 1,000.00
Manor House NHC	AH		£ 2,000.00
Home Farm NHC	AH		£ 1,000.00
The Rowans (NIA DAY CTR)	AH		£ 2,000.00
Elizabeth House EPH	AH		£ 3,000.00
Hastings Road Day Centre	AH		£ 2,000.00
Layton House Resource centre	AH		£ 1,000.00
Nuffield House EPH	AH		£ 2,000.00
Preston Lodge EPH	AH		£ 3,000.00
Thurncourt EPH	AH		£ 2,000.00

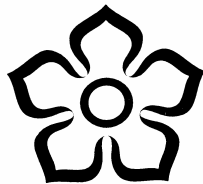
Herrick Lodge EPH (incl Visamo/Roshni Day Centre)	AH	£ 3,000.00
Martin House - Day Centre & Offices	AH	£ 1,000.00
Fosse Centre	AH	£ 2,000.00
Douglas Bader House	AH	£ 3,000.00
Braunstone Frith Children's Centre	CYPS	£ 1,000.00
Linden Primary School	CYPS	£ 2,000.00
Marriott Primary School	CYPS	£ 1,000.00
Mayflower Primary School	CYPS	£ 1,000.00
Mellor Community Primary School	CYPS	£ 500.00
Montrose Primary School	CYPS	£ 1,000.00
Mowmacre Hill Primary School	CYPS	£ 2,000.00
Parks Primary School	CYPS	£ 1,000.00
Rowlatts Hill Primary School	CYPS	£ 1,000.00
Rushey Mead Primary School	CYPS	£ 1,000.00
Sandfield Primary School	CYPS	£ 2,000.00
Scraptoft Valley Primary School	CYPS	£ 1,000.00
Shaftesbury Junior School	CYPS	£ 2,000.00
Shenton Primary School	CYPS	£ 2,000.00
Slater Primary School	CYPS	£ 2,000.00
Sparkenhoe Community Primary School	CYPS	£ 2,000.00
Sparkenhoe Primary Annexe	CYPS	£ 500.00
Spinney Hill Primary School	CYPS	£ 2,000.00
Stokes Wood Primary School	CYPS	£ 1,500.00
Whitehall Primary School	CYPS	£ 2,000.00
Wolsey House Primary School	CYPS	£ 1,000.00
Eyres Monsell & Gilmorton Sure Start Centre	CYPS	£ 500.00
Forest Lodge Education Centre	CYPS	£ 1,000.00
Thurnby Lodge Primary School	CYPS	£ 2,000.00
Abbey Primary School	CYPS	£ 2,000.00
Sparkenhoe Community Theatre	CYPS	£ 500.00
Babington Community Technology College	CYPS	£ 3,000.00
Barleycroft Primary School	CYPS	£ 2,000.00
Beaumont Lodge Primary School	CYPS	£ 1,000.00
Bridge Junior School	CYPS	£ 2,000.00
Buswells Lodge Primary School	CYPS	£ 2,000.00
Caldecote Primary School	CYPS	£ 2,000.00
Charnwood Primary School	CYPS	£ 3,000.00
Coleman Primary School	CYPS	£ 2,000.00
Braunstone Community Primary School	CYPS	£ 500.00
Crown Hills Community College	CYPS	£ 500.00
Dovelands Primary School	CYPS	£ 1,000.00
West End Children's Centre	CYPS	£ 500.00
Evington Valley Primary School	CYPS	£ 1,500.00
Eyres Monsell Primary School	CYPS	£ 1,000.00
Folville Junior School	CYPS	£ 3,000.00
Forest Lodge Primary School	CYPS	£ 1,000.00
Fosse Primary School	CYPS	£ 2,000.00
Glebelands Primary School	CYPS	£ 2,000.00
Granby Primary School	CYPS	£ 3,000.00
Hamilton Community College	CYPS	£ 2,000.00
Inglehurst Infant School	CYPS	£ 1,500.00

The Lancaster School	CYPS	£ 1,000.00
Medway Community Primary School	CYPS	£ 2,000.00
Moat Community College	CYPS	£ 1,000.00
New College	CYPS	£ 3,000.00
Riverside Community College	CYPS	£ 6,000.00
Rushey Mead School	CYPS	£ 2,000.00
Sir Jonathan North Community College	CYPS	£ 1,000.00
City Of Leicester School	CYPS	£ 2,000.00
Willowbrook Primary School	CYPS	£ 2,000.00
Wyvern Primary School	CYPS	£ 2,000.00
Rolleston Primary School	CYPS	£ 1,000.00
Avenue Primary School	CYPS	£ 1,000.00
Newry School	CYPS	£ -
Woodstock Primary School	CYPS	£ 2,000.00
Crowns Hill Community College - City Learning Centre	CYPS	£ 1,000.00
Beaumont Leys School - City Learning Centre	CYPS	£ 500.00
Ashfield School	CYPS	£ 2,000.00
Barnes Heath House Community Home	CYPS	£ 1,000.00
Emily Fortey School	CYPS	£ 2,000.00
West Gate School	CYPS	£ 2,000.00
Millgate School	CYPS	£ 2,000.00
Netherhall Special School	CYPS	£ 3,000.00
Oaklands School	CYPS	£ 3,000.00
Belgrave & R Mead S/Start Children's Centre	CYPS	£ 1,000.00
Netherhall Road Community Home	CYPS	£ 1,000.00
Dunblane Avenue Community Home	CYPS	£ 500.00
Tatlow Road Community Home	CYPS	£ 500.00
Wigston Lane Community Home	CYPS	£ 500.00
Bishopdale Children & Family Centre	CYPS	£ 1,000.00
Braunstone Frith Infant School	CYPS	£ 2,000.00
Braunstone Frith Junior School	CYPS	£ 1,000.00
Catherine Infant School	CYPS	£ 500.00
Catherine Junior School	CYPS	£ 1,000.00
Ellesmere College	CYPS	£ 2,000.00
Green Lane Infant School	CYPS	£ 1,700.00
Keyham Lodge School	CYPS	£ 2,000.00
Imperial Avenue Infant School	CYPS	£ 1,000.00
King Richard III Infant & Nursery School	CYPS	£ 1,000.00
New Parks Surestart Children's Centre	CYPS	£ 2,000.00
Queensmead Community Primary School	CYPS	£ 1,000.00
Merrydale Infant School	CYPS	£ 1,000.00
Merrydale Junior School	CYPS	£ 3,000.00
St Andrews Contact Assessment Centre	CYPS	£ 1,000.00
St Barnabas C of E Primary School	CYPS	£ 2,000.00
St Mary's Fields Infant School & Nursery School	CYPS	£ 2,000.00
St Christopher's Family Centre & Annexe	CYPS	£ 850.00
Humberstone Infant School	CYPS	£ 1,000.00

Humberstone Junior School	CYPS	£ 1,000.00
Overdale Infant School	CYPS	£ 2,000.00
Hazel Primary School & Community Centre	CYPS	£ 1,000.00
Heatherbrook Primary School	CYPS	£ 2,000.00
Herrick Primary School	CYPS	£ 1,000.00
Kestrels Field primary	CYPS	£ 3,000.00
Highfields Primary School	CYPS	£ 2,000.00
Knighton Library	RAC	£ 500.00
Rushey Mead Library	RAC	£ 500.00
Southfields Drive Library	RAC	£ 2,000.00
St Barnabas Library	RAC	£ 2,000.00
Westcotes Library	RAC	£ 500.00
Hamilton Library	RAC	£ 500.00
Saffron Lane Sports Centre	RAC	£ 2,000.00
Aylestone Library	RAC	£ 500.00
Belgrave Hall	RAC	£ 2,000.00
Reference and Information Library	RAC	£ 3,000.00
Central Lending Library	RAC	£ 3,000.00
Cossington Street Sports Centre	RAC	£ 500.00
Aylestone Leisure Centre	RAC	£ 2,000.00
Cossington Street Baths	RAC	£ 1,000.00
Leicester Creative Business Depot	RAC	£ 2,000.00
Spence Street Baths/Sports Centre	RAC	£ 3,000.00
St Margarets Pasture / Changing Rooms	RAC	£ 500.00
Evington Pool	RAC	£ 2,000.00
New Parks Leisure Centre	RAC	£ 2,000.00
Leicester Leys Leisure Centre	RAC	£ 2,000.00
Braunstone Leisure Centre	RAC	£ 2,000.00
De Montfort Hall & Gardens	RAC	£ 2,000.00
New Walk Museum	RAC	£ 2,000.00
New Parks Library	RAC	£ 2,000.00
Guildhall	RAC	£ 2,000.00
Jewry Wall Museum	RAC	£ 2,000.00
Abbey Pumping station	RAC	£ 2,000.00
Newarke Houses Museum	RAC	£ 3,000.00
Beaumont Leys Library	RAC	£ 1,000.00
Evington Library	RAC	£ 500.00
Knighton Fields Centre	RAC	£ 3,000.00
Highfields Library	RAC	£ 500.00
Eagle House	RES	£ 3,000.00
16 New Walk	RES	£ 2,000.00
Town Hall & Square	RES	£ 2,000.00
Marborough House Offices	RES	£ 2,000.00
	TOTAL	£269,050.00

GRAND TOTALS	Commissioned	Estimated
HIGH RISK PRIORITY 1 TOTAL	£44,968.00	£31,000
MEDIUM RISK PRIORITY 2 TOTAL	£-	£269,050
SUB TOTAL	£44,968.00	£300,050
TOTAL EXPENDITURE COMMITTED 2010/11	£345,018.00	

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Leicester
City Council

Appendix G

Performance and Value for Money Select Committee
Cabinet

3rd November 2010
8th November 2010

REVENUE BUDGET MONITORING 2010/11 – PERIOD 4

Report of the Chief Finance Officer

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to show a summary position comparing spending with the budget. The report is the first in the regular cycle of reports for the 2010/2011 financial year showing the budget issues that have arisen so far.
- 1.2 Further reports will be presented to Cabinet and the Performance and Value for Money Select Committee at Period 6, 9 and Outturn.

2. SUMMARY

- 2.1 The General Fund budget set for the financial year 2010/2011 was £276.4m. Together with the sums carried forward from 2009/2010 of £0.4m, the revised budget is now £276.8m.
- 2.2 Although only a third of the way through the year, significant budgetary pressures are already being reported by a number of service divisions which require corrective action. It is therefore crucial that Divisional Directors continue to monitor their budgets closely and where necessary take action to contain spending within budget. The areas in which significant budgetary pressures exist are listed below:
 - Social Care and Safeguarding (Para. 7.4)
 - Planning and Commissioning (Para. 7.5)
 - Housing Strategy and Options (Para. 7.7)
 - Adult Care Management (Para. 7.9)
 - Strategic Asset Management (Para. 7.15)

Further details on the divisional budgetary pressures are provided at Section 6 and 7 of this report.

3. RECOMMENDATIONS

3.1 **Cabinet** is recommended to:

- a) Note the expenditure to date and the budgetary issues which have emerged so far this year;
- b) Note the proposals put forward to ensure that spending is contained within the Divisional budgets;

3.2 The **Performance and Value for Money Select Committee** is asked to consider the overall position presented within this report and make any observations it sees fit.

4. BUDGET FOR 2010/11

4.1 The General Fund budget for the financial year 2010/11 is **£276.4m**. After adding the approved carried forward amounts from 2009/10 (**£0.4m**) the budget for the year is now **£276.8m**.

4.2 Financial Control is maintained by monitoring actual expenditure against approved budgets at regular intervals throughout the year.

5. SUMMARY OF PROJECTIONS

5.1 Spend to date is summarised in Appendix A. Significant budgetary issues are outlined within Sections 6 and 7 below.

6. NON-OPERATIONAL DIVISIONS

The budgetary issues, which have emerged to date, are as follows:

6.1 Change and Programme Management

6.1.1 The Change and Procurement Management division is predicting an outturn within budget despite some budget issues for the Partnership Team and ongoing support service reviews.

6.2 Financial Services

6.2.1 Despite pressures including the need to cover vacant posts whilst the finance review progresses and a forecast shortfall in ESPO dividend (budgeted at £94k), the division is forecasting to achieve outturn at budget.

6.3 Corporate Governance Division (incorporating Legal & Democratic Services)

6.3.1 The Corporate Governance division is currently facing uncertainty in many areas such as, the possibility of referendum/multiple elections in relation to the election of a City Mayor which would incur additional costs, uncertainty arising from the Communications and Marketing Review, and confirmation of the County contribution to the Coroners Service.

Despite these pressures, the division is forecasting to deliver a balanced budget at outturn.

6.4 Housing Benefit Payments

6.4.1 Spend at budget is currently forecast. The key issues in respect of housing benefit are the extent to which the Council is efficient at minimising overpayments, and the extent to which the DWP seeks grant clawback due to errors found at audit. At present, three years' grant claims remain to be finalised by DWP, and appropriate provisions for clawback have been made. The Council's performance in respect to overpayments (which are to some extent inevitable with such a complex system) is improving.

7. OPERATIONAL DIVISIONS

The budgetary issues, which have emerged to date, are as follows:

7.1 Access, Inclusion and Participation

7.1.1 The Early Prevention service has under-spent in prior years as the Children's Centres have been developed, resulting in only part-year revenue costs. An under-spend in the current year is expected but will need to be quantified as expenditure is analysed further into the year and the costs of the restructured service are confirmed. The Head of Service has signalled a potential saving of £300k at this stage, although this may be required to effect savings requirements on the 0-12 and 13-19 reviews.

7.2 Learning Environment

7.2.1 This Division is responsible for major investment programmes. Its remit also includes maintaining former schools and other sites until they can be disposed of. At present there are a number of vacant premises which cannot be disposed of (due to the downturn in the property market) and which need to be maintained, including Queensmead and Ashfield Schools, and the Cherryleas Centre, creating additional cost pressure to the Division. The budget overspent by £92k in 2009/10.

7.2.2 A number of external agency staff and consultants are covering posts pending recruitment to a permanent structure, although these are reducing. These external people are also providing shorter-term support to manage the current demands. The TLE Clientside cost projections and proposed funding package over a five year period were approved by Cabinet in November 2009. It is expected that the current year costs will be contained within the available

resources, as set out in the Cabinet report. However, factors such as the Strategic Asset Management review and the extensive work required to progress BSF may impact on the projected costs. Any spending requirement over and above the costs projected in November 2009 will reduce the funding available for future years and the longer term forecasts will therefore be kept under review.

7.3 Learning Services

- 7.3.1 A number of cost pressures are affecting the Division including; mainstreaming initiatives developed through the Raising Achievement Plan (RAP), pressure to maintain school improvement, support to specific schools, reviews of school structures, Special Educational Needs (SEN) costs, the expiration of external funding and continued use of external consultants pending permanent recruitment and in the light of workloads.
- 7.3.2 The expenditure and funding plans for the RAP have been reviewed and a new suite of projects have been established with the expected end date of August 2011 for those funded by the Dedicated Schools Grant (DSG).
- 7.3.3 The Division will not be materially affected by the Government's recent decision to cut back Area Based Grant (ABG) allocations in 2010/11, due to the proposals agreed by Council on 16th August. However, a number of other national in-year funding reductions need to be managed.

7.4 Social Care and Safeguarding

- 7.4.1 £0.94m was added to the 2010/11 Social Care and Safeguarding division budget in recognition of increased costs associated with work pressures during the course of 2009/10.
- 7.4.2 These were primarily in the areas of externally commissioned placements, legal costs and support and placement costs relating to Fostering and Adoption. This addition allowed the Division to 'stand still' with regard to the 2009/10 pressures.
- 7.4.3 Currently, in 2010/11, the Division is facing budgetary pressures totalling £0.5m. This is in the light of continuing and increasing pressures including a rise in the number of children entering care – the division recorded its highest number of children in care for seven years in August (499), and the Division's highest ever number of children in Interim Care Proceedings (Court) (116). There is continuing pressure on placements both internally in terms of falling numbers of Foster Parents; and an increased number of external placements which, whilst numerically small (3-4 more than the original 40), are prohibitively expensive.
- 7.4.4 Whilst the costs associated with children in care are essentially demand led, a range of actions are being taken to mitigate and minimise the costs. This includes:
- Targeted project work to appropriately and safely move children out of the care system and reduce the numbers of children in care.
 - Review of how the Council provides supervised contact arrangements for children in care in order to increase efficiencies and the quality of the service,

including targeted recruitment campaigns to reduce dependency on agency staff.

- A project examining the nature of care proceedings work, with the aim of trying to reduce the length of time care proceedings take to both reduce costs and move children onto permanency with less delay.
- Review of transport arrangement eligibility criteria in order to reduce costs and increase efficiencies.
- Continued recruitment of newly qualified social workers in fieldwork in order to reduce dependency on agency social workers, noting that to date this has proven to be a very successful strategy.

7.5 Planning and Commissioning

7.5.1 Home to School Transport over-spent by £600k in 2009/10. This has been an on-going problem for a number of years. Given the historical trend of this budget and the current levels of expenditure it is anticipated that a significant overspend of circa £600k can again be expected. The Strategic Director has commissioned a report from the Director of Planning and Commissioning to review how cost reductions could be achieved. Transport costs are driven by eligibility criteria, the application of these to commissioning decisions by services, and how the provision is arranged with Operational Transport.

7.5.2 The Criminal Records Bureau (CRB) budget is currently forecasting a £90k under-spend, as it appears that the CRB registration process for centrally employed staff will not now take place due to policy changes at national level.

7.5.3 The transfer of the Student Awards Service to the Student Loans Company is scheduled to conclude in February 2011. Staff are being assisted to find alternative employment and will be placed on the redeployment register at the appropriate time; however given the economic and employment climate, redundancy costs may be incurred towards the end of the year.

7.5.4 City Catering anticipate costs arising from Job Evaluation (JE) of approximately £600k per annum. There is an earmarked one-off provision of £500k to help with the costs, but the impact of JE on the Service in future years will be significant, as the resultant cost increase may make some parts of the service unviable.

7.6 Other Investing in Our Childrens Services issues

7.6.1 **Services Traded with Schools** – Although partly addressed in the 2010/11 Departmental Revenue Strategy (DRS) the Services Traded with Schools budget continues to be under pressure. Work is on-going to try and close this gap by highlighting where and how new services can be traded and where current charges can be increased. Close monitoring of the budget will take place as the year progresses.

7.6.2 **2010/11 Budget Savings** – A number of savings in the 2010/11 budget may not be delivered in part or in full and will either need to be covered by related services or will result in an overspend; for example, efficiencies on staff

accommodation and a consistent charging policy for pre and after-School provision.

7.6.3 **Grant Reductions** – The Council has been notified of a number of revenue and capital grant reductions in the current financial year. Measures are in place to manage these, and Divisions will seek to maintain the best provision available with the remaining funds.

7.6.4 **Further Budget Reductions** – There will be further budget reductions, for example from the vacancies within the scope of support service reviews and corporate efficiency programmes such as the agency fee on longer-term agency staff and procurement initiatives.

7.7 **Housing Strategy and Options**

7.7.1 This Division is forecasting pressures totalling £0.4m. This is a consequence of reduced Supporting People funding for the Star Team, and some smaller pressures in support functions offset by savings following suspension of staff recruitment.

7.8 **Safer and Stronger Communities**

7.8.1 The Safer and Stronger Communities Division is forecasting a very small underspend.

7.9 **Adult Social Care Divisions**

7.9.1 The Adult Social Care Divisions are currently forecasting pressures of £0.8m on a net budget of £77m. The bulk of these pressures is within commissioning budgets and caused by growth in service user need. An overspend of £500k is forecast within the Learning Disabilities Service where some expensive new packages have been required; including a recent single package of £170k per annum. There has also been a significant rise in the demand for homecare and this is forecast to cost £600k more this year than last year.

7.9.2 The Strategic Director for Adult Social Care has launched a number of initiatives to reduce expenditure and envisages being able to bring the Divisions in on budget over the course of the year. These include the ongoing work of the Efficiency Board to identify all possible opportunities for making efficiency savings, an organisational review to reduce staffing costs and the setting up of a Quality Assurance Panel to oversee the allocation of care packages. A training programme for staff is being drawn up to ensure packages are allocated consistently and appropriately. A Learning Disability Recovery Plan is also being drawn up to bring the service in line with budgeted expenditure and will include the application of the Care Funding Calculator to reduce package sizes, and working with the Primary Care Trust to get efficiency savings from the Leicestershire Partnership Trust.

7.9.3 Discussions took place on the 13th September 2010 with the Executive Director NHS Leicester on the current arrangements for continuing health care (CHC) funding, the impact of Adult Social Care (ASC) transformation on joint funded packages and a requirement for a whole system change to effectively manage

the costs of CHC to the health and social care community. A significant risk factor is both the NHS and ASC have identified CHC as an area for efficiency and this could result in cost shunting between organisations. A joint approach has been agreed between ASC and the NHS with dedicated project management support. This approach will provide a framework to re negotiate the current risk sharing agreement in place for Learning Disabilities; agree aligned provider rates for care between the NHS and ASC and review the overarching governance arrangements supporting CHC.

7.10 Environmental Services

- 7.10.1 The Division is forecasting to remain within its net revenue budget of £26.2m.
- 7.10.2 There are no new significant items which have arisen so far in 2010/11. The level of building control income is on a par with the equivalent period in 2009. The annual income budget of £0.75m is unsustainable given the current economic climate and the increased level of competition from the private sector. An annual income target of £0.5m is more realistic and this will be addressed as part of the budget for 2011/12. For 2010/11 the year end shortfall in income will be managed by staffing savings within building control section and other savings within the Division.
- 7.10.3 The City Warden team is now operating with a full complement of 22 wardens which will be maintained for 10/11 and 11/12.
- 7.10.4 Biffa are meeting their waste recycling targets and therefore the performance rebates will not be received as in previous years. The responsibility for landfill tax on the FLOC waste stream was settled last year and Biffa, who are responsible for the costs, are currently negotiating with UK and European processors to establish a market for use of this refuse derived fuel in a thermal treatment facility.
- 7.10.5 Biffa service costs have increased by 6.1% as this is based on Retail Price Index (RPI) in April compared to the budgeted Council inflation for non pay costs of 1%. This results in an un-budgeted increase of £0.6m in 2010/11. The volume of waste processed is likely to be less than the contract and the associated volume rebate for costs not incurred by Biffa will be used to offset the increase in their charges.
- 7.10.6 The number of cremations in the period April to July is on a par with the same period in 2009 resulting in an income to date this year of £0.5m compared to a full year budget of £1.6m. The project to install new cremators and mercury abatement equipment is about to start.
- 7.10.7 Landscape services have provided new and refurbished play areas for schools using the Play builder funding held by CYPS. The level of work is likely to reduce significantly this year and alternative work is being sought to address an estimated £150k income shortfall.

7.11 Cultural Services

- 7.11.1 Cultural Services is forecasting to remain within its net revenue budget of

£15.6m. De Montfort Hall will be reported separately when approval is sought to its business plan.

- 7.11.2 Summer Sundae festival proved popular this year with the number of attendees approximately 17,000, a 13% increase on the previous year. As a result the sales income is slightly ahead of the budget at £0.56m. The final accounts for Summer Sundae are not complete at the time of writing, however the net budget of £0.1m should not be exceeded.
- 7.11.3 The Department of Culture Media and Sport (DCMS) announced in year cuts of 0.5% for those organisations funded by the Arts Council. This will have a small impact on the City Gallery but more significantly on Curve and Phoenix. The Phoenix is struggling with low ticket sales and the City Council has agreed to provide additional working capital in part by buying and leasing back cinema projection equipment. This is not being funded by Cultural Services Division who have already paid the full annual grant of £0.3m to Phoenix. The working capital injection is in conjunction with the Phoenix cutting its overheads to a level more in line with current ticket sales.
- 7.11.4 The DCMS also announced reductions of £0.155m to the East Midlands Museums Renaissance programme. The impact on the City Council is between £10k to £30k, however the programme can be managed with no major impact.
- 7.11.5 Funding for the free swimming programme for under 16s ceased at the end of August. Free swimming for the over 60s will continue and the cost of this is already included in the main revenue budget.
- 7.11.6 Income from Sports centres and golf courses is on a par with last year at £1.6m, however there is likely to be a shortfall at the end of the year compared to the current budget. The section is still looking for compensating savings within running costs to offset the shortfall.

7.12 Regeneration, Highways and Transport

- 7.12.1 The Division is forecasting to remain within the net budget of £15.06m for 2010/11. Nevertheless there are significant issues facing the Division including the reduction in the integrated transport capital funding in 2010/11, preparing the Division for future reductions in the capital programme from 2011/12, the uncertainty over concessionary fare costs and the level of subsidy required for the Enderby park and ride service.
- 7.12.2 The total transport capital allocation was reduced by £2m in June this year. The main element was a £1.4m (25%) cut in the integrated transport programme, £0.45m from the Urban Congestion Fund and £80k each from the primary route network bridge fund and road safety grant.
- 7.12.3 The Cabinet report of 16 August provides details of the transport schemes deferred in 2010/11. Fewer capital schemes means a reduction in internal design and supervision work. The Division is currently structured to provide £2.5m of such work which is charged to capital schemes. In other words £2.5m of the existing Highways & Transport gross revenue budget is funded by fees charged to capital works.

- 7.12.4 The current projection is a shortfall in chargeable fees of £0.5m in 2010/11. If the capital funding is cut by 30% in 2011/12 the shortfall in chargeable fees would rise to £1.5m. The shortfall is less in 2010/11 because of other additional one off funding (from Growth point and Community Infrastructure Fund) for schemes such as the Granby Street underpass and improvements to the Sanvey Gate junction.
- 7.12.5 Whilst the shortfall in the current financial year can be met from savings within the Division, future year's shortfalls can only be addressed by significant cuts to staffing of up to 15 posts. Future years' transport capital programme allocations can be better estimated following the comprehensive spending review in October. This will inform the staffing requirements for the Division in future years.
- 7.12.6 The number of concessionary fare journeys is still increasing year on year. The monthly increase so far is nearly 7%. There have been no significant fare increases this year. An increase in average fares of 1% results in an increased concessionary fare cost of £90k. As in previous years we are awaiting the outcome of bus company appeals to the Department for Transport (DfT) for additional running costs and potentially claims for revisions to the reimbursement rate paid by the Council. The outcome of these appeals is usually not known until the year end. At this stage we are not forecasting to exceed our existing total budget of £9m for concessionary fares.
- 7.12.7 The DfT pump priming capital funding for the concessionary fare smart ticketing scheme will continue in 2010/11. The money is being used to install smart ticket machine readers in buses allowing concessionary fare journeys to be recorded electronically. The DfT think that this will provide a more accurate measurement of journey numbers and therefore fares foregone by the bus companies.
- 7.12.8 A pilot scheme operated by one Council has resulted in a 25% reduction in concessionary fare reimbursement. A recent audit has shown that there is no evidence that journey numbers are being inaccurately recorded in Leicester and therefore would not anticipate any significant reduction in concessionary fare costs as a result of smart ticketing being introduced. However the government expect the overall cost of concessionary fare travel and therefore the funding required to reduce across England through the introduction of smart ticketing.
- 7.12.9 The Enderby park and ride service is currently being reviewed in terms of its marketing and promotion. User numbers are lower than anticipated and the subsidy required is forecast to be approximately £0.7m in 2010/11 of which the City Council's share is £0.35m. The business plan assumed growth in useage over a 3 year period such that no net subsidy was required after 3 years of operation. The required level of growth is not currently being achieved. The impact of more cheap temporary car parks and the slowdown of the economy are not helping demand for the park and ride service.
- 7.12.10 Competition from these cheaper car parks is one possible reason why the City Council's own off street car park income is less than the equivalent period last year. Newarke Street and Haymarket are the two main car parks and income is down at period 5 by 18% (£48k) and 11% (£20k) respectively. The Planning section are in the process of reviewing off street car parking facilities across

Leicester as part of the producing a City Centre Parking Strategy (CCPS) and Supplementary Planning Document (SPD).

7.13 Planning and Economic Development

- 7.13.1 Planning and Economic development is forecasting to remain within its net revenue budget of £2.6m.
- 7.13.2 The Government announced that there will be no allocation for the Housing and Planning and Delivery grant in 2010/11. Two thirds of this grant is normally used to fund 6 permanent posts in the planning service. There is sufficient underspend of previous year's grant to fund the posts in 2010/11 but the funding gap will need to be resolved as part of the 2011/12 budget.
- 7.13.3 Planning income generally is showing no signs of increase compared with 2009, as expected. Income so far this year is ahead of budget but this is mainly due to the £125k fee for the Ashton Green development.
- 7.13.4 Planning appeal costs totalling £227k have been awarded against the Council related to Tudor Road, Spencefield Lane and Vicarage lane.
- 7.13.5 The Phoenix Square business centre is operating at 20% occupancy with 4 of the 22 units occupied. This is lower than target. Funding has been secured from European Regional Development Fund (ERDF) and Working Neighbourhood Fund (WNF) for a project that will both supply bespoke intensive support for start up and existing creative Small to Medium Enterprises (SMEs) and support existing companies to grow their businesses within the creative industries and facilitate graduate retention within the city. This funding is aimed at the occupants of the 7 business incubator units at the site. A busier and more vibrant centre should help to make the site more attractive for potential occupants.
- 7.13.6 The more established LCB depot is currently 88% occupied, ahead of target. The Leicester Business centre is about to be refurbished and this will have an impact on rental income although this been allowed for in the budget.
- 7.13.7 Whilst the Economic Development team's core budget is unaffected by recent government cuts the Working Neighbourhood Fund of £9.2m has been reduced by £0.9m. There are sufficient uncommitted funds to cover this reduction in the allocation.

7.14 Information and Support Services

- 7.14.1 The Division is forecasting to deliver an overall balanced outturn to include £400k ICT procurement and printing savings targets.

7.15 Strategic Asset Management

- 7.15.1 Pressures continuing from 2009/10 are still being faced by the Division resulting in total pressures of £0.2m in the current year. The main pressure areas include:
- Impact of delivering the support services review in 2010/11;

- the downturn in the current economic climate's impact on the non-operational property portfolio;
- Trading services facing the reduction of income collected in fees and charges (again due to the downturn in the economy); and
- Centrally Located Administration Buildings (CLABs) where a number of properties are now being used more extensively by LCC staff due to the problems with New Walk Centre.

7.16 Human Resources

7.16.1 The Director of Human Resources reports pressures of £58k, this is mainly attributable to unbudgeted staff and system costs for My View. It is hoped that despite this and other budget pressures in the division still to be resolved, a staffing review and other measures will deliver sufficient savings to meet those costs and deliver a balanced budget at outturn.

8. CORPORATE BUDGETS

8.1 This budget (£36m) includes a number of items that are not within the controllable budgets of any corporate directors. Capital financing (£20m) is by far the largest element of the budget but it also includes bank charges, audit fees, levies, and contributions towards job evaluation, together with other miscellaneous expenditure. It is expected that expenditure will be at budget.

8.2 In 2010/11 ODI is targeted to make a net saving of £4m broken down into £2m for support services transformation and £2m for procurement. A £2m contingency was set against this, leaving a net £2m required to balance the budget. To date for 2010/11, the support services transformation has secured a minimum cash saving of £1.8m and additional vacancies will increase this cash saving, if not exceed it alongside some additional savings arising from reviews which have now commenced depending on the timing of the completion of those reviews. There is a high degree of confidence in the target being achieved for this year. In procurement £730k has so far been secured. There is a lower degree of confidence that the full target can be achieved for this year but further opportunities are being followed up at the current time and will be reported back in due course

9. HOUSING REVENUE ACCOUNT

9.1 The Housing Revenue Account (HRA) is a ring-fenced income and expenditure account relating to the management and maintenance of the council's housing stock. The current year end forecast is that HRA balances will stand at £2.4m which is in-line with the original budget.

9.2 This forecast includes a reduction of £1.2m in capital financing costs, which is largely countered by an increase of £1.1m in negative subsidy due to a reduction in the capital financing element of the subsidy calculation. A forecast £0.1m reduction on dwelling rent (due to a small increase on unoccupied properties against the level assumed in the budget) brings the total outturn forecast at budget.

10. AREA BASED GRANT

10.1 The Area Based Grant (ABG) is being used to support achievement of service outcomes in the local area agreement, which has been negotiated between Leicester Partnership and the Government.

10.2 The table below shows the grant allocation:

Table 1 : ABG	2009/10 Carry forward £'000	2010/11 Original allocation £'000	2010/11 Budget cuts £'000	2010/11 Revised Allocation £'000
Invest in Our Children	0	11,511	(2,454)	9,057
Improving Wellbeing & Health	0	19,734	(150)	19,584
Investing in Skills & Enterprise	11,522	9,049	(883)	19,688
(Safer) Invest in Thriving, Safe Communities	481	1,072	(230)	1,323
(Stronger) Invest in Thriving, Safe Communities	49	0	0	49
Planning for People not Cars	165	100	0	265
Admin and Support	191	1,020	(91)	1,120
Total - ABG	12,408	42,486	(3,808)	51,086
Carry forward from 2007/08	57	0	0	57
Disadvantaged Area Fund (DAF)	71	0	0	71
Total	12,536	42,486	(3,808)	51,214

10.3 In-year funding reductions to ABG of £3.8m were announced by the new coalition government in June 2010, which have been considered as part of the wider in-year funding reductions by Cabinet at its meeting on 16th August. As such, monitoring of ABG expenditure and year-end forecasts was deferred for period 4, pending the decisions of Cabinet. A full monitoring exercise will be undertaken for period 6.

11. EFFICIENCY SAVINGS

11.1 From April 2008 all Councils have been required to report the value of cash-releasing value for money gains that they have achieved as one of the then 198 indicators in the national indicator set. The original expectation was that local government should achieve at least 3% per annum gains over the spending review period 2008/09 to 2010/11 (CSR 07), although this has since been increased.

11.2 Although the expectation to deliver 3% cashable savings each year is a national target, as part of Leicester's local area agreement (LAA), a local efficiency target

has been negotiated with government. Leicester City's estimated share of the target is detailed on the following table:

Year	2008/09	2009/10	2010/11
Target (% of 2007/08 baseline)	3%	6%	10.3%
Leicester's efficiency target (£m)	10.906	21.812	37.443

- 11.3 A significant programme of savings is being managed by the ODI Programme Board. Progress against these targets savings will be evaluated and reported at period 6.

12. FINANCIAL AND LEGAL IMPLICATIONS

Financial Implications

- 12.1 This report is solely concerned with financial issues.

Legal Implications

- 12.2 There are no direct legal implications arising from this report. Peter Nicholls (Director, Legal Services) has been consulted on the content of this report.

Climate Change Implications

- 12.3 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*)

13. OTHER IMPLICATIONS

Other implications	Yes/No	Paragraph referred
Equal Opportunities	No	-
Policy	No	-
Sustainable & Environmental	No	-
Crime & Disorder	No	-
Human Rights Act	No	-
Elderly/People on low income	No	-
Corporate Parenting	No	-
Health Inequalities Impact	No	-

14. DETAILS OF CONSULTATION

14.1 All divisions have been consulted in the preparation of this report.

Author: Simon Walton

Date: 14/10/2010

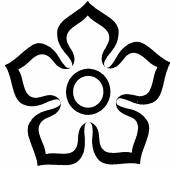
**MARK NOBLE
CHIEF FINANCE OFFICER**

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

**GENERAL FUND REVENUE BUDGET
BUDGET MONITORING SUMMARY 2010/11 - PERIOD 4**

	Original Budget	Actuals to Period 04
	£000	£000
<u>Non-Operational Budgets</u>		
Change & Programme Management	4,862.9	1,943.1
Financial Services	7,132.2	2,959.3
Housing Benefit Payments	527.6	(6,217.6)
Corporate Governance	4,025.9	2,835.6
Total Non-Operational	16,548.6	1,520.4
<u>Operational Budgets</u>		
Social Care & Safeguarding	33,429.6	10,488.3
Learning Environment	2,029.1	8,642.5
Learning Services	17,891.3	51,164.8
Access, Inclusion & Participation	17,764.0	10,810.4
Planning & Commissioning	10,351.6	3,462.6
Dedicated Schools Grant (Centrally retained)	(22,787.9)	0.0
Delegated Schools Budget	166,716.9	42,422.4
Other School Specific Budgets	6,724.0	1.9
Dedicated Schools Grant (Schools Budget)	(173,440.9)	0.0
Housing Strategy and Options	1,254.1	314.8
Safer & Stronger Communities	5,268.1	(2,475.9)
Adult Care	76,992.3	27,418.3
Environmental Services	26,184.6	7,000.7
Cultural Services	15,544.3	7,547.6
Regeneration, Highways and Transport	15,063.4	1,873.9
Planning & Economic Development	2,611.7	1,036.4
Resources (former R&C)	1,090.0	178.1
Human Resources	4,589.9	2,252.4
Information & Support	9,472.3	3,520.3
Strategic Asset Management	2,678.8	1,978.5
Central Maintenance Fund	5,648.8	1,882.9
Total Operational	225,076.0	179,520.9
Miscellaneous	19,559.5	
Capital Financing	20,168.6	
Total Corporate Budgets	39,728.1	
Net Recharges	(2,648.8)	
Use of Reserves	(2,331.9)	
TOTAL GENERAL FUND	276,372.0	

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Leicester
City Council

**PERFORMANCE & VFM SELECT COMMITTEE
CABINET**

**3rd November 2010
8th November 2010**

2010/11 CAPITAL PROGRAMME MONITORING – PERIOD 4

Report of the Chief Finance Officer

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to show the position of the capital programme for 2010/11 at the end of Period 4. This is the first report of the financial year and further reports will be presented to Cabinet and the Performance and Value for Money during the year.

2 SUMMARY

- 2.1 The actual level of expenditure at the end of period 4 totalled £18.189m. This represents 17% of the revised capital programme for 2010/11 of £109m. The typical profile of capital spend over the financial year is not evenly spread and in the first few months is often low. Low spend this year is particularly unsurprising, given the spending moratorium in early summer. Some programmes have also been affected by government funding cutbacks.
- 2.2 Capital Receipts. We are on course to meet the relatively modest capital receipts targets set for 2010/11.

3 RECOMMENDATIONS

- 3.1 Cabinet is recommended to:

- i) approve a revised level of programmed expenditure of £109m;
- ii) note the level of expenditure of £18.2m @ period 4;
- iii) note the current level of spend (17%) of the programme;
- iv) note the level of slippage (£6.7m) that has occurred @ period 4;
- v) note that capital receipts targets are on course to be achieved.

- 3.2 The Select Committee is asked to:

- i) consider the overall position relating to the capital programme and make any observations to Cabinet as it sees fit; and
- ii) consider whether they would wish to further scrutinise the performance of any individual schemes where they have concerns over progress.

4 CAPITAL MONITORING

4.1 The capital programme is split into 4 main categories:

- i) the Transport programme;
- ii) the Childrens and Young People's Services programme;
- iii) the Housing programme; and
- iv) the Corporate programme, which covers all other services.

This categorisation is determined by the way Government support is allocated.

4.2 This report details the actual level of expenditure for 2010/11 and also considers the extent to which the Council has achieved its programme of asset sales, which help fund the programme.

5 POSITION AT PERIOD 4

5.1 The overall financial position for each division is summarised in the table below (with further detail set out in Appendix A):

Division	Revised 10/11 Prog. £'000	Spend @ P4 £'000	% Spend @ P4	Para. Ref.
Social Care & Safeguarding	1,519	1,053	69%	6.2
Access, Inclusion & Participation	7,818	1,599	20%	6.3
Learning Environment	26,643	2,302	9%	6.4
Learning Services	2,158	118	5%	6.5
Highways & Transportation	11,536	3,601	31%	6.6
Transport Department	1,600	1,290	81%	6.7
Cultural Services	11,513	2,199	19%	6.8
Environmental Services	1,591	45	3%	6.9
Planning & Economic Development	3,387	921	27%	6.10
Safer & Stronger Communities	142	6	4%	6.12
Adult Care	571	0	0%	6.11
Housing Services	21,023	3,572	17%	6.13/6.14
Housing Strategy & Options	18,119	1,074	6%	6.13/6.14
Strategic Asset Management	1,370	409	30%	6.15
Human Resources	10	0	0%	6.16
Total	109,000	18,189	17%	

5.2 The main areas of spend at period 4 include that on Council House improvements, Football Foundation facilities, Integrated Transport, New Primary Places and BSF. The main areas of slippage declared are in relation to Housing New Build, Spinney Hill Park Restoration and Rushey Mead BSF.

6 ISSUES ON SPECIFIC SCHEMES

6.1 The majority of schemes are progressing as expected at this early stage of the year, and this report has been prepared on an exception basis highlighting areas of significant slippage or concern.

6.2 Access, Inclusion and Participation Division

6.2.1 Youth Projects (Full year forecast - £2.8m, spend to p4 £0.4m.)

There are a number of smaller projects within the Youth Capital Fund Grant portfolio, but the major project is My Place with a total scheme value of £6.5m. At present capital spend on My Place has been put on hold, pending a decision on the future shape of the project. A report will be brought to Cabinet as soon as discussions have been concluded with funders.

6.3 Learning Environment (approved programme £27.5m)

6.3.1 Uncertainty on the funds available for the BSF Programme has affected the start dates of some BSF projects. There have also been local factors affecting the spend profile on some other projects.

- **Integrated Service Hubs (ISH Non BSF) :**

Full year forecast - £1.1m, spend to p4 £7K.

Priorities are being reassessed following government funding reductions, and will be the subject of a further report to Cabinet shortly.

- **Building Schools for the Future (BSF) :**

Overall the forecast outturn on BSF schemes is £7.1m, compared with the programme of £8.6m, a reduction of £1.5m. This is the effect of slippage on Rushey Mead (financial close is now expected in November). Progress on BSF has been significantly affected by delays in receiving Government approvals.

6.4 Cultural Services (approved programme of £11.8m)

6.4.1 **Central Libraries Consolidation** - The project will relocate both city centre libraries at the Bishop Street site with the new library being called 'Leicester Central Library'. The budget for the project is £500,000 and works will include a refurbished foyer, redecoration, lighting improvements, new shelving and guiding to provide increased space for books, services and facilities on the two public floors. A decision on the planning application is expected in the next six weeks. Works will not commence until January 2011, hence there will be a delay in completion and therefore, slippage of £300k into 2011/12.

6.4.2 **City Gallery** – Work on this scheme is presently on hold pending a review. A report will be brought to Cabinet in due course.

6.5 Environmental Services (approved programme of £3.134m)

6.5.1 **Spinney Hill Park Restoration Project** - Finalising the project specification with the Heritage Lottery fund (HLF) took longer than anticipated and this means that the new completion date is expected to be October 2011 resulting in slippage of £1.5 million.

The tender process for a main contractor to carry out the capital works is now complete and a contractor appointed. It is anticipated that work on site will commence in October 2010, following the Eid celebrations on the Park.

6.6 Planning and Economic Development (Approved programme of £3.84m)

6.6.1 **Growth Fund Schemes** – The only expenditure on Growth Fund (GF) Schemes at 31st July 2010 was £47k for the CHP & District Heating Scheme. National uncertainty around the likely allocations of Growth Fund monies to local authorities by the Government has affected the progress of GF schemes. The expected 2010/11 Growth Fund allocation has recently been confirmed by the DCLG. The main schemes issue is:

- **Rally Park and Abbey Meadows Strategic Greening Infrastructure (SGI)** – This scheme is to improve two open spaces at Rally Park and Abbey Meadows adjacent to the River Soar. These projects will bring major benefits to existing and new residents in the Fosse and Abbey Ward areas through improvements to the environment and wildlife, better public access to green open space and reductions in anti-social behaviour. The schemes are also intended to encourage new housing development in the adjoining regeneration areas. Both projects are due on site in January 2011, with completion in December 2011 resulting in slippage of £450,000 into 2011/12.

6.7 Adult Care Division (approved programme of £571k)

6.7.1 There has been no spend against the approved programme as of yet. This is due in the main to not receiving sufficient bids of the required quality for the mental health grant and holding back Adult Social Care IT infrastructure money to contribute to the overall procurement of the Carefirst System.

6.7.2 Further cabinet approval for the release of £3.3m of capital funding is also required for Intermediate Care. A report will be presented to Cabinet in the near future.

6.8 Safer & Stronger Communities Division (approved programme of £142k)

6.8.1 The division has now received confirmation of funding of £262k from EMDA for Leicester Multi Access Centres (MAC). This will be spent on refurbishment, building alterations, broadband network infrastructure and equipment at the Northfields, Braunstone Oak, St Matthews, Eyres Monsell and New Parks Community Centres and at the City MAC.

6.9 Housing Services /Housing Strategy & Options (original approved programme of £41.158m)

6.9.1 Expenditure at the end of period 4 was £4.62m against a revised programme, which, including slippage brought forward from 2009-10 and less over programming, amounts to £42.386m.

6.9.2 Forecast spend for the year is £38.962m. Slippage of £3.424m is made up of :

- New Build Challenge Fund - £1.577m – only 75% of Phase 2 is likely to be completed in 2010-11.
- Exchange Redevelopment - £649k – a planning application was registered in August and it is anticipated work will start on site April 2011.

- Rewiring - £500k – originally there were 3 contractors but 2 have subsequently withdrawn and a new tender document needs to be drawn up.
- Cavity Wall Insulations £190k – work will not commence until January due to availability of resources.

6.9.3 Some budget reductions/underspends will occur as follows;

- Decent Homes Loan £500k – officers are currently considering whether the scheme represents value for money.
- Flat Roofs Over Shops £200k – level of work to be carried out not as high as originally expected – only £100k spend anticipated.

6.10 Strategic Asset Management (approved programme of £1.370m)

6.10.1 CLAB's

In the light of the structural report on New Walk Centre two strands of work have been progressing within the Accommodation Strategy. Firstly an options appraisal looking at alternatives for future office provision, whether a refurbishment and strengthening of NWC or relocation to new build or existing space elsewhere, and, secondly, works and moves vacating the 'no imposed load' zones within the building itself. The options appraisal is due to be complete in October, after which decisions will be taken about the direction of travel (including the relocation of the Customer Services Centre in the former Post Office building).

7 CAPITAL RECEIPTS

- 7.1 The target for non-earmarked, non-housing capital receipts in 2010-11 is £500k. This is a deliberately modest figure due to the continuing stagnation in the property market. Receipts to date are in line with the target.
- 7.2 The target for Housing usable capital receipts to help fund the Housing Programme is £870k. Sales are on course to meet this target.

8 CAPITAL MONITORING TARGETS

- 8.1 In October 2003 Cabinet agreed a performance target for capital expenditure of 90% of the original programme, excluding schemes where there is significant 3rd party involvement.
- 8.2 At this early stage of monitoring the forecast equals 93.4% of programme.

9 PRUDENTIAL BORROWING

- 9.1 Details of schemes to be funded by prudential borrowing and the forecast level of expenditure for 2010/11 are shown below:

Approved Prudential Borrowing	2010/11 Pd 4 Estimate £000
Corporately Funded	
Accommodation Strategy (CLABs)	1,000
Phoenix Square (provisional - retentions)	100
Curve (provisional - retentions)	200
Football Facilities	1,600
HRA	
New Build	6,756
General	612
Spend to Save	
Vehicles in lieu of leasing	1,600
Parks – Plant and Equipment	50
Future Spend to Save – contingency	500
Total Prudential Borrowing	12,418

9.3 Prudential borrowing for new build housing will be funded by additional income.

9.4 The cumulative level of prudential borrowing as a proportion of gross revenue expenditure is shown in the table below (this takes into account anticipated repayments):

General Fund	Cumulative Unsupported Borrowing £000	Gross Revenue Expenditure £000	Cumulative Unsupported Borrowing as % of GRE
2007/08 (actual)	29,913	772,491	3.9%
2008/09 (actual)	53,417	779,889	6.9%
2009/10 (actual)	58,257	785,289	7.42%
2010/11 (budget)	66,043	746,066	8.85%
Housing Revenue Account	Cumulative Unsupported Borrowing £000	Gross Revenue Expenditure £000	Cumulative Unsupported Borrowing as % of GRE
2007/08 (actual)	20,121	65,017	30.9%
2008/09 (actual)	19,246	69,057	27.9%
2009/10 (actual)	18,372	72,634	25.3%
2010/11 (budget)	28,988	83,240	34.8%

10 CONSULTATION

10.1 All departments have been consulted in the preparation of this report.

11 FINANCIAL AND LEGAL & OTHER IMPLICATIONS

11.1 The report is largely concerned with financial issues.

11.2 Legal Implications – Peter Nicholls, Director Of Legal Services, has confirmed that there are no additional legal implications to those included in the body of the report.

- 11.3 Climate Change Implications - Whilst this report, in itself, does not contain any significant climate change implications some of the projects contained within the report have the potential to have a positive or negative impact on the Council's ability to meet climate change targets. Helen Lansdown, Senior Environmental Consultant - Sustainable Procurement

OTHER IMPLICATIONS	YES/NO	Paragraph referred
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	Yes	6.6
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	No	
Corporate Parenting	No	
Health Inequalities Impact	No	

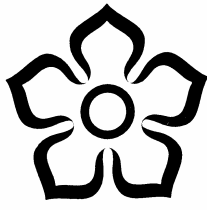
Author: Jon King
 Extn: 297433
 Date: 15th October 2010

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

2010/11 CAPITAL PROGRAMME

APPENDIX A

Division	Approved Programme	Additions	Budget Transfers/ (Reduction)	(Slippage)	Overspend/ Payments Brought Forward	Revised Programme - Forecast spend	Payments to end of Period 4	% of Spend compared to Forecast
	£'000					£'000	£'000	£'000
Social Care & Safeguarding	1,519					1,519	1,053	69%
Access, Inclusion & Participation	8,124		(306)			7,818	1,599	20%
Learning Environment	27,496			(1,488)	635	26,643	2,302	9%
Learning Services	2,701		(543)			2,158	118	5%
Highways & Transportation	11,536					11,536	3,601	31%
Transport Department	1,600					1,600	1,290	81%
Culture Services	11,813			(300)		11,513	2,199	19%
Environmental Services	3,134	50	(50)	(1,543)		1,591	45	3%
Planning and Economic Development	3,837			(450)		3,387	921	27%
Safer and Stronger Communities	142					142	6	4%
Adult Care	571					571	0	0%
Housing Services	22,512	100	(250)	(1,339)		21,023	3,572	17%
Housing Strategy and Options	20,054	142	(500)	(1,577)		18,119	1,074	6%
Strategic Asset Management	1,370					1,370	409	30%
Human Resources	10					10	0	0%
TOTAL	116,419	292	(1,649)	(6,697)	635	109,000	18,189	17%



Leicester
City Council

SECOND DESPATCH

CABINET – 8 November 2010

Further to the agenda for the above meeting which you should have already received, please find attached the following papers:

BABINGTON COMMUNITY COLLEGE, FULLHURST Appendix A
COMMUNITY COLLEGE AND NEW COLLEGE LEICESTER –
IMPLICATIONS OF THESE SCHOOLS BECOMING A TRUST –
PENSON AND EMPLOYMENT LIABILITIES

A minute extract from the meeting of the Children and Young People Scrutiny Committee held on 2 November 2010 is attached. The Committee resolved as follows:

RESOLVED:

that the report be noted and the recommendations contained within it be endorsed.

ICT PROVISION IN LEICESTER TO SUPPORT PUPIL Appendix B
LEARNING & IMPLEMENTATION OF PILOT NETBOOK LOAN
SCHEME FOR CITY PUPILS

A minute extract from the meeting of the Children and Young People Scrutiny Committee held on 2 November 2010 is attached. The Committee resolved as follows:

RESOLVED:

- 1) that Cabinet be asked to refrain from making a decision on this at the present time pending further discussion through political groups: and
- 2) following discussion with political groups, a further report be brought back to the Committee.

CORPORATE VOLUNTARY AND COMMUNITY SECTOR Appendix E
CONTRACTS QUARTERLY MONITORING

A minute extract from the meeting of the Performance and Value for Money Select Committee, held on 3 November 2010 is attached. The Committee resolved as follows:

RESOLVED:

- 1) that the report and comments made by Members of the Committee be noted:
- 2) that stretching performance targets be applied to the monitoring process.

A minute extract from the meeting of the Performance and Value for Money Select Committee, held on 3 November 2010 is attached. The Committee resolved as follows:

RESOLVED:

that the report and comments made by Members of the Committee
Be noted.

A minute extract from the meeting of the Performance and Value for Money Select Committee, held on 3 November 2010 is attached. The Committee resolved as follows:

RESOLVED:

that the report and comments made by Members of the Committee
be noted.

ANY OTHER URGENT BUSINESS

The Leader has agreed that this item will be considered as urgent business on the grounds that the continued operation of Phoenix Square is dependant on Cabinet approval to the Business Plan and subsequent financial support

**BUSINESS PLAN FOR THE OPERATION OF PHOENIX SQUARE
FILM & DIGITAL MEDIA CENTRE BY LEICESTER ARTS CENTRE LTD**

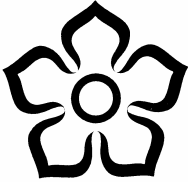
AOUB 1

Councillor Wann submits a report which informs Cabinet about Leicester Arts Centre Ltd's (LAC) Business Plan for the operation of Phoenix Square Film & Digital Media Centre and to seek Cabinet endorsement of it. Cabinet is asked to approve the recommendations set out in Paragraph 3.1 of the report.

Heather Kent/Julie Harget

Democratic Support: Internal 39 8816/8809

External 0116 229 8816/8809



Leicester
City Council

**WARDS AFFECTED
CASTLE / CITY WIDE**

CABINET

8 NOVEMBER 2010

**BUSINESS PLAN FOR THE OPERATION OF
PHOENIX SQUARE FILM & DIGITAL MEDIA CENTRE
BY LEICESTER ARTS CENTRE LTD**

Report of the Strategic Director Development, Culture & Regeneration

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to inform Cabinet about Leicester Arts Centre Ltd's (LAC) Business Plan for the operation of Phoenix Square Film & Digital Media Centre and to seek Cabinet endorsement of it.
- 1.2 This report is based on the Business Plan dated November 2010 produced by LAC with contribution from the Independent Cinema Office (ICO). It is intended that it will be reviewed on a regular basis to ensure that it remains contemporary and that all of the financial forecasts and projections are based on the most up-to-date and robust information available.
- 1.3 The Directors of Leicester Arts Centre Ltd approved the Business Plan at its meeting on 1 November 2010.

2. SUMMARY

- 2.1 Cabinet at its meeting on 6 September 2010 approved expenditure of up to £250,000 to enable a negotiated agreement, involving the purchase of the cinema equipment (which has a depreciated value of £250,000) with Leicester Arts Centre Ltd (LAC) to secure their continued operation of Phoenix Square Film & Digital Media Centre.
- 2.2 Payment of the £250,000 is phased and contingent on the achievement of key milestones that demonstrate LAC's move toward sustainability and a sustainable operation of the Phoenix Square Film & Digital Media Centre. A copy of the milestone plan is included at appendix 2. The next key milestone is LAC's presentation of; and Cabinets subsequent endorsement of, their business plan for the continued and sustainable operation of Phoenix Square Film & Digital Media Centre.
- 2.3 The Business Plan describes how LAC will:
 - put in place new governance arrangements by the beginning of the new financial year (April 2011)

- provide effective management and operation of the building, programme & ancillary services
- manage the finances and improve medium to long term financial health of the Company
- develop new audiences and increase attendance / usage through its promotional and publicity campaigns
- manage the delivery and development of the programme
- manage risk
- work with others to increase footfall into and through the Cultural Quarter (CQBA, Curve, LCB Depot among others)

2.4 A copy of the Business Plan Executive Summary and Action Plan is attached to this report at appendix 1.

3. RECOMMENDATIONS

3.1 Cabinet is recommended to:

- I. endorse the Business Plan prepared by Leicester Arts Centre Ltd for the operation of the Phoenix Square Film & Digital Media Centre
- II. delegate any variations to the business plan, that require Cabinet endorsement, to the Director of Cultural Services in consultation with the Cabinet Lead for Culture & Leisure
- III. agree the milestone plan for draw-down of the additional funding, approved by Cabinet at its meeting on 6 September 2010

4. REPORT

Background & Context

4.1 LAC is a company limited by guarantee incorporated under the Companies Act and also a registered charity. LAC operates on a not for profit basis and in 2009 established a wholly owned subsidiary Company – Firebird Trading – to manage their trading activities including, Bar & Catering, Hire of premises and other ancillary functions.

4.2 The Company is governed by the Board of Trustees who act as Directors of the Company. The Board includes two elected members nominated by Leicester City Council and two representatives nominated by De Montfort University (DMU). All other board members are independent.

4.3 On completion of the construction of Phoenix Square last August the Council leased the Phoenix Square Film & Digital Media Centre to LAC for a term of 60 years. In addition, the Council provides a revenue grant of £309,800 per annum for the management and operation of this part of the Phoenix Square complex in accord with the terms set out in the Service Level Agreement (SLA). DMU, in accordance with a separate Collaborative Agreement with LAC, provide a contribution to support the presentation and exhibition of work that is created using digital and or new technologies. Em-Media provides revenue funding to the Phoenix Square, Broadway and Quad consortium for specialist film programmes.

4.4 The SLA sets out the purposes that the Councils grant is provided for:

- a) Support the programme of 'specialist cinema', which includes screenings of independently-produced, non-commercial and non British-made films, alongside,

selected 'mainstream' movies. The term 'specialist cinema' is used under the definition provided by the UK Film Council and Europa Cinema.

- b) Programme of education and outreach activities and services as specified in the Business Plan with a view to serving and reaching new & diverse audiences.
- c) Programme of digital media, art and other digitally-created work and installations in the Cube and other public areas of the Phoenix Square Film & Digital media Centre, accessible to and allowing participation by a wide range of audiences.
- d) Access to production facilities and training for children, schools, young people, youth groups, colleges, HEI's, community groups, disabled people and hard-to-reach communities.
- e) On-line services that relate to all of the above elements of service provision by using web technology to engage all potential audiences.

4.5 The Business Plan, dated November 2010, supersedes earlier versions of it produced by LAC. It provides a clear way forward for LAC to stabilise the business moving toward growth in the business over the period November 2010 to March 2014. This medium term strategy is underpinned by a realistic assessment of the potential availability of funding and grants from public sources.

4.6 Governance

4.6.1 Leicester Arts Centre Ltd will, without major changes to the Memorandum and Articles of Association, change its name to Phoenix Square Ltd by 31 March 2011.

4.6.2 New governance arrangements will be formally in place for the new financial year, commencing 1 April 2011. A recruitment panel, chaired and convened by the Regional Director Arts & Business, and comprised of two independent board members, a representative nominated by the City Council and a representative nominated by De Montfort University, has been set up to recruit a new Chair and 5 new independent Trustees.

4.6.3 The new Chair will be appointed in January 2011 and the new Trustees will be appointed by the end of February 2011.

4.6.4 The positions of Chair and trustees will be advertised locally and through arts, media and business forums and websites.

4.6.5 Once the new Board membership is in place further consideration will be given to the formal appointment of the LAC wholly owned subsidiary- Firebird Trading Company as the operating company to oversee the management of the day-to-day operations and trading whilst the Phoenix Square Trust will focus on the Strategic Management of the Company & Charity.

4.7 The business plan confirms that Phoenix Square will continue its mission to provide a combination of specialised film and mainstream entertainment, enhancing its programme to satisfy its loyal customer base whilst developing new audiences.

4.8 It reports the Company's 3 main priorities for next 12 months as:

- To achieve an increased financial contribution from the main income generating areas of the business (cinema attendance, bar & café trading, hires & conferencing

& hire/use of the production facilities) and thereby reducing the reliance on grant funding and improving the medium – long term health of the Company

- Organisational development including new governance arrangements (as described in paragraphs 4.6.1 – 4.6.5 above) improved performance & risk management and improved marketing
- A strengthened creative programme that encompasses film, digital art and education drawing on the capabilities of Phoenix Square and exploitation of the partnership with DMU, for the economic, community and cultural benefit of Leicester

4.9 The financial forecasts for the period 2010/11 – 2013/14, included within the Business Plan, are prudent and assume:

- growth assumptions for box office income and other trading activity (growth in attendance and increase in ticket price)
- a modest allowance for inflation and an allowance for increased costs arising from changes to pensions legislation
- reduction in grant aid from the Council (circa 10% per annum) and cessation of the Em-Media grant in 2011/12 which may arise from the current national review of film funding

4.10 Table 1 below provides a summary of the forecast income and expenditure

Forecast Income	2010/2011	2011/2012	2012/2013	2013/2014
Total Earned Income	753,500	802,600	860,300	949,300
Total Grants	639,400	321,800	296,800	271,800
Total	1,392,900	1,125,400	1,157,100	1,221,100
Forecast Expenditure				
Operating	1,128,800	863,500	872,600	912,700
Trading (firebird)	260,000	262,000	269,800	281,200
Total	1,388,800	1,125,500	1,142,400	1,193,900
Total Surplus / - Deficit	4,100		14,700	27,200

4.11 Risk Management

4.11.1 The Business Implementation provides a high level analysis of the key risks in the business and the achievement of the main priorities. These have been analysed with control and mitigation actions identified.

4.11.2 The risks will be closely monitored and reported to the Board on a regular basis.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1. Financial Implications

The Head of Resources (Regeneration and Culture) has advised that financial implications associated with this report will be tabled at the Cabinet meeting.

Martin Judson, Head of Resources.

5.2 Legal Implications

There are no legal implications associated with the recommendations contained in this report. Previous legal implications contained in the Strategic Director Development Culture & Regeneration's report to Cabinet on 6 September 2010 remain.

Joanna Bunting, Legal Services

5.3 Climate Change Implications

There are no climate change implications associated with this report.

6. OTHER IMPLICATIONS

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

7. RISK ASSESSMENT MATRIX

Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/appropriate)
1. Reputational damage. (High profile scheme that has to date attracted media and press interest)	H	M	Stakeholder's communications personnel agree internal and external communications plan. LAC lead all communications and prepares a statement that focuses on how Phoenix Square will operate in the future to ensure continued public access to a wide ranging programme of films and media.
2 Loss of confidence in Phoenix Square – impacting on sales / lets of residences and workspaces	M	H	Proactive approach to communications to maintain confidence in the offer

3 LAC fail to sustain the operation after the additional funding is provided.	M – H	M-H	Milestone Plan, Finance Monitoring arrangements to give early warning and New Agreement giving the Council the right to give notice of termination
	L – Low M – Medium H - High	L – Low M – Medium H - High	

8. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

Cabinet Reports dated 29 October 2007 & 6 September 2010

9. CONSULTATIONS

Andy Keeling, Chief Operating Officer & Deputy Chief Executive
Richard Watson, Director Cultural Services
Mark Noble, Chief Finance Officer
Martin Judson, Head of Finance
Joanna Bunting, Legal Services

10. REPORT AUTHOR

Mike Candler, Cultural Quarter Project Director
Tel: 261 6821
Email: mike.candler@leicester.gov.uk

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)



BUSINESS PLAN

November 2010

Preamble

The new business plan for Phoenix Square: Film and Digital Media Centre (Phoenix Square) was approved by the board of trustees on 1st November 2010. (The plan includes the operations of Leicester Arts Centre Ltd and its trading subsidiary Firebird Trading Ltd., trading under the name Phoenix Square: Film and Digital Media Centre).

This document provides an overview of the business plan comprising the Business Plan Recommendations (Annex 2) produced in association with the Independent Cinema Office for the board of trustees, and the Action and Implementation Plan 2010-2012 (Annex 1) - the action plan to achieve financial sustainability, strengthened governance arrangements and Phoenix Square's public service mission in the face of a declining public sector grant.

Phoenix Square

Phoenix Square has a growing reputation for showcasing the best of world cinema and digital arts in the Leicester area. Through its partnership with De Montfort University (DMU) it aims to present world class and innovative digital arts and education. Phoenix Square plays a major role in the economic and cultural development of Leicester, particularly in the Cultural Quarter, through its strategic partnership with Leicester City Council.

Phoenix Square is a unique local asset in being a modern, multi-screen, 3D independent cinema, incorporating a media production suite for business and community, as well as the "DMU Cube" gallery.

Phoenix Square is constituted as a charity and company limited by guarantee thereby ensuring that its objectives and financial resources are aligned to its public mission. Its trading activities, including the Screen Lounge Cafe/Bar, production studios and meeting rooms for hire, are integral to the business model.

The Opportunity

The UK cinema market has grown over the past decade. The latest figures reported by the UK Film Council show that UK film admissions and box office grew by 6% and 11% respectively (2008/09). The market-share for specialised films is rising, taking 15% of the box office in 2009 with the proportion of specialised films releases rising from 58% to 69% of the total. Documentaries, for example, have risen from negligible takings to box office earnings of £12 million whilst 3D films, in the new friendly format, have grown rapidly to 16% of total box office takings in 2009, up from 0.4% in 2008.

The population of the greater urban area is approximately 500,000. Phoenix Square's offer is differentiated from commercial providers in screening films that would otherwise not be shown in Leicester alongside a more main stream offer.

Current Position

The long term growth in the market is somewhat volatile in the short-term. Industry experts have reported poorer sales due to recessionary effects on both supply and demand, with a more promising outlook for 2011/12 partly driven by the pipeline of deferred film releases. Since opening in November 2009, Phoenix Square's box office takings have mirrored the UK market trend – a buoyant period was followed by a sharp down turn in revenue owing to declining box office.

As a consequence of the short-term dip in the market coupled with the probable future reduction in public sector grant funding, the Board initiated the following:

1. Restructuring, (completed in September 2010) that results in a break-even forecast for 2010/11.
2. A new business plan that capitalises on the market opportunity with the revised structure and operating resources and improves the organisation's performance.

There will be a focus on growing the main revenue streams to compensate the reduction in grant funding. Corporate governance arrangements will be strengthened and Phoenix Square's public mission will be developed further. This has resulted in a breakeven financial forecast for 2011/12 with surpluses being generated thereafter.

Priorities

The business plan confirms that Phoenix Square will continue its mission to provide a combination of specialised film and mainstream entertainment, enhancing its programme to satisfy its loyal customer base whilst developing new audience segments, prioritised by market research that will shortly be available.

The trading activities that are integral to the customer experience will be linked more closely to film and event programming, enhancing the customers' experience and increasing sales.

The business plan contains the following three priorities:

1. Increased financial contribution on the main revenue streams within the existing resources of the organisation, thereby reducing its reliance on grant funding and improving the medium and long term financial sustainability of Phoenix Square.
2. A strengthened creative programme encompassing film, digital art and education, drawing on the capabilities of Phoenix Square and DMU, for the economic, community and cultural benefit of Leicester.
3. Organisational development including strengthened corporate governance arrangements, improved performance and risk management and improved marketing.

Annex 1 contains the action plan to deliver the above priorities, which are summarised below:

- Film attendance will grow by developing the loyal following that Phoenix Square has already established, whilst developing new audiences.
- Programming will be improved through longer lead times and stronger thematic linkages to local, national and international events, thereby capitalising on heightened public and media interest.
- Attendance figures and the balance of programming will be reviewed regularly to ensure that the differentiated offer of Phoenix Square is developed and productive financially.
- The framework of pricing, membership packages and special offers will be redesigned and reviewed regularly to ensure that prices are competitive, new audiences are developed, and loyalty is rewarded.
- Trading surpluses from the Screen Lounge Cafe/Bar will increase through increased box office attendance and its programme of events will be more closely aligned to film programming, for example through themed events and guest speakers that will draw more people to the cafe before and after screenings.

- The Screen Lounge is also establishing itself as a good quality, value for money cafe and bar in the unique atmosphere of Phoenix Square and this will be promoted as a product in its own right.
- The Phoenix Square's hire offer of its media production and meeting rooms will be re-launched.
- Marketing and communications has focused primarily on brochure mailings and website; both will be improved. Cost savings from a more effective brochure delivery will be reinvested in the development of email and social media channels, linked to improvements to the web site.
- The databases will be improved, along with data capture. Incentives will be included in loyalty packages and special offers to expand the database and encourage brochure recipients to choose electronic communications.
- A creative development plan is being developed and led by an independent member of the Board who also has close ties with the main stakeholder, in this respect – De Montfort University. This focuses on the use of Phoenix Square's facilities to expand the programme of digital arts, education and community engagement. Engagement with Leicester's communities also forms an important part film programming.
- The new chair and strengthened Board will be appointed by March 2011.
- An Interim Executive Director has been appointed to move the business plan forward and support the Board through transition. A new Finance Director was appointed in September 2010.

Financial Overview: Consolidated Income and Expenditure 2011-2014

Income	2010-2011	2011-2012	2012-13	2013-14
	£	£	£	£
Box Office (LAC Ltd)	337,000	392,200	415,800	463,700
	£	£	£	£
Grant Income (LAC Ltd)	639,400	321,800	296,800	271,800
	£	£	£	£
Other Income (LAC Ltd)	109,800	69,600	75,000	80,000
	£	£	£	£
Trading Income (Firebird)	306,700	341,800	369,500	405,600
	£	£	£	£
Total	1,392,900	1,125,400	1,157,100	1,221,100
Expenditure				
	£	£	£	£
Operating Expenditure (LAC Ltd)	1,128,800	863,500	872,600	912,700
	£	£	£	£
Trading Expenditure (Firebird)	260,000	261,900	269,800	281,200
	£	£	£	£
Total	1,388,800	1,125,400	1,142,400	1,193,900
	£	£	£	£
Total Surplus/-Deficit	4,100	-	14,700	27,200

Key features:

- The recent restructuring and has resulted in a break-even forecast for 2010/11. However, the financial position for the current year is exceptional, including restructuring costs, a one-off asset purchase/lease back arrangement with Leicester City Council.
- The business plan forecast is break-even in 2011/12 with increasing but modest surpluses in the following years. The growth in box office takings and trading activities compensate for the expected reduction in grant income.
- EM Media invested in the PBQ consortium of independent cinemas to deliver film audience development services and Phoenix Square received £21.5K. Financial support to film in England is under review and EM Media is unable to commit this funding at this time. It is therefore omitted from the forecast.
- The forecast assumes that the recurrent grant from Leicester City Council will decrease by approximately 10% per year from 2012/13 onwards.
- The new interim Executive Director is prioritising sales and marketing activities in the next 6 months to accelerate growth in box office and trading revenue. The recently appointed Finance Director is continuing to review budget forecasts.
- A new performance and risk management framework is being introduced as part of the strengthened governance arrangements. It will provide a more frequent, focussed and transparent view of the performance of Phoenix Square for the Board, stakeholders and staff, which is essential in the tighter economic environment.
- Key risks have been identified in Annex 1 and will be reviewed regularly.

Conclusion

The income forecast is considered to be achievable. The potential for further efficiencies is being reviewed. Further savings are possible but are likely to be modest following the recent significant cost reduction exercise.

This income and expenditure forecast provides confidence that Phoenix Square will be financially viable through a period of reducing grant.

Phoenix Square is well placed to capitalise on market opportunities through its distinctive market positioning, programming, modern facilities and the quality of its customer experience. In doing so, it will fulfil its public mission in the economic and cultural development of Leicester.



ACTION AND IMPLEMENTATIO N PLAN 2010- 2012

1. **Increase financial contribution of core revenue streams within the existing resources of the business thereby reducing reliance on grant funding and improving the medium and long term financial sustainability of the company**

Objectives	Sub-objectives and implementation	Targets	Who	KPI's
Increase box office income as follows: 2010/11 £337k 2011/12 £392k 2012/13 £416k 2013/14 £464k	To develop existing core audience by:			Box office income
	Retaining existing programming characteristics whilst developing new and different markets.	On-going	General Manager	Attendance: 2010/11 72,000 2011/12 75,000 2012/13 77,000 2013/14 80,000
	Review membership packages and introduce a revised scheme to increase repeat attendance	Review in Nov 2010, introducing targets through the marketing cycle	Operations Manager / Assistant Operations Manager / Marketing Officer	
	To develop new audiences through:			Occupancy rates: 2010/11 16.6% 2011/12 17.3% 2012/13 17.8% 2013/14 18.5%
	Collaboration between Phoenix Square/Broadway/ Quad, and audience segment research at a local and regional level	By Jan 2011	Marketing Officer	
	Developing new audience led programmes	On-going	Marketing Officer / General Manager	Targets set-out by Service Level Agreements with Phoenix Square/Broadway/Quad collaboration and Leicester City Council
	Through the exploitation of the opportunities and strategies identified through the Knowledge Transfer Project (KTP) – refer to the KTP Research & Project plans document.	Commenced and ongoing	KTP Associate Marketing Officer	Increase in new audiences attending the digital arts programme

Continued: Increase box office income as follows: 2010/11 £337k 2011/12 £392k 2012/13 £416k 2013/14 £464k	Introduce a revised ticket price structure to maximise yield.	By Jan 2011	General Manager	
	Improve the marketing of the current programme through:			
	Better local advertising and promotion	Sept 2010 onwards	Marketing Officer	
	To implement additional partnership offers with major employers in Leicester and Leicestershire.	On-going	Executive Director / Marketing Officer	
Increase profit on trading activity: Net profit budget 2010/11 £47K 2011/12 £80K 2012/13 £100K 2013/14 £124K	Increase cafe/bar profits by:			Turnover, Gross Margin, Net Profit
	Undertaking a competitive price analysis and adjusting prices where appropriate.	May 2010 onwards	Catering Manager	
	Reviewing products stocked and the gross margin achieved.	By Jan 2011	Catering Manager	
	Develop additional income by expanding the Screen Lounge events programme	By March 2011	Operations Manager / General Manager	
	Continuing to review the prices, product and special offers	By Jan 2011	Catering Manager	
	Increasing secondary spend by developing packages that compliment the cinema programme	By Jan 2011	Catering Manager / Operations Manager	
	Increasing usage by the wider, targeting the creative sector	On-going	Operations Manager / General Manager	Cafe use and vibrancy

Continued: Increase profit on trading activity: Net profit budget 2010/11 £47K 2011/12 £80K 2012/13 £100K 2013/14 £124K	Implementing cost reductions through resource re-allocation and efficiency savings	Jan 2011	Operations Manager	Recurrent cost saving of £10k
	Reviewing the staffing levels against turnover per hour	Jan 2011	Operations Manager / Catering Manager	
	Increase venue hire profit by:			Turnover, Occupancy, Net Profit
	Re-prioritising the senior management team towards business development	By Jan 2011	Operations Manager	
	Developing a new marketing tool kit	By Jan 2011	Marketing Officer	
	Increase the use of the production facilities by:			
	Re-allocated a member of staff to increase use of production facilities following the skills audit.	Sept 2010 onwards	Assistant Operations Manager	Revenue and utilisation targets, and profitability on chargeable events
Implement a pay freeze in line with local government settlement	To be ratified at the Board meeting on 23rd Nov and communicated to staff	Dec 2010 for implementation April 2011	General Manager / Operations Manager	
Significant reduction in company overheads	Restructuring and redundancies, resulting in a significant reduction in costs	Completed by Sept 2010	Board of Trustees	

2. **To enhance and deliver the creative programme for the economic, community and cultural benefit of Leicester within the existing resources of the business thereby meeting stakeholder and public obligations and expectations**

Objectives	Sub-objectives and implementation	Targets	Who	KPI's
Further develop film programme to present the best in world cinema also developing community and educational opportunities	Current arrangement: coordinated by the General Manager with Phoenix/Broadway/Quad collaboration and Independent Cinema Office support	Sept 2010 onwards	General Manager	
	Options on the future function of film programming to be considered by the Board	By June 2011	Executive Director	
	Further develop an integral education / educational element to the programme	Sept 2010 onwards	General Manager	
Further utilise the spaces in Phoenix Square to their full potential and show the versatility of the building.	Produce an annual rolling programme in agreement with DMU that reflects the very latest thinking in media art and digital research	Nov 2010 for March 2011	Executive Director and Chair of the Board and the Director of the IOCT (DMU)	Recognition and audience attendance
To turn Phoenix Square into a hub for the East Midland's filmmaking community providing support, advice and training.	Further engagement with the established group (The 7/5 Producers Group) of filmmakers in the East Midlands	April 2010 onwards	Assistant Operations Manager	Increased usage of our facilities.
	Include key industry experts within the Screen Lounge events, working with key partners to secure speakers	April 2011 onwards	Assistant Operations Manager	
To strengthen Phoenix Square's reputation through association with established local, national and international festivals and events	Produce an annual rolling programme that is linked to creative activities	Nov 2010 onwards	General Manager	Reputation and admissions. Report on community groups engaged.
To produce a creative development plan incorporating education and digital work	A Board member has taken a lead in the light of the recovery plan, using the education strategy	Sept 2010 onwards	Chair of Creative Sub-group of Board	

Strengthen and expand community engagement to create audience led programme development	Informed by the Market research see above. Identification of resources and project funding.	On-going	General Manager	
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3. **Organisational development including strengthened corporate governance arrangements, improved performance and risk management and improved marketing**

Corporate governance				
Objectives	Sub-objectives and implementation	Targets	Who	KPI's
Re-invigoration of the Board	Search Committee formed	Oct 2010		
	Applications invited	Nov 2010	Search committee comprising of 2 independent members, 2 nominees and chaired by Regional Director of Arts and Business	
	New chair to be appointed	Jan 2011		
	New trustees	Feb 2011		
Change group name	Leicester Arts Centre Ltd to rename as Phoenix Square Trust without major changes to the Memorandum and Articles of Association	Formal approval by Board, 23rd Nov 2010	General Manager	
Ensure that the new Business Plan and performance management framework are embedded	Initial dialogue with staff leading to a new staff communications framework.	Nov 2010 onwards	Executive Director	Staff feedback mechanisms. Personal and team appraisal and development plans
Improve performance and risk management reporting	Appointment of new Finance Director	Sept 2010	Executive Director	
	Reviewing and improving group statutory and management accounts	1st Nov 2010	Finance Director	

	Developing a financial reporting framework	By March 2011	Finance Director	
	Implement a performance management framework	31st March 2011	Executive Director	
	Routine review of financial controls	Jan 2011	Finance Director	
	Establish a framework for evaluating Board performance	By March 2012	New Chair	
Arrangements in place to appoint of a permanent Executive Director	Recruitment process underway	By March 2011	Board	

Marketing Development				
Formalise marketing strategy and sharpen market positioning for Phoenix Square	New positioning statement	Draft for Board approval by 23rd Nov 2010	Executive Director	
	Embed in marketing and communications	By April 2011	Marketing Officer	
	Dialogue with audiences, staff and stakeholders	Nov 2010 on-going	Executive Director	
Strengthen and re-balance the mix of marketing communications to cover all revenue generation areas	Re-design brochure and its delivery	Cost saving of 36% on brochure production, to re-invest in under-developed marketing communications by Feb 2011	Marketing Officer	Cost
	Strengthen the current direct e-marketing and social media by:			
	Improve website to address known issues	March 2011	Marketing Officer	Website traffic, awareness of offer

	Re-design direct e-newsletters	Feb 2011	Marketing Officer	
	Improve and grow the existing social media communications	Sept 2010 onwards	Marketing Officer	
Improve database for direct marketing purposes	Improve data capture process and value by:			
	Integrating existing systems	Nov 2010 on-going	Knowledge Transfer Project in association with DMU	
	Embed inducements through introduction of incentives to encourage customers to join the communications list	Nov 2010 on-going		

4. Risk Management

Priorities	Risk	Likelihood (L/M/H)	Severity Impact (L/M/H)	Control Actions
Increase financial contribution of core revenue streams within the existing resources of the business thereby reducing reliance on grant funding and improving the medium and long term financial health of the company	Phoenix Square does not generate the surpluses to achieve financial sustainability	M	H	See revised Action and Implementation Plan, pg 2, which includes refocusing on revenue and surplus generation from a new corporate governance arrangement and the development of monitoring systems.
	Turbulent economic conditions affect the market for specialised cinema	M	H	Refined market positioning in marketing activities. Contingency actions to be developed.

To enhance and deliver the creative programme for the economic and cultural benefit of Leicester within the existing resources of the business thereby reducing reliance on grant funding and improving the medium and long term financial health of the company	Internal capacity to deliver the creative objectives in the face of over-riding financial restraints	L	H	Clarification and close monitoring of Phoenix Squares public service obligations to ensure that stakeholder expectations are met. Seek project funding.
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Organisational Development	Limited staff capacity following cost cutting exercise affecting growth	M	H	Management team is reviewing roles and work patterns to ensure that they are aligned to the critical success factors in the business plan
	Timeline for implementing the new corporate governance is delayed	L	H	See Organisational Governance
General risks	Negative public and press perceptions of Phoenix Square and Cultural Quarter	M	M	Limited impact on our loyal audience to date. Improve external communication of Phoenix Square's public service mission.

WITHOUT PREJUDICE SUBJECT TO CONTRACT

Phoenix Square

Milestone Plan

The Milestone plan is based on the assumption that pre-payments totalling £140,000; comprised of £77,100 paid within three Business Days of receipt of LAC's signed copy of the letter sent on 17 September 2010, £40,000 by 30 September 2010 and £22,900 in August 2010, have been made to Leicester Arts Centre Limited

Milestone	Date	Milestone / Outcome	Amount
1.	Week commencing 8 November 2010	<p>Implementation of the revised organisational & management Structure.</p> <p>Implementation of reduced Cinema screening hours.</p> <p>Cabinet endorsed / support for the LAC Operational Business Plan for the Phoenix Square Film & Digital Media Centre. Scheduled to go to Cabinet on 4 October 2010</p>	£60,000
2.	3 January 2011	<p>Submission of evidence to demonstrate that the targets (income, attendance, occupancy etc) set out in the Business Plan, referred to above, are being met.</p> <p>Submission of monthly financial reports containing the information set out in appendix 1 below.</p>	£25,000
3.	1 March 2011	<p>Submission of evidence to demonstrate that income, attendance and occupancy rates as set out in the business plan referred to above, are being sustained.</p> <p>New Governance arrangements in place.</p> <p>Submission of monthly financial reports containing the information set out in appendix 1 below.</p>	£25,000

Business plan:

For 2010/11, cash flow, profit and loss account, current and year end balance sheet, all at individual company level and consolidated. Include actuals year to date for cash flow and profit and loss account (say to end of July) plus forecast to end of March 2011. Forecast in same format for 2011/12.

Monthly information

1. Monthly individual (LAC and Firebird) cash flow statements plus consolidated cash flow in format as previously provided.
For current financial year provide monthly actual figures to date plus forecast to the year end and budget for the year.
2. Monthly bank reconciliation.
3. Individual monthly profit and loss account for LAC, Firebird and a consolidated profit and loss account by account code in format as previously provided,
For the current financial year include monthly actuals, year to date, year to date budget, annual budget and year end forecast.
4. Month end balance sheet for Firebird, LAC and a consolidated balance sheet.
5. Current month's aged debt listing, current month's purchase ledger listing (plus reconciliation to month end sales and purchase ledger control accounts as per balance sheet if required).
6. Operational data:
Daily actual gross ticket sales (compared to target as per budget/forecast)
Rolling average gross ticket sales since commencement of trade and for the current financial year
Provide in table and chart format.
Analysis of film performance year to date

Financial Ratios

To be assessed annually based on consolidated audited accounts

To be calculated on a monthly basis based on annual forecast out-turn

Positive operating cash flow each year of at least 5% of total income

25 cash days (Cash at hand /Annual Income/365)

Current ratio > 1.5

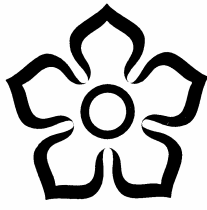
An operating surplus year on year of at least 4% of total income

Cumulative daily gross average ticket sales at least 95% of annual budget requirement

2010/11 - ratios required will need to be calculated from final agreed forecast out-turn for the year end.

2011/12 onwards - ratios may need modifying, again depends on final agreed business plan.

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Leicester
City Council

THIRD DESPATCH

CABINET – 8 November 2010

Further to the agenda for the above meeting which you should have already received, please find attached the following papers:

CORPORATE CAPITAL PROGRAMME – PROPERTY
SCHEMES

Appendix F

A minute extract from the meeting of the Overview and Scrutiny Management Board held on 4 November 2010 is attached. The meeting resolved as follows:

RESOLVED:

that the report be noted and the recommendations contained within it be endorsed.

BUSINESS PLAN FOR THE OPERATION OF PHOENIX
SQUARE FILM & DIGITAL MEDIA CENTRE BY LEICESTER
ARTS CENTRE LTD

Appendix AOUB1

A minute extract from the meeting of the Overview and Scrutiny Management Board held on 4 November 2010 is attached. The meeting resolved as follows:

RESOLVED:

that the latest Phoenix Square Verbal progress report be noted.

PRIVATE AGENDA

ANY OTHER URGENT BUSINESS

Under the law, the Cabinet is entitled to consider certain items in private. Members of the public will be asked to leave the meeting when such items are discussed.

The Cabinet is recommended to consider the following report in private on the grounds that it contains 'exempt' information as defined by the Local Government (Access to Information) Act 1985, as amended and consequently that the Cabinet makes the following resolution:-

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

Paragraph 4

Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a minister of the Crown and employees or, or office holders under the authority.

Paragraph 5

Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

The Chair has agreed to consider the following item as urgent business due to tight timescales and the financial implications of delay and the legal reasons associated with this.

Report attached for Cabinet Members only

IMPLEMENTING THE LOCAL PAY AND GRADING REVIEW
SINGLE STATUS

AOUB B1

Councillor Dawood submits a report.

Heather Kent/Julie Harget
Democratic Support: Internal 39 8816/8809
External 0116 229 8816/8809