

Leicester
City Council

MEETING OF THE CABINET

DATE: MONDAY, 7 FEBRUARY 2011

TIME: 1:00 pm

**PLACE: THE COUNCIL CHAMBER - FIRST FLOOR, TOWN HALL,
TOWN HALL SQUARE, LEICESTER**

Members of the Committee

Councillor Patel (Chair)

Councillor Dempster (Vice-Chair)

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

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

for Director, Corporate Governance

MEMBERS OF THE PUBLIC:

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

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Leicester City Council*

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General Enquiries - if you have any queries about any of the above or the business to be discussed, please contact Julie Harget or Heather Kent, Democratic Support on (0116) 229 8809/8816 or email julie.harget@leicester.gov.uk or 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 17 January 2011 have been circulated to Members and the Cabinet is asked to approve them as a correct record.

5. MATTERS REFERRED FROM COMMITTEES

**6. CHILDREN AND YOUNG PEOPLE SERVICES
CAPITAL PROGRAMME 2010/2011: ADDITIONAL
PROJECTS**

[Appendix A](#)

Councillor Dempster submits a report that requests Cabinet's approval to include the four capital projects, detailed on Paragraph 1.1 of the report, in the Children and Young People Services Capital Programme 2010/11. Cabinet is asked to approve the recommendations set out in Paragraph 2.2 of the report.

A minute extract from the meeting of the Children and Young People Scrutiny Committee on 31 January 2011 will be circulated as soon as it is available.

**7. RUSHEY MEAD SPORTS AND SCIENCE SCHOOL -
REQUEST FOR APPROVAL TO SUBMIT THE
BUILDING SCHOOLS FOR THE FUTURE FINAL
BUSINESS CASE TO PARTNERSHIPS FOR
SCHOOLS**

[Appendix B](#)

Councillor Dempster submits a report that seeks to secure Cabinet approval to submit to Partnerships for Schools the Final Business Case for the Council's Building Schools for the Future, Rushey Mead School project and to obtain the necessary authority to progress the project. Cabinet is asked to approve recommendations set out in Paragraph 2.2 of the report.

A minute extract from the meeting of the Children and Young People Scrutiny Committee on 31 January 2011 will be circulated as soon as it is available.

8. SUB REGIONAL ECONOMIC DEVELOPMENT REVIEW

Appendix C

Councillor Osman submits a report that updates Cabinet on the development of a new approach to support economic development in the Leicester and Leicestershire sub-region, including the establishment of a Local Enterprise Partnership and a Single Delivery Vehicle (combining Prospect Leicestershire and Leicestershire Promotions). Cabinet is asked to approve the recommendations set out in Paragraph 2.1 of the report.

A minute extract from the meeting of the Overview and Scrutiny Management Board on 3 February 2011 will be circulated as soon as it is available.

9. ASHTON GREEN STAGE 2

Appendix D

Councillor Osman submits a report that seeks approval for stage 2 of the Ashton Green project following outline planning approval at Planning Committee. Cabinet is asked to approve the recommendations set out in Paragraph 2.1 of the report.

A minute extract from the meeting of the Overview and Scrutiny Management Board held on 3 February 2011 will be circulated as soon as it is available.

10. WATERCOURSE MAINTENANCE AND IMPROVEMENT - CAPITAL PROGRAMME FOR 2010/2011

Appendix E

Councillor Osman submits a report that seeks Cabinet approval to spend the 2010/11 Watercourse Improvement budgets. Cabinet is asked to approve the expenditure of the 2010/2011 Watercourse Maintenance and Improvement budget.

A minute extract from the meeting of the Overview and Scrutiny Management Board held on 3 February 2011 will be circulated as soon as it is available.

11. GRANT OF LEASE AT PEPPERCORN RENT : WILLOWS PRE-SCHOOL MOBILE - OVERDALE JUNIOR AND INFANTS SCHOOLS KIDDYKARE LTD MOBILE - WILLOWBROOK PRIMARY SCHOOL

Appendix F

Councillor Patel submits a report that informs Cabinet of the provision of new modular facilities for pre-school facilities from a Sure Start grant and the requirement to grant a lease on a peppercorn basis to facilitate this process. Cabinet is asked to approve the granting of leases at a peppercorn rent to the Willows Pre-school Playgroup and Kiddycare Ltd.

12. OFFICE ACCOMMODATION STRATEGY

Appendix G

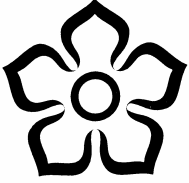
Councillor Patel submits a report that outlines why the Council needs to address the structural problems of New Walk Centre (NWC). The report considers the results of the options appraisal project and sets out a strategy for the provision of office accommodation that is modern, flexible, efficient and cost effective. Cabinet is asked to approve the recommendations set out in Paragraph 2 of the report.

A minute extract of the meeting of the Overview and Scrutiny Management Board held on 3 February 2011 will be circulated as soon as it is available.

13. ANY OTHER URGENT BUSINESS

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Appendix A



Leicester
City Council

WARDS AFFECTED
All Wards

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:
CYP Scrutiny
Cabinet

31 January 2011
07 February 2011

CYPS Capital Programme 2010/11: Additional Projects

Report of the Strategic Director Children

1. Purpose of Report

- 1.1. To request approval to include the following capital projects to the CYPS Capital Programme 2010/11:
 - a) Alderman Richard Hallam – to approve the allocation of £0.900m of Kitchen funding to improve the school's kitchen and dining facilities;
 - b) Extended Services: to release £0.235m of Extended Services funding to improve access to school buildings and facilities.
 - c) Uplands Junior: to add £0.300m of school funding to support refurbishment work at the school.
 - d) Play Capital Grant: To note the reduced funding available and projects already approved by the Cabinet Lead and to approve the remaining proposed allocation to projects and the further work to complete to enable full spend by the end of March 2011.

2. Recommendations (or OPTIONS)

- 2.1. The Children and Young People Scrutiny Committee is recommended to note the report and to make any observations to the Cabinet.
- 2.2. Cabinet is recommended to:
 - a) Authorise the release of £0.235m of Extended Services Capital approved within Block C of the Capital Programme approved by Council in March 2009, to be allocated as set out in paragraphs 4.18 and 4.19 and Appendix 1.
 - b) Add to the capital programme:
 - i. £0.300m for the Uplands Junior School project (funded by the school) as set out in paragraph 4.20

ii. £0.900m for Alderman Richard Hallam as set out in paragraphs 4.3 to 4.13

c) Play Capital Grant: To note the reduced funding available and projects already approved by the Cabinet Lead and to approve the remaining proposed allocation to projects and the further work to complete to enable full spend by the end of March 2011.

3. Summary

3.1 At the time of submitting the CYPS Capital Programme 2010/11 in June 2010, the request to add the following schemes was outlined:

d) Uplands Infants – school funded

e) Extended Services – Extended services funding

This original report was deferred due to the recent announcement of Government spending reductions and therefore Cabinet approval was not secured. This current report requests that Cabinet now approve their addition to the 2010/11 Capital Programme.

3.2 Grant funding for the Kitchen Programme and Extended Services needs to be spent by August 2011.

3.3 The Kitchen and Dining Cabinet Paper approved in November 2009, had noted reserve funding of £0.589m which was insufficient to fund the two reserve projects; Alderman Richard Hallam and Overdale Infants and Juniors. There was a commitment to revisit these reserve projects once there was budget clarity for the Phase 2 kitchen projects and in light of any further developments in the interim.

3.4 In November 2010, DfE agreed PfS to allow additional funding from some of the secondary kitchen projects to support an additional primary school project which made an additional scheme viable. Due to the budget available, timescale constraints and the scale and size of the project, Alderman Richard Hallam is recommended to proceed.

3.5 The original Play Capital Grant allocation to Leicester City for 2010/11 was £0.454m. However, after the General Election the Playbuilder projects across the country went on hold subject to Central Government considering budget savings proposals. Notification was received in December 2010, that the allocation had been reduced to £0.283m

4. Report

4.1 The CYPS Capital Programme 2010/11 to 2012/13, which sets out the spending profile for all capital funding over the next 3 years, was on the Cabinet agenda in June 2010. However, the announcement regarding the Comprehensive Spending Review saw the deferment of all capital related cabinet reports pending further information from Central Government.

4.2 The remainder of this report provides a summary of details for each of the additional projects to be approved for inclusion within the Children's Capital Programme 2010/11.

Alderman Richard Hallam: Kitchen and Dining Programme

- 4.3 In October 2008 The DCSF then announced capital grants of £100m nationally for investment in kitchens and dining facilities within Schools. The focus of the grant was to increase the uptake of school meals by improving schools' kitchen facilities and dining environments as part of the Healthy Schools agenda.
- 4.4 In November 2009, Cabinet approved the allocation of the total funding available to Leicester for the kitchen programme, which included the required match funding from the BSF, PCP and schools' Devolved Formula Capital allocations. At the time of the Cabinet Paper, the Council received a grant of £3.268m and provided match funding totaling £2.490m whilst carrying forward remaining funding from Phase 1 Kitchen projects. Total budget was £5.759m.
- 4.5 All of the Kitchen funding must be spent by August 2011, there will be no opportunity to carry forward any underspend which will be subject to clawback.
- 4.6 Cabinet also approved the project priorities for Phase 2 of the Kitchen Programme, which were: Rushey Mead Secondary, Crown Hills Community College, Woodstock Primary School, Merrydale Infants and Junior Schools and Northfield House Primary School.
- 4.7 The two secondary school projects were to run as part of the BSF programme with the kitchen grant funding being added to the BSF funding.
- 4.8 At the time of submitting the Cabinet paper there was £0.589m of unallocated kitchen funding and a commitment to re-visit the programme as and when costs for Phase 2 kitchens had been confirmed. Two schools had been identified as priorities for investment but insufficient funding was available; Alderman Richard Hallam and Overdale Infant and Junior.
- 4.9 The final Phase 2 (primary) kitchen project commenced in October 2010 and an assessment was made at this point as to how much funding remained. The funding would not cover the full scope of either of the reserve schemes. However, as Alderman Richard Hallam was significantly smaller in scope and required budget, the decision was taken to develop a more detailed costing to assess the feasibility of taking this project forward within the challenging timescales and to look at how the scope could potentially be reduced to fit the remaining budget.
- 4.10 A projects programme and detailed budget for Alderman Richard Hallam was reviewed in November 2010, but the remaining funding could not cover this scheme even with reduced scope.
- 4.11 However, simultaneously Partnerships for Schools had confirmed that whilst the kitchen funding for Rushey Mead was secure as part of the BSF programme, due to the timescales for the Crown Hills project the same security could not be guaranteed and if this funding is not spent by August 2011 the Council would be subject to 'clawback'.
- 4.12 Since that confirmation from PfS, the Department for Education has confirmed that the Kitchen funding can be utilized for an additional primary project. Therefore, to prevent loss of grant funding, it is proposed that some of the kitchen funding originally allocated to Crown Hills will be used to support the full Alderman Richard Hallam scheme being taken forward for completion by August 2011. The total proposed budget for this project is £0.900m.
- 4.13 Detailed below is a financial summary:

School	Original Budget	Revised Budget
Rushey Mead	£0.583m	£0.683m
Crown Hills	£0.552m	£0.000m
Unallocated	£0.590m	£0.142m*
Alderman Richard Hallam	£0.000m	£0.900m**
Total	£1.725m	£1.725m

* This figure is the current remainder from Crown Hills and will act as programme contingency.

**This figure is made up of the £0.590m unallocated, £0.310m from Crown Hills.

It is proposed that any underspend at the end of the active kitchen projects will be added to the Rushey Mead allocation and the use of Prudential Borrowing funding for Rushey Mead will be reduced by the same amount to balance.

Extended Services

- 4.14 The Council was allocated £1.5m of Extended Services funding over three years from 2008/09, of which £1.265m has been allocated to the Integrated Service Cent res programme (under the 11 to 19 programme) as part of the DCSF funded Co-location project. In November 2009 Cabinet agreed the preferred options for each locality, and resolved to receive a further report in early 2010.
- 4.15 The remaining funding of £0.235m was included in Block C of the Capital Programme approved in March 2009 (requiring further approval) and the proposed usage of the funds is set out below.
- 4.16 The previous Government's vision was that Extended Services will serve as a focus for services for parents, children and young people. The Government set targets that by 2010 all primary and secondary schools will provide access to the full core offer of Extended Services. Schools are expected to work with the local authority and other partners to offer access to a range of services and activities which support and motivate children and young people to achieve their full potential. Extended Schools capital allocations were made to support primary schools only, since secondary schools benefit from the effect of the wider Schools Capital programme – in particular, Building Schools for the Future (BSF).
- 4.17 Key strategic outcomes for Extended Services which form part of the City Council's Change for Children Plan for 2010-11 are:
- i. Ensure that all extended services provision across the city is affordable, accessible and sustainable.
 - ii. Create an environment which encourages participation and within which children, young people, their families and local communities can access a wide range of positive activities.
- 4.18 The proposal for this grant was to focus on the Community Access element of the full core offer, as this has had no targeted funding. The aim is to improve community access by enhancing existing provision, making it more accessible, secure and inviting. This will

ensure that schools are better equipped to use their facilities to benefit members of their community in their neighbourhood.

- 4.19 In March 2009, it was proposed and subsequently agreed with the Strategic Lead for Primary Schools that the £0.235m to be allocated should be divided into approximate sums of £0.011m for 20 projects across the city.

Uplands Junior

- 4.20 The school governing body has funded this construction project, for improvements to the main Hall and to create a multipurpose room. The project was procured through the EMPA framework with the Council being the accountable body, as the school could not procure directly. The school signed a funding agreement whereby the school had full financial responsibility for the scheme. This project was completed over the 2010 summer holidays and the school's contribution needs to be formally added to the capital programme.

Play Capital Grant

- 4.21 The original allocation to Leicester City for 2010/11 was £0.454m. However, after the General Election the Playbuilder projects across the country were put on hold subject to Central Government considering budget savings proposals.
- 4.22 In December 2010, the City Council received notification from the Secretary of State regarding the new allocation from the Department for Education in relation to the Play Capital Grant for 2010/11 (previously DCSF Playbuilder Grant). The new allocation for this financial year is now £0.283m and needs to be spent by March 2011. The funding has also been de-ringfenced, although must be used for capital purposes.
- 4.23 Members originally proposed that the following sites would be developed this financial year from Playbuilder funding, following a report to the Lead Member for children's services, in April 2010.
- Highfields Adventure Playground, Braunstone Adventure Playground, Mowmacre Adventure Playground, and the play areas at Glovers Walk, Rushey Fields, Victoria Park, Rally Park, Elston Fields, Battersbee Road and Western Park.
- 4.24 Due to the original grant being reduced by £0.170m it will not now be possible to realise all the developments as originally planned. Therefore, it is proposed to make funding available to carry out identified works as part of a capital strategy to the Adventure Playground buildings/sites in order to maintain adequate and appropriate provision for children and young people.

Works will include:

- Addressing accessibility issues
- Priority building maintenance for areas such as heating, lighting and ventilation
- Areas identified in surveys completed by Property Services where funding has not previously been available to ensure buildings are 'fit for purpose'

It should be noted that funding will be used for essential items only and not for cosmetic or development issues within buildings.

- 4.25 The Cabinet Lead member has recently agreed that £0.112m of the new allocation will be used to provide the play equipment developments at Highfields, Braunstone and Mowmacre Adventure Playgrounds.
- 4.26 Over the past 2 years of Playbuilder funding this has enabled 11 parks play areas to be refurbished and 4 adventure playgrounds have received funding for outdoor play equipment. A further 3 adventure playgrounds have been allocated funding from this year's allocation for outdoor play equipment.
- 4.27 It is recommended that the remainder of the funding this year of £171,000 be allocated to carry out identified works as part of a capital strategy to the Adventure Playground buildings/sites in order to maintain adequate and appropriate provision for children and young people, and to maintain the buildings as a council asset.
- 4.28 It is proposed that allocation of the remaining £0.171m, will be distributed to meet the objectives set out in 4.24 and to ensure that all of the 8 Adventure Playgrounds and 1 additional play site will receive some funding.

5 FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1 Financial Implications

This report is concerned with financial implications throughout, and seeks the approval to the spending of service specific capital resources.

Colin Sharpe, Head of Finance, Investing in Children, ext 297750

5.2 Legal Implications

No direct legal implications arise. Back to back/transfer of control agreements will be required with schools for certain of the proposals.

Joanna Bunting, Head of Commercial & Property Law, ext 296450

4.3 Climate Change Implications

- 4.3.1 Improved school kitchen facilities can have make a significant reduction in school carbon emissions by introducing more energy efficient equipment.

- a) Extended services can result in additional carbon emissions from schools as a result of the extended opening hours but the carbon impact of this will depend on the projects that are proposed by the schools and how the building are utilised for these projects.

Helen Lansdown, Senior Environmental Consultant - Sustainable Procurement, ext 296770

5 Other Implications

OTHER IMPLICATIONS	YES/ NO	Paragraph/References Within the Report
Equal Opportunities	Yes	Throughout. These projects will assist in 'narrowing the gap' for children and families.
Policy	No	
Sustainable and Environmental	Yes	As noted in paragraph 5.3
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	No	
Corporate Parenting	No	
Health Inequalities Impact	Yes	Paragraphs relating to school kitchens.

6 Risk Assessment Matrix

Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/appropriate)
Potential 'clawback' of underspend for grant funding (kitchen programme and extended services).	M	H	Approval of additional projects to the capital programme to ensure spend prior to August 2011.
Due to late initiation of additional kitchen project, any delays will result in not all of the spend being completed prior to August 2011.	M	M	As there is match funding, early project spend will be allocated against grant funding with any project delays being covered by match funding.

7 Background Papers – Local Government Act 1972

8 Consultations

8.1 SureStart Grants Panel.

9 Report Authors

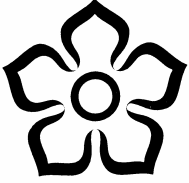
Helen Ryan
Divisional Director Property
Ext 29 8791

Emma Johnstone
Head of Service 0-11 Programme
Ext 39 1633

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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Appendix B



Leicester
City Council

WARDS AFFECTED
All Wards

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:
CYP Scrutiny
Cabinet

31st January 2011
7th February 2011

**RUSHEY MEAD SPORTS AND SCIENCE SCHOOL - REQUEST FOR APPROVAL
TO SUBMIT THE BSF FINAL BUSINESS CASE TO PARTNERSHIPS FOR SCHOOLS**

Report of the Strategic Director, Children

1. Purpose of Report

1.1 The purpose of this report is to:

- a) Secure Cabinet approval to submit to Partnerships for Schools (PfS) the Final Business Case (FBC) for the Council's Building Schools for the Future, Rushey Mead School project and to obtain the necessary authority to progress the project.
- b) Update Members following the detailed report received by Cabinet on 6th September 2010. The report presented the Council's outline Final Business Case, provided significant supporting information and was approved as the 'Direction of Travel' for the Rushey Mead BSF project.

2. Recommendations

2.1 **The Children and Young People Scrutiny Committee** is recommended to consider the report and make any observations to Cabinet.

2.2 **Cabinet** is recommended to:

- a) Approve the submission of the Final Business Case as presented in this paper;
- b) Release the capital funds of up to £19.607m made available by Council;
- c) Authorise the Strategic Director Children, in consultation with the Cabinet Lead, to take such decisions as she thinks fit to implement the scheme within the scope of the FBC; and
- d) Authorise the Chief Finance Officer to submit a Section 151 Officer letter of support for release with the FBC, reflecting these contract proposals, in a form suitable for Partnerships for Schools approval purposes.

3. Summary

- 3.1 The BSF project for Rushey Mead School is now sufficiently well advanced in terms of the detailed design and preparation to proceed to conclusion and signing of contracts. It is anticipated that construction will start on site during March 2011 with a construction period of 108 weeks. The most recent designs for the new school are appended to this report.
- 3.2 The current project proposal falls within the maximum capital expenditure of £19.607 million approved by Cabinet and Council when the Final Business Case (FBC) Direction of Travel report was considered on 6th and 16th September 2010 respectively.
- 3.3 DfE has subsequently required the Council to undertake an efficiencies review resulting in savings being applied to the project. As a consequence the total available Government funding for the core construction elements of the project has been reduced by 3.46% (expected to be £440k, subject to confirmation). The total external capital funding now expected to be available, inclusive of all funding sources, is £18.146m. The planned capital expenditure is £19.167m. The balance of £1.021m will be met from capital receipts or prudential borrowing.
- 3.4 The on-going revenue costs of Facilities Management (FM) and ICT service provision have been significantly improved (compared to phase 1) to the advantage of both the Council and the school. They will be well within the overall BSF revenue affordability parameters previously agreed in the Strategy for Change. The final programme affordability position will be achieved as the contract for the last project in the programme is signed; however ever-increasing certainty will be gained as more projects are closed.

4. Report

Project Status

- 4.1. The design and development of the project is now at an advanced stage after considerable consultation and negotiation involving Council officers, the Leicester Miller Education Partnership (LMEC - formerly known as the LEP) and its supply chain (principally Miller Construction, Northgate and G4S), PfS and the school. Planning approval has been granted and work can commence on site within weeks of contract signature. Planned funding and expenditure are nearing finalisation and are within previously agreed capital and revenue affordability parameters, as set out in this report.

Capital Funding

- 4.2. Subsequent to the Outline Business Case (OBC) submission, and in the light of the national economic position and the priorities of the new Government, the DfE required a full review of the overall BSF programme funding. This was with a view to securing efficiencies and savings on a project by project basis.
- 4.3. For Rushey Mead, the Government's capital funding for the core construction aspect of the project has been reduced by 3.46%. PfS have yet to confirm the actual revised allocation, although it is expected this will equate to a reduction in the order of £440k. The Secretary of State has approved the percentage reduction. Although it is a relatively small reduction in comparison to other schools (as the project was at an advanced stage of design when the Government announced that funding reductions were to be sought) it has nonetheless been difficult to achieve.

- 4.4. Some increases to the PfS core construction funding are also expected, particularly to reflect the potential higher costs arising from the later commencement and completion dates than anticipated in the September report. It is estimated that these may equate to around £340k, resulting in a net reduction of approximately £100k. The assumed PfS funding of £13.432m shown below reflects this expected net reduction compared to the £13.535m shown in the September report.
- 4.5. With regards to ICT, the capital funding to be received from PfS for infrastructure remains at £255 per pupil, and is included in the PfS construction funding. The implementation grant has been reduced from £1,450 pupil by 4.2% to £1,388 per pupil. It should be noted it is now for 1,500 pupils, compared to 1,516 assumed in the September report (the 16 being “shadow pupils” for the purposes of breakout areas, etc). The implementation grant needs to cover the pre-commitment to contribute to the Data Centre built at Phase 1, the implementation funding allocated to the school and any contribution to maintaining parity of investment across all future BSF schools. Any provision for the latter will need to come from the schools implementation funding and will be the subject of on-going discussion and development.
- 4.6. Other changes to the funding for the capital costs include a significantly increased contribution from the school (drawing on capital and revenue funds), the removal of the co-location funding of £150,000 (following the Summer 2010 reductions by the Government) and an increased application of Kitchen Grant funding (subject to separate Cabinet approval).
- 4.7. It had been planned to use £500,000 of s106 developers’ contributions. However, due to the current economic conditions, this has been reduced to £300,000.
- 4.8. The Council has previously approved funding of £1.374m from projected future capital receipts from land sales across the wider school estate. In the current economic climate, these are not expected to be realised in the foreseeable future. The balance of funding now required for the scheme to proceed is currently £1.022m, using the funding and cost assumptions in this report. This will be met by Council Prudential Borrowing from within the programme wide contingency fund. Should the receipts materialise in the future, the Prudential Borrowing can be repaid more quickly.
- 4.9. The funding now available for the capital construction and fitting out of Rushey Mead totals £19.167m and is set out below:

Available Funding for the Capital Project

D&B Capital funding – estimated (Government)	£ 13,432,111
Sustainability Grant (Government)	£ 1,000,000
Kitchen and Dining Grant (Government)	£ 683,000
ICT Implementation Grant @ £1,388 per pupil (Govt)	£ 2,082,000
s106 Developer Contributions (Council)	£ 300,000
School Contributions	£ 649,102
Total External Funding	£ 18,146,213

Required Prudential Borrowing (Council) £ 1,021,287

Total Funding (Equivalent to Planned Expenditure) £ 19,167,500

Expenditure

- 4.8 Robust negotiations with LMEC have resulted in cost reductions across all aspects of the project, both capital and revenue. These reductions apply to the Design and Build (D&B) capital price and the on-going costs of ICT and FM managed services plus the lifecycle components.
- 4.9 The capital cost reductions have been achieved by a number of cost savings. These include not seeking a formal BREEAM rating and moving from the standard of Excellent to Very Good; achieving a swifter handover of the completed buildings; a reduction in Miller Construction's overhead & profit; and a revised cost model for ICT from Northgate. Officers in Children's Services are working closely with corporate colleagues to ensure that the Council's commitment to Climate Change priorities is assured.
- 4.10 In addition, it is proposed that the Council should bear some construction cost risks (notably asbestos removal) to avoid paying a risk premium to LMEC, for which a provision is set aside.
- 4.11 The Council also retains certain risks as part of the standard arrangements for BSF, for example site contamination. As aspects of the detailed design are yet to be completed, the contract with LMEC will include a number of provisional sums and a Council provision of 3% of the contract sum (£475,000) for any cost increases is therefore proposed.
- 4.12 The proposed capital expenditure is set out below.

Proposed Capital Expenditure

D&B Construction	£ 15,783,000
ICT - Implementation	£ 1,895,000
LMEC Project Fees	<u>£ 507,000</u>
Proposed Contracted Expenditure with LMEC	£ 18,185,000
Data Centre Contribution	£ 187,500 *
Asbestos Removal Provision (held by LCC)	£ 250,000
Construction Contingency (held by LCC)	£ 475,000
Infrastructure outside of BSF	<u>£ 70,000</u> (para 4.13)
Total Planned Capital Expenditure	£ <u>19,167,500</u>

* Note: This was not itemised in the September report as the Data Centre was constructed in Phase 1 and the ICT funding for subsequent phase schools is adjusted accordingly to ensure that all schools contribute to the investment.

Buildings outside the scope of BSF

- 4.13 The Council is required to rectify defects within certain existing buildings on the Rushey Mead school site which are to be retained and which fall outside of the standard BSF contract. These include the “G block” and “Science Lab” buildings. Remedial works of £190k have been identified for “landlord” repairs to the building fabric, together with up to £70k for the installation of ICT infrastructure and data cabling. This work is planned to be carried out by the LMEC supply chain.
- 4.14 The landlord costs of £190k will be met from the Central Maintenance Fund. Provision of £70k is included in the proposed capital expenditure above and will essentially be funded by the Council’s Prudential Borrowing / capital receipts as set out in the Funding Table.

On-Going Facilities Management and Lifecycle

- 4.15 With regards to the on-going Facilities Management and Lifecycle once the school is operational, the initial FM services solution as provided for the first four schools is, in this latest economic climate, considered unaffordable in the longer term. A full review has been carried out, drawing upon the experience of operating the phase 1 schools. Cost savings have been achieved, including:
- Reducing the hours for which the school is required to be available – the planned occupancy hours are reduced from 4,695 per year to 3,360, the planned additional school periods from 1,330 per year to 885, and planned flexible use from 1,220 to 630 hours;
 - Allowing longer for non-urgent faults to be rectified and amendments to contract service failure deductions; and
 - Enabling the school to arrange its own utilities supplies.
- 4.16 The implications of these FM and ICT savings on the operation and funding of the BSF programme going forward are being considered. Further information will be included in a programme update report once the Government has definitively confirmed the capital funding available and further work on potential FM and ICT operating models has been undertaken with the LMEC supply chain and the school.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1. Financial Implications

This report is concerned with financial implications throughout. It is important that the agreements are concluded as soon as possible (and in any event before the end of March) due to time restrictions on accessing some of the grant funding.

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

5.2. Legal Implications

- 5.2.1 The legal implications supplied with previous reports and in particular the “Direction of Travel” report of 6th September apply. This report deals mainly with the cost out-turn of the re-negotiated scheme.
- 5.2.2 The original BSF procurement allows for a process for further BSF projects and the Rushey Mead school project is within the scope of this. The required process leading to the entering into of contracts for a new BSF project (of which this is one) is set out in the Strategic Partnering Agreement between the Council and Leicester Miller Education Company Ltd of 19 December 2007 (“the SPA”). There are outstanding approvals required under that process in particular the Council has to consider LMEC’s detailed project submission against submission requirements set out in the SPA. To my knowledge some of these requirements have yet to be demonstrated, in particular the compliant submission of the contractor’s proposed changes to standard legal documents.
- 5.2.3 The ICT contract and the FM contract will result in a TUPE transfer of the relevant employees. Work is still required to verify the proposal in this regard.
- 5.2.4 The standard form of construction contract is a “payment by milestones” contract and therefore the position on contingency is sometimes misunderstood. Any contingency element in the agreed lump sum cost will be subsumed in the agreed milestone payment for the agreed works, and is therefore not available for things like variations.
- 5.2.5 I would expect to see the out-turn of the prescribed benchmarking process to demonstrate both value for money and that the contracted for price improvements to be delivered.
- 5.2.6 A Governing Body Agreement is required. A first draft of this is already available but further work will be needed to reflect the agreed FM solution.

Joanna Bunting, Head of Commercial and Property Law, ext. 29 6450

5.3. Climate Change Implications

Providing more energy efficient school buildings should help to reduce the Council's carbon emissions however, this is reliant on energy efficiency measures being implemented as planned and staff and pupils being given the necessary understanding of the energy saving features of the new buildings to be able to use these to the greatest benefit. The additional sustainability grant of £1,000,000 provided by Central Government for this project should considerably reduce the carbon dioxide emissions of the school. The Rushey Mead project is now seeking to achieve BREEAM 'Very Good' instead of 'Excellent' and this will not be carried out as a formal BREEAM rating; this approach does not comply with current council policy on the adoption of BREEAM. Work is currently taking place to develop a revised policy which will adopt the best elements of BREEAM for adoption by the BSF programme but this work is still in progress and has not been formally adopted by the council.

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	Yes	See paragraph 5.3
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

7.1 A full risk register for this project is maintained and is available on request.

8. Background Papers – Local Government Act 1972

8.1. Rushey Mead School – FBC Direction of Travel, Cabinet 6th September 2010, Council 16th September 2010.

9. Consultations

9.1. None specific

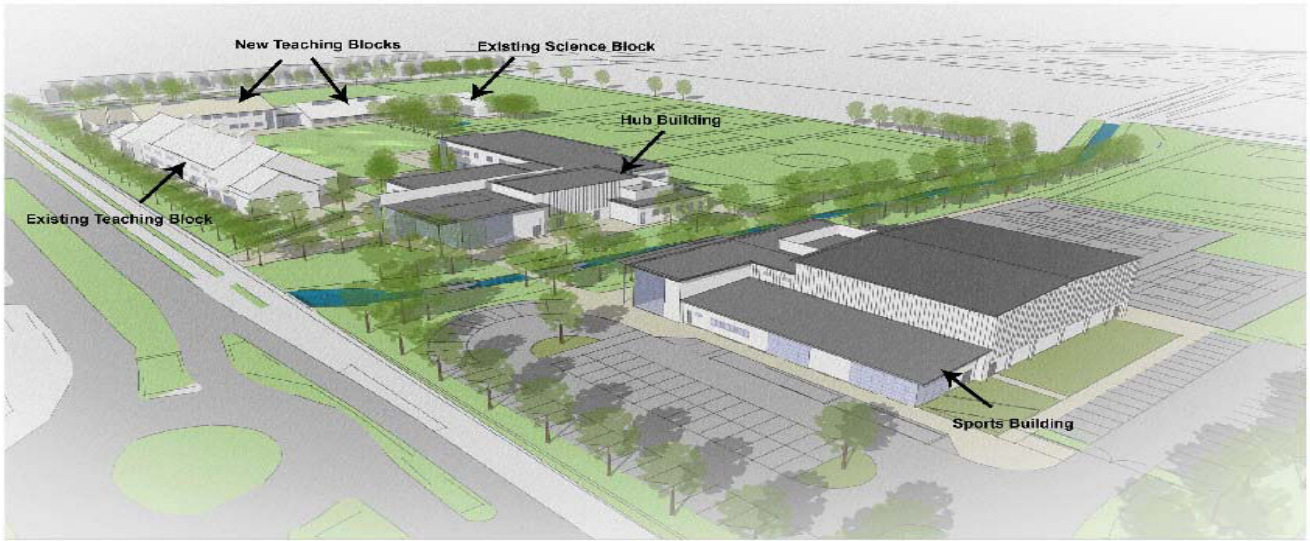
10. Report Author

10.1. Helen Ryan, Divisional Director TLE, ext 29 8791

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)

APPENDIX A

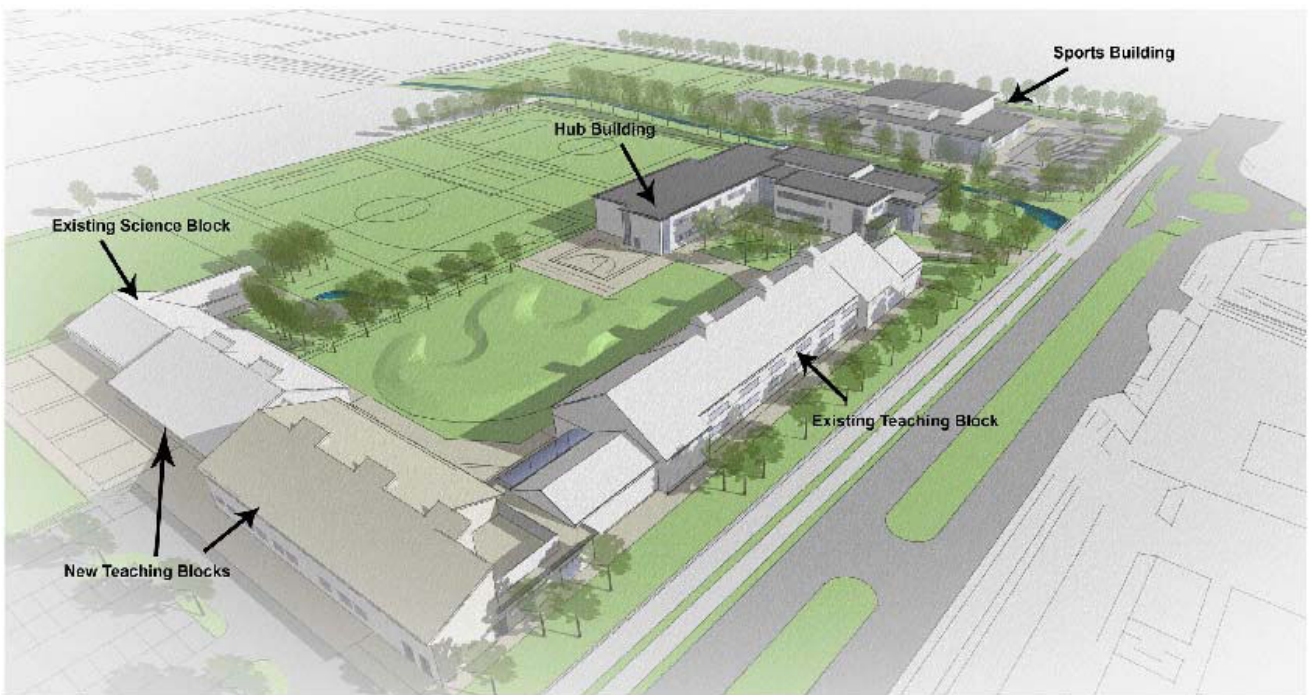
RECENT DESIGNS



Miller Rushey Mead School
Tuesday, 10th January 2010

View From Melton Road, at Junction with Laneborough Road

BBLB architects llp



Miller Rushey Mead School
Tuesday, 10th January 2010

View From Melton Road, Rushey Close End.

BBLB architects llp



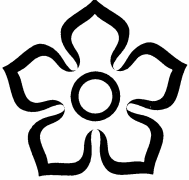
Miller Rushey Mead School
Tuesday, 19th January 2010

Main Entrance to Hub Building

BBLB architects llp

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Appendix C



Leicester
City Council

WARDS AFFECTED
All Wards

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:
Overview and Scrutiny Management Board
Cabinet

3rd February 2011
7th February 2011

Sub Regional Economic Development Review

Report of the Strategic Director Development, Culture and Regeneration

1. Purpose of Report

- 1.1. To update members on the development of a new approach to support economic development in the Leicester and Leicestershire sub-region, including the establishment of a Local Enterprise Partnership and a Single Delivery Vehicle (combining Prospect Leicestershire and Leicestershire Promotions).

2. Recommendations

- 2.1. Cabinet is recommended to:
 - a. Approve the establishment of a Local Enterprise Partnership for Leicester and Leicestershire (LLEP).
 - b. Approve combining Prospect Leicestershire and Leicestershire Promotions into a Single Delivery Vehicle (SDV) for Leicester and Leicestershire, to be a jointly held company between the City and County Councils.
 - c. Delegate authority to the Chief Executive, in consultation with the Leader, to finalise all matters relating to the establishment of the LLEP and SDV.
 - d. Make financial provision, as set out in the report, for the establishment of the LLEP and SDV, taking into account any associated liabilities from the existing delivery bodies.

3. Summary

- 3.1. This report summarises the background to the new sub regional economic working proposals and highlights the changing funding context. It recommends establishment of a Local Enterprise Partnership and a Single Delivery Vehicle (SDV).
- 3.2. The SDV would combine Prospect Leicestershire and Leicestershire Promotions into one body, jointly held by the City and County. The new body would be focused on tourism, place promotion and inward investment into the sub region.

4. Report

Background

- 4.1. New sub regional economic development bodies were established by the City and County Councils in 2009 following reforms carried out by the previous Government:
- i) A sub regional partnership focussed on programme management and the preparation of strategy and commissioning of economic development activity. This has been supported through the shared staffing unit hosted by the City Council and funded through partnership contributions.
 - ii) An Economic Development Company known as Prospect Leicestershire Ltd. This replaced the Leicester Regeneration Company that had focused solely on the city. The Prospect mandate covered the delivery of physical regeneration of key strategic sites, inward investment and aspects of business support across Leicester and Leicestershire.
- 4.2. The City Council, County Council and other partners have also been supporting Leicestershire Promotions Limited for some time. This company has a focus on boosting tourism throughout the sub-region. It was also previously responsible for inward investment activity prior to the establishment of Prospect Leicestershire Ltd, at which point the function transferred to the new company.

Changed context

- 4.3. The change of government and the current focus on deficit reduction has substantially reduced the availability of resources for regeneration, business support and housing related programmes of investment. In particular emda will be abolished and its sub regional funding programme ended in 2011/12. Homes and Communities Agency (HCA) resources will also be substantially reduced. This funding situation is anticipated to continue for at least the duration of the Comprehensive Spending Review.
- 4.4. The economic recession has also impacted greatly on the development industry where activity has reduced substantially over the past two years. This has been particularly noticeable on regeneration sites, many of which require public sector gap funding that is no longer available.
- 4.5. The new Government's Local Growth White Paper advocates a new approach to economic development in localities. In particular it supports the abolition of the Regional Development Agencies and the establishment of new Local Enterprise Partnerships (LEPS), through which public, business and third sector partners can coordinate economic regeneration activity. The new LEPs are promoted as the preferred vehicle to draw down national funding, including the Regional Growth Fund, and also coordinate local and national funding sources. They are seen as the means to bring local influence to bear on nationally commissioned activity such as the Work Programme and Business Support packages.

A new approach to Sub Regional Economic Development

Leicester and Leicestershire Enterprise Partnership

- 4.6. Responding to the new Government agenda, the current Sub Regional Leadership Board agreed to pursue the establishment of a Leicester and Leicestershire Local Enterprise Partnership (LLEP) to refocus economic development in the area and ensure the City and County were well placed to access and coordinate new (albeit more limited) national funding resources and to influence national commissioning activity affecting the area.

- 4.7. A bid was submitted to Government for the LLEP which proved to be one of only 24 agreed at this stage. This gives the sub region a distinct competitive advantage in accessing new resources for instance.
- 4.8. The main role of the LLEP will be to set strategy and prioritise and commission economic development activity in the Sub Region with the resources that are potentially available to the LLEP. This will include priority projects being submitted for the recently announced Regional Growth Fund. The body will also help to coordinate economic development activity in City and County, for instance, including cross boundary transport and planning infrastructure strategy and delivery. It will also lead dialogue with other public and private sector organisations that can assist the delivery of the economic development strategy e.g. in regard to skills development and tackling worklessness.
- 4.9. Support funding to meet the costs of staffing and running the LLEP is not however to be provided by Government and this cost will need to be met locally. The funding currently available to the Sub Regional Support Unit is as follows in 10/11: City Council - £80k; County Council - £80k; District Councils - £80k; emda - £204k – Total £444k. emda and HCA funding for 2011/12 is budgeted to be £50k per body related to the completion of existing programmes of work, after which funding will cease from these two bodies. The City, County and District Council's contributions are expected to be reduced in 2011/12 by 30% to £56k as part of current budget reviews.
- 4.10. Work is underway to establish the LEP Board, planned to have around 15 members with at least 50% of members from the private sector. The City Council would be represented by the Leader and Cabinet Lead for Regeneration, Transportation and Highways. A Chair will be appointed from the private sector and a recruitment process is now under way for that position.
- 4.11. Cabinet is asked to formally approve the establishment of the LLEP and delegate responsibility to the Chief Executive in consultation with the Leader to finalise arrangements relating to the governance and funding of the new body and the necessary support staffing arrangements.

A Single Delivery Body

- 4.12. In response to the changed financial circumstances referred to above, the Sub Regional Leadership Board instructed a review of the delivery of economic development activity currently delivered through Prospect Leicestershire (PL) and Leicestershire Promotions Limited (LPL).
- 4.13. In light of the funding position the Leadership Board agreed to explore the feasibility of a single organisation for tourism and economic development activity across the sub-region, effectively being a combination of the above two companies.
- 4.14. Review meetings have been held with Prospect Leicestershire, Leicestershire Promotions, the Business Council, the Chamber of Commerce and District Chief Executives well as the County and City Councils. The outcome of these discussions has been reported through the Leadership Board on November 4th 2010 and are summarised below.
- 4.15. The Leadership Board agreed that the following outcomes should be the core focus for a single organisation:

- increased visitor numbers and spend
- increased net investment in the economy
- increased recognition of the place

A performance framework will be developed to manage the delivery of the outcomes and ensure value for money from the new body.

- 4.16. It was concluded that physical regeneration activity had reduced substantially and related physical delivery will continue to be much less intensive owing to the reduction in grant funding and private sector investment. As a result it was concluded that leading the delivery of this activity should be moved in-house to the respective local authorities and other bodies who would then need to contract in specialist support as required.
- 4.17. It has been proposed that a single organisation would need to evidence a sustainable business model featuring:
- a provided budget of about £1m.
 - staffing costs at about 66% of total budget
 - executive costs at about 15% of total staff costs
 - increased 3rd party income
 - minimum back office services and accommodation costs
 - ring-fenced marketing and project costs
- 4.18. Discussions have recently taken place with the Chief Executives of the City and County Councils and the respective Leaders at which it was further agreed that :
- the ownership of the SDV should be jointly held between the City and County Councils
 - the likely budget and responsibilities of the SDV will be confirmed and in doing so the City and County Councils will consult with the Chair of the LEP Board when appointed;
 - the City and County Councils will aim to recruit a Chair for the SDV by the end of January 2011;
- 4.19. Contributions for PL core running costs in 2010/11 are: emda - £225k, the Homes and Communities Agency (HCA) - £225k, City Council - £250k, County Council - £250k and District Councils - £125k. The PL core budget for 10/11 was £1.539m taking into account other raised income.
- 4.20. In respect of LPL core funding contributions for 2010/11 were £1.392m comprising City Council £546k, County Council £279k, emda £313k and other private sector contributions.
- 4.21. The known reductions in funding from contributors that would impact in 11/12 are in excess of £1m for Prospect and approx £500k for Leicestershire Promotions. It is proposed to reduce the current PL and LPL contributions from the City Council by 30% from 11/12, reducing the combined contribution for the SDV down to £557k. The City Council's budget should however be set at £614k for the years 11/12, 12/13 and 13/14 to allow for any outstanding liabilities to be met by the Council should they arise (see 4.24 below). It is expected that the County Council will also reduce their contribution by 30% resulting in a contribution to the SDV of £370k. The Districts position is yet to be confirmed.
- 4.22. Liabilities have been considered for both organisations. Leicestershire Promotions Ltd is a member owned company. Information provided indicates that company reserves would be able to cover any incurred severance and contract liabilities.

- 4.23 Prospect Leicestershire is owned by the City and County Councils. Shared liabilities for the City and County Councils would include any ongoing staff costs during the conclusion of decision-making on creating a single body, severance costs, legal costs of merging the two bodies and accommodation costs. It is understood that staffing/severance liabilities can be accommodated within available resources this year and a number of staff have been made redundant to this end. An additional one off sum of £120k in 2011/12 has also been included in the budget proposals to cover any other residual liabilities, transitional costs and fees associated with creating the body.
- 4.24 The ongoing costs of Prospect's existing accommodation, which will no longer be required by the new body, could create liabilities beyond this financial year. These could total £343k over the next three years if the accommodation was not re-let. This cost would be shared between the City and County Councils. The City Council will work closely with County property colleagues, who are responsible for the tenancy, and Prospect (and thereafter the new single delivery body) to find new tenants to offset this liability. However it is recommended that the Council makes budget provision, as set out in paragraph 4.21, to absorb its share of any remaining liability on the accommodation until the lease arrangement can be terminated in 2014.
- 4.25 Since the Leadership Board meeting on November 4th the Chief Executives of Prospect Leicestershire and Leicestershire Promotions Ltd have met several times to consider how to generate a detailed proposal for the new body that would fit the parameters set out in paragraph 4.20 above. These discussions have been positive and agreement has been reached to establish an interim board for the SDV to continue the process of bringing together the two delivery bodies.
- 4.26 It is recommended that Cabinet delegates authority to the Chief Executive, in consultation with the Leader, to finalise arrangements for the proposed single delivery body.

5 FINANCIAL, LEGAL AND OTHER IMPLICATIONS

Financial Implications

- 5.1 The main financial implications arise in respect of liabilities associated with Prospect Leicestershire Ltd. Prospect Leicestershire is a company jointly owned by the City and County Councils.
- 5.2 Severance and contractual liabilities have been reported to the Prospect Board by the Prospect Chief Executive as being capable of being absorbed by Prospect Leicestershire Ltd from resources available in the current year 2010/11 apart from the accommodation costs described below.
- 5.3 There remains a substantial liability with regard to the Prospect Leicestershire Ltd offices at Colton Square. A ten year lease agreement is in place for occupation with a break clause available after 5 years in May 2011. The liability (shared with the County Council) to May 2014 is £308k with an additional £35k penalty payable if the lease is ended giving a total maximum liability of £343k. It would be feasible to significantly reduce this liability if alternative occupiers can be found for the Colton Sq offices. This is therefore a priority action. The budget 2011/12 proposals include an allowance for these additional liabilities over the 3 years to 2013/14. An additional one off sum of £120k in 2011/12 has also been

included in the budget proposals to cover any other residual liabilities, transitional costs and fees associated with creating the new body.

- 5.4 The details of the support requirements for the LEP have not been finalised. The Support Unit budget will be £168k (£56k from County, City and Districts) from 2011/12.

Martin Judson, Financial Services

Legal Implications

- 5.6 Prospect Leicestershire is a company limited by guarantee owned by its members (Leicester City Council and Leicestershire County Council) although the Board of Directors is representative of all sectors) The company specifically operates SSP funding and its powers and objects reflect that, although in my view the introduction of a further object of encouraging tourism to the sub region should not prejudice this. Both Councils have powers to encourage economic well being (section 2 Local Government Act 2000) and to encourage visitors (s144 Local Government Act 1972).

LeicesterShire Promotions is also a company limited by guarantee and work is currently underway to establish the current membership.

Both bodies are therefore legal entities in their own right

The report envisages setting up a body – the SDV – and that there will be a physical transfer of functions. The main implications of this – for the companies – will be the “breakage” costs and funders requirements; the main implications for the part receiving the functions will be TUPE and pensions issues. Detailed legal advice should therefore be sought as to the transfer arrangements and the due diligence required, as well as to the constitution of the new body and the contracting/funding arrangements to be implemented, particularly bearing in mind the funding plan.

Joanna Bunting, Head of Commercial and Property Law, 296450

Climate Change Implications

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

Helen Lansdown, Senior Environmental Consultant - Sustainable Procurement

5 Other Implications

OTHER IMPLICATIONS	YES/ NO	Paragraph/References Within the Report
Equal Opportunities	N	
Policy	Y	4.8
Sustainable and Environmental	N	
Crime and Disorder	N	

Human Rights Act	N	
Elderly/People on Low Income	N	
Corporate Parenting	N	
Health Inequalities Impact	N	

6 Risk Assessment Matrix

Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/appropriate)
1 Vacant space at Colton Sq creates significant liability	H	H	Active marketing to secure alternative occupiers. Budget to cover liability.
2 Reduced resource for Support Unit impacts on ability to drive LEP	M	M	Rationalise existing Support Unit structure and / or maintain existing contribution level
3 Reduced capacity to support physical regeneration	H	M	Review existing Council regeneration arrangements to prioritise activity

7 Background Papers – Local Government Act 1972

- 8.1 Sub Regional Arrangements For Economic Development Cabinet paper dated 8th December 2008
- 8.2 Establishment Of Sub-Regional Economic Development Arrangements And Economic Development Company Cabinet paper dated 9th March 2009

9. Consultations

Co-ordination Group , Leadership Board and Lead Cabinet member

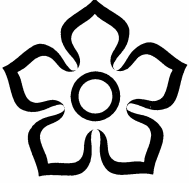
10 Report Author

Andrew Smith, Director of Planning and Economic Development

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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Appendix D



Leicester
City Council

WARDS AFFECTED

Type in Ward : Beaumont Leys

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Cabinet

7 February 2011

ASHTON GREEN – STAGE 2

Report of Director of Planning and Economic Development

1. Purpose of Report

- 1.1 The report seeks approval for stage 2 of the Ashton Green project following outline planning approval at Planning Committee.

2. Recommendations

- 2.1 Cabinet is requested to:

- a. note the outline planning approval received at the Planning & Development Control Committee on 20 December.
- b. approve a sum of £325,500 within the Capital Programme to support the project through the developer procurement stage to enable land disposals and a potential start on site from 2012/13 onwards.

3. Summary

- 3.1 The Ashton Green scheme was approved, subject to conditions, at the Planning and Development Control Committee on 20 December 2010.
- 3.2 The next stage of the project will involve work through the in house project team to satisfy conditions placed on the scheme, continue consultation with the local community, procure potential developers, and ultimately dispose of the first phase of the site. A potential start on site in 2012/13 is envisaged.
- 3.3 Additional resources will need to be allocated to carry the project forward including the continued in house commitment on housing, education, community, transport, property, procurement and legal. A further allocation from the Capital Programme of £325,000 is requested to fund a continuation of dedicated project management support as well as specialist legal and other professional support e.g. highways advice. External funding sources are being considered to offset this cost including New Homes Bonus and Homes and Communities Agency funding.

4. Report

Progress to date

- 4.1 Work on stage 1 of the project has progressed well to develop a masterplan and submit an outline planning application in June 2010. Planning approval was received, subject to conditions, on 20th December at the Planning & Development Control Committee. This help to provide certainty to potential developers that the site will be available for development and substantive discussions on site disposal/joint venture options are continuing.
- 4.2 There has been extensive consultation on the project since the visioning workshops of 2008/09 with various briefings with Cabinet (and Leader/Cabinet lead Members), Ward Councillors, Priority Boards, SMB, local resident groups and other stakeholders. A draft masterplan was taken through public consultation in November 2009 and the outline planning application was widely publicised in late June 2010.
- 4.3 The final version of the Ashton Green masterplan was developed to deliver 'One Leicester' aspirations and formed the basis of the outline planning application (OPA) submission with the key elements being;
- Up to 3,000 mixed tenure new homes (including 30% affordable housing and extra care housing)
 - Range of family homes with a variety of type and tenure
 - Employment land of up to 5 hectares
 - Approximately 2,000 permanent new jobs as well as construction jobs and opportunities for local labour and training etc over a 15 to 20 year period.
 - Co-located education, health and community facilities based around an 'all aged' school (420 place two form entry primary in Phase A)
 - 49 ha of open space
 - Zero carbon homes from 2016 and low carbon from 2013
 - Comprehensive and early public transport interventions (extending bus routes) and walking/cycling infrastructure.
 - Integration with adjacent communities.
 - Clear and challenging delivery aim for a 950 new homes in the first 5 years from 2012.
- 4.4 The outline planning approval is subject to a number of planning conditions/obligations that will require the early delivery of essential infrastructure to bring the first phases of development forward. These costs, unless offset by external grant funding, are likely to have a significant impact on the potential capital receipt in the early phase of development. It is critical that essential site infrastructure is provided in the first phase to get the scheme started given the prospects for the housing market for short to medium term. Furthermore, the later phases of development will not be burdened with such substantial up front infrastructure costs and will deliver significantly better longer term capital receipts.
- 4.5 The key issue that has arisen throughout the public consultation and masterplanning work since early 2009 has been transportation. These concerns have been extensively documented in the consultations reports of February and June 2010 and were submitted

and considered as part of outline planning application submission. The transport working group, comprised of officers from the City Council and the County Council, the Highways Agency, external transport consultants and advisers from the HCA have worked over the last 18 months to prepare a comprehensive transport assessment, a transport strategy and travel plan framework to address the transportation issues arising out of the development.

- 4.6 The outcome of the transport work has been the approval of the three highway authorities to a comprehensive package of transport infrastructure measures in documented 35 no planning conditions in the outline planning permission granted in December 2010. The financial cost implications of these early interventions will have a significant impact the anticipated capital receipts from land sales in the early phases of development. However, without this commitment, Ashton Green will fail to deliver sustainable transport solutions and mitigate the impact of this development on neighbouring communities.
- 4.7 There are a substantial number of conditions in the outline planning permission that will require the Council as land owner to address the other key issues that have arisen out of the public consultation work, that has both informed and influenced the masterplan and outline planning application. These include for example;
- a) site wide phasing programme (Conditions 6 and 7)
 - b) high quality design including design codes (Conditions 8 and 9)
 - c) early delivery of essential transport infrastructure; off site highway improvements, travel planning, car parking and traffic calming strategies, freight traffic movement proposals and public transport improvements (Conditions 46 to 80)
 - d) management and governance strategy (Condition 81)
 - e) carbon reduction strategy linked to the agreed energy statement (Conditions 10 and 11)
 - f) affordable housing (Conditions 12 to 15)
 - g) green infrastructure strategy and related matters (Conditions 21 to 29)
- 4.8 There is strong interest being shown in the employment land from a major local employer. Negotiations are underway and a work is being undertaken to prepare draft design proposals.

Delivery/ Developer Procurement Strategy – Stage 2

- 4.9 A Delivery Framework, April 2010 prepared in conjunction with the masterplan, sets out broad principles and processes to take forward development on the site and identifies a number of the delivery and governance mechanisms for Ashton Green. It also identifies further work is required by the Council, including ongoing market testing, consultation with the local community and discussion with potential public sector funding partners etc to take the project through to development on the ground.
- 4.10 The preferred option for delivery is likely to be a joint venture or longer term development partnership approach between the Council and other public sector partners and a developer consortium. This would require the enabling role of Council and the commitment to building a relationship with a developer consortium for an agreed period of time, such as the first 5 year phase.

- 4.11 This route would require an EU procurement process of 12 to 18 months and would effectively tie the Council into a development partnership for an agreed period of time or an agreed quantum of development. The use of the HCA's developer delivery panel may offer an opportunity to reduce the overall timescale of the procurement process and enable an earlier start on site and thus this route is being explored.
- 4.12 The ongoing 'soft market testing' of the development industry is providing an insight into the developer's response to the delivery procurement options and this will reveal clearly what mechanisms will be required to attract the right development partner(s). The initial discussions with the local development industry indicate support for the preferred delivery strategy, a keen interest in the project and the likelihood of competing bids from a number of developer consortiums.
- 4.13 Finally, there is strong interest being expressed in the employment land from a major local employer and detailed negotiations are underway. The early release of this opportunity could not only provide new jobs, but also secure an early land receipt. This could be used to reinvest to help deliver other essential site infrastructure to help kick start delivery of the proposed housing in phase 1.

Stage 2 Work programmes 2010/11

- 4.14 Stage 2 of the project will include a number of major work streams including; implementation and delivery/procurement planning, the design quality review process, the carbon reduction strategy, the transport programme, the community social infrastructure programme and work streams regarding governance, management, communication and community consultation. This new work to enable physical delivery on the ground will require a corporate commitment to ongoing resources and project support on housing, education, community, transport, procurement and legal matters. In particular it is expected that TLE will lead a project work stream that will enable the first phase of community social infrastructure based around a new primary school to be opened towards the end of the first housing phase.

Project Costs

- 4.15 The cost of key stage 1 over three financial years, to 31 March 2011, will be £1.134m with £834,000 of this sum having been secured from New Growth Point capital and revenue funding.

- 4.16 The estimated costs for stage 2 of the project are outlined in the table below.

	2011/12	2012/13	Total
Project management – project manager, admin & IT support	£65,000	£65,000	£130,000
Legal costs – developer procurement process	£30,000	£20,000	£50,000
Specialist advice e.g.	£80,000	£50,000	£130,000

highway design			
Totals	£175,000	£135,000	£310,000
	contingencies @ 5%		£15,500
			£325,500

- 4.17 In order to minimise the additional costs the project, there has to be the continued corporate support of in house resources at no extra cost to the project as outlined in 4.10 above. The costs in the table above include a small provision for specialist external advice, if required, but it is expected that Divisions will need to prioritise required resources to continue the momentum of Ashton Green towards the actual delivery of new homes and jobs.
- 4.18 A sum of £325,000 is recommended to be allocated from the Council's Capital Programme. Possible options for securing external project funding to offset this sum are being explored including;
- New Homes Bonus scheme and Tax Increment Financing (TIF) both of which are currently subject to Government consultation
 - External funding from the Homes and Communities Agency (funding details through the sub regional Local Investment Plan (LIP) are awaited)
 - Prudential borrowing from future anticipated capital receipts

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1 Financial Implications

- 5.1.1 Ashton Green is the major area of future growth for the City and has the potential to generate significant total receipts over 15 to 20 years.
- 5.1.2 Funding for project to date has been provided through the City Council's capital programme and a combination of NGP capital and revenue funding.
- 5.1.3 The actual projects spend to date since 2007/08 is £1,029 million and the 2010/11 year end forecast is £1,134,562.
- 5.1.4 The estimated costs for stage 2 of the project for 2011/12 and 2012/13 is £325,500 as detailed in paragraph 4.13.
- 5.1.5 The preferred option for financing the £325,500 costs in 2011/12 and 2012/13 is funding from the Leicester and Leicestershire Local Investment Plan from the HCA. Although Ashton Green is a top priority for the Council for this funding stream, details have yet to be confirmed so there is a risk that this funding won't be available. In such a case, the cost of £325,500 would have to be a call on the Council's corporate capital programme if the Ashton Green project is to continue in its current form.

Martin Judson, Head of Finance (29 7390)

5.2 Legal Implications

- 5.2.1 When disposing of land, the Council has a duty under s123 of the Local Government Act 1972 to obtain the best consideration reasonably obtainable. A 'disposal' can take the form

of a freehold disposal or the grant of a lease for a term exceeding 7 years. If the Council wishes to dispose of land at less than best consideration then it requires the Secretary of State's ('SOS') consent before the disposal can proceed.

5.2.2 If land is not marketed then the Council cannot demonstrate that the price agreed represents best consideration. However, if we can demonstrate that the difference in value (if any) between what we will receive and the unrestricted value of the land is £2million or less then we may be able to utilise the provisions of the General Development Consent 2003 ('GDC') without further reference to the SOS. The GDC allows a disposal at an undervalue if the Council considers that the disposal will help it to secure the promotion or improvement of economic, social or environmental well-being of its' area eg the creation of additional jobs or assistance with delivering the objectives of the One Leicester Strategy.

5.2.3 The Council must have regard to the Disposals Framework and also must take account of the Council's general fiduciary duty to act reasonably in the interests of the electorate and consistent with effective economic and efficient discharge of the authority's functions.

Alex Snowdon, Legal Services (29 6340)

5.3 Climate Change Implications

5.3.1 Addressing the impacts and implications of Climate Change is at heart of the vision for Ashton Green as outlined in the masterplan and the commitment to delivering zero carbon homes by 2016.

Helen Lansdown, Environment Team (29 6770)

6. Other Implications

OTHER IMPLICATIONS	YES/ NO	Paragraph/References Within the Report
Equal Opportunities	Yes	Are addressed within the Sustainability Protocol (Vision and key development principles document)
Policy	Yes	Ashton Green is identified in the LDF Core Strategy
Sustainable and Environmental	Yes	Are addressed within the Sustainability Protocol
Crime and Disorder	Yes	Are addressed within the Sustainability Protocol
Human Rights Act	No	
Elderly/People on Low Income	Yes	Are addressed within the Sustainability Protocol
Corporate Parenting	No	

Health Inequalities Impact	Yes	Are addressed within the Sustainability Protocol
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7. Risk Assessment Matrix

Key Risks	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/appropriate)
1. Lack of developer engagement through the procurement process.	L	M	<ul style="list-style-type: none"> ▪ Early 'soft market' testing and recent enquiries indicate good developer interest in the site. ▪ Recent evidence of house price increases suggests that housing market conditions have improved.
2. Issues of financial viability impacting on the project delivery.	H	H	<ul style="list-style-type: none"> ▪ The need for a robust prioritisation process of competing requirements from Ashton Green; capital receipts, s106 requirements has been clearly articulated. ▪ The need for external funding support has also been identified and the relevant processes are planned for.
3. Lack of project management resource impacting on delivery.	M	H	<ul style="list-style-type: none"> ▪ The need for longer term project support beyond 2010/11 has been identified in the report.

8. Background Papers - Local Government Act 1972

Cabinet Briefing 1 November 2010
 SMB 26 October 2010
 Planning for People not Cars Priority Board 22 September 2010
 Planning for People not Cars Priority Board 26 May 2010
 SMB 25 May 2010
 Reduce Carbon Footprint Priority Board 19 May 2010
 Cabinet Briefing 17 May 2010
 Reduce Carbon Footprint Priority Board 17 March 2010
 Planning for People not Cars Priority Board 24 February 2010
 SMB 8 December 2009
 Planning for People not Cars Priority Board 2 December 2009
 Cabinet Briefing 3 August 2009

Strategic Management Board 7 July 2009
Strategic Management Board 5 May 2009
Cabinet Report 5 January 2009

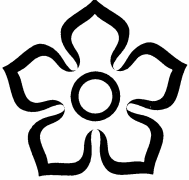
9. Consultations

- 9.1 A series of consultation events have been held involving the local community, ward and cabinet members, internal and external partners/stakeholders. Formal consultation was carried out as part of the planning application process.

10. Report Author

Geoff Mee
Ashton Green Project Manager
Extension: 29 7156
Email: Geoff.Mee@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)



Leicester
City Council

WARDS AFFECTED
All Wards

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

**OSMB
Cabinet**

**3rd February 2011
7th February 2011**

Watercourse Maintenance & Improvement - Capital Programme for 2010/2011

Report of the Strategic Director, Development, Culture and Regeneration

1. PURPOSE OF REPORT

To seek Cabinet approval to spend the 2010/11 Watercourse Improvement budgets.

2. SUMMARY

Leicester City Council's approved capital programme for the 2010/2011 financial year includes a sum of £50,000 for watercourse maintenance and improvements. When setting the budget, Cabinet recommended that before committing this expenditure, a further report be brought to Cabinet for approval. It is proposed to undertake a number of minor works on watercourse and drainage features around the City. The proposals include cutting down/pruning trees on ordinary watercourses and measures to alleviate the risk of flooding at known highway flood "hot-spots". This report asks for approval to spend the 2010/2011 Watercourse Maintenance/Improvement budget on these works.

3. RECOMMENDATIONS

Cabinet is asked to approve the expenditure of the 2010/2011 Watercourse Maintenance and Improvement budget.

4. REPORT

The following is a brief summary of the works proposed:

4.1 General Riparian Owner Issues. As a landowner we have a number of watercourse sites with overgrown or unsafe trees that pose a potential flood risk and are also posing a potential risk to adjacent properties. Accordingly, we propose cut back/fell problem trees on the brook banks where we are the riparian owner and replace with trees in more appropriate locations. We have also identified a site with Japanese Knotweed growing and propose to continue undertake treatment works to eradicate this. See Appendix 1 for more details.

4.2 Flood Alleviation at flooding hotspots

There are several flooding 'hotspots' on the watercourse network that are prone to flooding and need minor works to prevent future flooding. See Appendix 1 for more details.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1. Financial Implications

There is a budget allocation in the Corporate Capital Programme for 2010/2011 which was approved by Cabinet on 17th March 2008 of £50,000 for Watercourse Maintenance and Improvements. Any expenditure on these budgets is subject to a further report being taken to Cabinet. Approval to spend the budget was agreed at the Spending Moratorium Exemption Panel meeting on the 20th December 2010.

Paresh Radia, Deputy Head of Finance, Regeneration and Culture, Ext 29 6507.

5.2 Legal Implications

The Land Drainage Act 1991 places powers on the Council to undertake works for preventing flooding or mitigating any damage caused by flooding in its area. These powers are:

- a) to maintain existing watercourse or drainage works, by way of cleansing, repair or otherwise in a state of efficiency
- b) to improve existing watercourse or drainage works
- c) to construct new watercourse or drainage works required for the drainage of land.

Jamie Guazzaroni Solicitor, Legal Services, RAD, Ext 29 6350 (November 2008).

5.3 Climate Change Implications

The only climate change implications of the report are that it will reduce the possibilities of flooding due to climate change.

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)
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1) Adverse weather conditions	H	L	Severe weather warning procedures in place. Suspend works in severe weather.
2) Damage to waterside environment.	L	M	Site environmental management procedures already exist to manage risks to watercourse from works, e.g. spillages.
3) Conflict with other works.	L	L	Attend co-ordination meetings and include schemes in general works programme.
4) Health & Safety	L	M	Safe system of work is routinely established for individual schemes.
5) Budget overspend due to unforeseen works.	L	L	Schemes will be programmed such that they are not all carried out concurrently allowing for some scheme to be dropped if necessary to stay within budget.

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

8. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

- Report to Cabinet 17th March 2008 entitled “Capital Programme –Overall Strategy”.
- Report to Council 27th March 2008 entitled “Capital Programme – Overall Strategy”.

9. CONSULTATIONS

- Legal Services (Re. Cabinet report dated 17th November 2008).
- Finance Team, Regeneration & Culture.
- Staff in Regeneration, Highways & Transportation.

10. REPORT AUTHOR

Alan Adcock, Head of Highway Maintenance

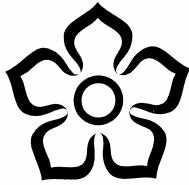
Ext. 39 2042

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)

Appendix 1.

List of Proposed Watercourse Works

1. **Gilroes Brook** - There are three parts to this brook; the lay-by entrance from the ring road, the entrance from inside the cemetery and also along side Groby Road which is about 150m in length. Cutting back along the above length.
2. **Queens Road Brook** - Cutting back along its length this is approximately 50m long
3. **Ethel Road Brook** - Cutting back from the grid approx 50m
4. **Western Park Brook** - Cutting back from the grid approx 75m
5. **River Biam and its tributaries (which run through Aylestone Playing Fields)** - Cutting back along the River Biam (approx 200m long) and the tributaries (approx 200m long).
- 6 **Greengate Lane** - All the highway drains run into a highway ditch. This ditch needs clearing out and the hedge needs cutting back or the drains will not run.
7. **Chesterfield Road** - We have got Japanese knotweed on a brook bank for which we are responsible. We need to carry out treatment works this spring and the cost is £2500.
8. **Citywide** - We have got many trees that need cutting back which are our responsibility as a 'Riparian' owner of brook banks along the enmained watercourses.



Leicester
City Council

**WARDS AFFECTED:
KNIGHTON & THURNCOURT**

CABINET

7 FEBRUARY 2011

**GRANT OF LEASE AT A PEPPERCORN RENT
WILLOWS PRE-SCHOOL MOBILE –
OVERDALE JUNIOR & INFANTS SCHOOLS
KIDDYCARE LTD MOBILE – WILLOWBROOK PRIMARY SCHOOL**

Report of the Chief Operating Officer

1. Purpose of Report

- 1.1. To report on the provision of new modular facilities for pre-school facilities from a Sure Start grant and the requirement to grant a lease on a peppercorn basis to facilitate this process.

2. Recommendations

- 2.1. Cabinet to approve the granting of leases at a peppercorn rent to the Willows Pre-school Playgroup and Kiddycare Ltd.

3. Summary

- 3.1. The report outlines the background to the Sure Start grant and reasons for requesting a peppercorn rent.
- 3.2. The legal and general principles for dealing with lettings at nil consideration.

4. Report

- 4.1. At the beginning of 2010 following recommendations from an Assessment of Access & Inclusion, the Disabled Children's Service identified that the existing premises for pre-school services provided by private providers at Overdale Junior & Infants Schools and Willowbrook Primary School were no longer viable and required replacement.
- 4.2. The private providers were supported by the Childcare Sufficiency Team to apply to the Sure Start Grants Panel to obtain funding for demolition and replacement and in July 2010 grants of £239,220 (inc VAT) for the Willows and £220,000 (inc VAT) for Kiddycare Ltd were awarded to the providers.

- 4.3. Subsequent discussions have confirmed that in order for the Council to manage the contracts for demolition and replacement, these works need to be commissioned internally rather than by the private providers. As a consequence the mobiles will remain as an asset to the Local Authority but will be leased to the private providers on a peppercorn rent basis with the private providers remaining responsible for the maintenance and repair of the mobiles.
- 4.4. The Strategy Manager Childcare Sustainability & Sufficiency has provided the following supporting information:
- 4.4.1 The authority has a legal duty under the Childcare Act 2006 to ensure there are sufficient nursery education (NE) places for all three and four year old children living in the city, and that parents have a choice of types of provision (i.e. playgroups, day nurseries, accredited child minders and schools). This has led to the development of NE places on schools sites for two reasons: (1) where the school has not F1 class for 3 year olds; (2) there is no other suitable location in the area. The circumstance for working in partnership with Willows Pre-school Playgroup, and Kiddycare relate to these reasons.
- 4.4.2 At Overdale Junior & Infants Schools there is no F1 class and The Willows Pre-School Playgroup has operated from an unused mobile at Overdale Junior & Infants Schools on a local agreement for services since 1997. The provider recently received an Outstanding OfSTED report. The Heads at Overdale Junior & Infants Schools both strongly support the setting which has also developed breakfast and afterschool services on behalf of the school. However, the mobile became unviable and urgently needed replacement.
- 4.4.3 There is also a shortage of NE places in the Thurnby Lodge area, and working with local schools and the Children's Centre it was agreed that the replacement of a mobile at Willowbrook Primary was the only practical way forward. Experienced, good quality NE providers were invited to apply to deliver the service and measured against a detailed specification stipulating levels of experience, quality financial sustainability. Kiddycare, also with an Outstanding OfSTED, was selected by a panel chaired by the Head Teacher.
- 4.4.4 There was no Primary Capital to expand provision at these schools. However, the Sure Start Capital Grant was primarily to support private and voluntary providers to improve access to and quality of childcare provision. This meant that the NE providers themselves applied for the SSG. By doing this Willows Pre-school at Overdale Junior & Infants Schools have been awarded £239,220 capital, and Kiddycare at Willowbrook Primary has been awarded £220,000.

- 4.4.5 There are four other private/voluntary run NE settings on school sites and two delivered by Early Prevention; all had start up funding in the same way through the SSG and none were put out to tender.
- 4.4.6 Neither project could have gone forward without the participation of the private settings. The mobiles are not the property of the provider and a formal lease will ensure that the service and relationship continue to meet the needs of the authority. It is in recognition of their financial contribution and partnership working with the schools and the local authority to meet the Sufficiency Duty that officers are recommending a peppercorn rent is made.
- 4.5 The City Council's general principle for dealing with rents is that all third parties occupying Council assets will pay a market rent to ensure transparency of funding provisions and demonstrate that best consideration is being achieved.
- 4.6 However, under circumstances where a third party has obtained funding to provide the asset it is an established principle that a peppercorn rent will apply for so long as the existing provider provides the service.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1. Financial Implications – Nick Booth, Extn. 297460

- 5.1.1 The letting of these premises at a peppercorn would result in no loss of existing income to the City Council. Where a third party has obtained funding to provide the asset, it is policy to charge a peppercorn rent for so long as it continues to provide the service.

5.2. Legal Implications – Zoe Iliffe, Extn. 296342

- 5.2.1 Under Section 123 of the Local Government Act 1972 the Council is required to dispose of land for the best consideration that is reasonably obtainable in the circumstances. (Leases of 7 years or more are classed as "disposals"). However, the Council is permitted to dispose of land for less than best consideration in certain circumstances under the 2003 General Disposal Consent for land and property ("GDC"). The disposal must be one which will secure the economic, social or environmental well-being of the area in question in order for the disposal of the property to benefit from the GDC.
- 5.2.2 The intention to dispose of the property at less than best consideration on the basis of a one to one transaction without open marketing for purposes set out in this report, will need to be in accordance with the Property Disposal Policy Framework agreed by Cabinet in July 2003. Members will need to be satisfied that the disposal accords with the relevant provisions of the Framework relating to exemptions for 1-1 disposals.

5.2.3 Members will therefore need to ensure that any disposal is consistent with the powers contained in the GDC. The GDC allows local authorities to dispose of assets of less than best consideration to secure social, economic and environmental benefits where it is considered that these benefits will flow from any such disposal. Therefore the Council will need to be satisfied on the basis of the advice contained in this report (and on the information supplied), that the disposal will result in the achievement of the benefits referred to above.

5.2.4 Given that any disposal at less than best consideration will have a financial implication for the Council, the Council will also need to ensure that the Council's general fiduciary duty is complied with in disposing of assets in accordance with the GDC or the Disposals Framework. Any lease documentation will need to contain provisions which will secure the achievement of the benefits set out in this report or the terms subsequently agreed.

5.3. Climate Change Implications

Although these facilities will not have a significant impact on the Council's climate change targets, it should be ensured that the new facilities meet high energy efficiency standards and that users are aware of how to reduce the carbon footprint of these facilities in the way they utilise them.

Helen Lansdown, Senior Environmental Consultant - Sustainable Procurement, Extn. 296770

6. Other Implications

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

7. Background Papers – Local Government Act 1972

7.1. None specific.

8. Consultations

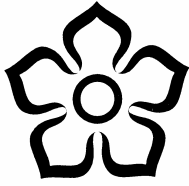
Childcare Sufficiency & Sustainability

9. Report Author

E J P Beilby
Valuation Services and Operational Property Manager
Strategic Asset Management
Ext. 29 8043

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

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Leicester
City Council

**WARDS AFFECTED:
CITYWIDE**

**OSMB
CABINET**

**3 FEBRUARY 2011
7 FEBRUARY 2011**

OFFICE ACCOMMODATION STRATEGY

Report of the Strategic Director, Development, Regeneration and Culture

1. Purpose of Report

- 1.1. This report outlines why the Council needs to address the structural problems of New Walk Centre (NWC) and explains how making a positive decision in the current financial climate will unlock funding for other purposes and act as a catalyst for redefining the Council's offer to the people of Leicester, changing the nature of public service into the future.
- 1.2. The report considers the results of the options appraisal project and sets out a strategy for the provision of office accommodation that is modern, flexible, efficient and cost effective. This will facilitate new ways of working, be customer focused, improve service delivery and realise cultural change.

2. Recommendations

It is recommended that Cabinet:

- 1) note the need for positive action to address the issues at NWC and the benefits to be gained in terms of releasing funding for other purposes, the opportunity to improve customer accessibility, drive transformational change and improve efficiency,
- 2) consider the outcomes of the options appraisal project and support the need to continue forward with 2 options and confirm that options 3 and 4 be preferred,
- 3) approve the continuation of the options appraisal project to enable further work on options 3 and 4, and authorise the release of £85,000 from the CLABs capital allocation to fund the additional work,

- 4) delegate authority to the Chief Executive, in consultation with the Leader, to select between options 3 and 4 at the end of the extended appraisal period based upon which option provides the most cost effective solution and to enter into necessary contracts to progress the preferred option and release funding from the CLABs capital allocation accordingly,
- 5) authorise the appointment of commercial agents to negotiate terms for potential purchase of Mercury building to be funded from the CLABs allocation,
- 6) note action taken under Part 4(d) Rule 14 of the Cabinet Procedure Rules in releasing £100,000 from capital allocation to fund urgent works and moves resulting from the engineers' report and authorise release of a further £158,000 to complete funding the works and moves finally undertaken.
- 7) £1.65 million is released to fund the IT transformational change program which needs to be completed before any large scale accommodation moves can take place. This includes replacement of the council's telephone network, which can not be physically relocated from New Walk Centre, and a total software refresh of every desk top across the council to support anywhere, anytime working; the introduction of modern collaboration tools and software to facilitate greater self service by staff and customers.
- 8) authorise officers to continue work on the development of neighbourhood hubs which facilitate the movement of staff providing local services to neighbourhood locations that make them more accessible to local people.
- 9) release £165,000 for the ongoing management of the programme.

3. Summary

- 3.1 The financial challenges facing the Council and Public Sector are resulting in a rethink of the shape and nature of public service delivery in the city for the future and there is an opportunity for the Council to review how the form and use of offices can be a key driver while addressing the physical shortcomings of the existing estate.
- 3.2 In June 2010 the Council received a report on the structure of NWC from Ove Arup which identified that the structure falls short of the recommendations in current codes and needs strengthening. Their main concern was the potential for shear failure leading to progressive collapse and therefore undertook a risk assessment involving detailed analysis of the structure before being able to give assurance that the Council could remain in occupation. This assurance was subject to the Council designing and procuring structural strengthening works within 12 months ready for works to commence and be completed to an agreed programme and the introduction of a rigorous management regime including clearing of a series of 'no imposed load zones'.

- 3.3 Since receipt of the report the Council have significantly reduced load within the buildings, have cleared and demarcated the 'no imposed load zones' and provided additional propping beneath the IT suite and food servery. The buildings are inspected weekly to ensure compliance to the new management arrangements.
- 3.4 These actions meet the engineers' approval but must be allied to substantive progress on strengthening or relocation and an options appraisal project was approved by Cabinet in July 2010 to look at alternatives. It is critical that the Council now take positive action as, if the engineers feel that substantive progress is not being made, then they could withdraw their support for continued occupation, with the result that the Council's insurances would be invalidated and there would be no alternative but to vacate the buildings with minimal notice. This would have major business continuity and cost implications.
- 3.5 The second reason for positive action lies within the current financial position that the Council is faced with. The office accommodation strategy has approved funding and the appraisal work undertaken to date indicates that a solution can be found which would provide a saving on the funding already budgeted for and a positive decision on the way forward will enable this saving to be properly identified and available for reallocation towards other priorities.
- 3.6 The third reason for action again relates to the current financial climate and the need for the Council to redefine its offer to the people of Leicester and the office accommodation strategy can act as the catalyst for this transformation. The strategy integrates with the wider transformation agenda enabling Members to redefine the offer to the people of Leicester into the future with such a redesign of services being reliant upon the introduction of new ways of working supported by IT investment. Agile working is a partnership between people, places and technology; it's about delivering greater accessibility and choice to our customers and creating better environments for our employees. The approach of integrating property and IT strategies to provide a variety of stimulating workspaces that are suited to the different types of activity staff provide, but doing so in a way that expands delivery of services at a neighbourhood level where possible.
- 3.7 To support our transformational programme we need to invest in modern flexible ICT solutions that are in place before any major accommodation changes can start. As we begin to talk about different models of delivery it will be important to make sure that people do not work in silos and that they work as 'one Council', IT will be critical in ensuring this. Colleagues in IT Services have been working for some months to find solutions that will support flexible working practices and ensure users can access IT services (voice and data) in a seamless fashion wherever they are.
- 3.8 This provides staff with greater flexibility and enables them to work in more creative ways whilst optimising space utilisation and reducing the cost.

- 3.9 Through the strategy we are looking to meet our stated aspirations and vision for office accommodation into the future (see Appendix I), providing staff and visitors with a new perception of what the city stands for and its vision for the future. It also ensures we have the flexibility to respond to rapid future change, demonstrates VFM based on whole life costing and will contribute positively to the Council's commitments on sustainability.
- 3.10 Five options have now been appraised with the results that options 3 and 4 (purchase of Mercury Building and refurbishment of A Block) are favoured, both financially and when judged against wider criteria. The report seeks approval to the selection of these as preferred options to be worked up further.
- 3.11 The potential availability of the Mercury Building provides an exciting opportunity to address the problems with New Walk Centre and replace a number of our other older, unsuitable inefficient city centre offices.
- 3.12 Moving our HQ to the Mercury would also provide a significant boost to the Cultural Quarter and the New Business Quarter, although there would be potential negative impacts in the vicinity of NWC should the site not be redeveloped quickly.
- 3.13 Parts of the building were refurbished in the last 10 years including the recladding of the exterior of the building, although it does still need further investment including replacement/upgrading of services, lifts, IT infrastructure etc. However the former print works to the rear of the building (fronting on to St George's Way) offer us the opportunity to significantly increase the current floor space available and provide a modern, efficient environment that would enable delivery of our key objectives as set out in the Appendices.

4. Report

- 4.1 Five different options have been considered which all provide for a 50% reduction in the existing central office floor plate and are outlined below with the comparative costs and revenue savings. All the options include for the retention of the Town Hall with its existing services and assume the relocation of the IT data centre currently housed in B Block. For options that retain a presence at NWC site it is assumed Customer Service Centre will remain there, for other options it is assumed that the Bishop Street building will be used in view of their off centre locations. All options require the retention of some of the other city centre offices that the Council currently occupy.

Option 1

Structural strengthening and refurbishment of NWC A and B blocks with retention of one other building within the portfolio.

Option 2

New build on Dover Street car park site with retention of other buildings.

Option 3

Acquisition and refurbishment of Mercury building with retention of other buildings.

Option 4

Structural strengthening and refurbishment of A Block only and retention of other buildings. Demolition/sale of B Block to follow.

Option 5

Demolition of B Block, with new build on its site and retention of other buildings. Demolition/sale of A Block to follow.

4.2 Costs

The capital costs of the various options, the direct revenue implications and the then impact on the Council's budget position is outlined in detail in section 6. From a financial perspective, options 3 and 4 are preferred.

4.3 Option Assessment

In addition to financial judgement all options have been judged against criteria of improved use of space, support of delivery of service transformation, reduction in Council's carbon footprint, disturbance, impact on the city centre, travel, transport and improvements to customer access. Results are outlined in Appendix II and options 3 and 4 score highest.

4.4 All options show a carbon reduction of in excess of 54% against existing emissions from the central office estate with option 3 the highest at 64.27% saving. Option 4 offers 61.84% saving.

4.5 Next Steps

4.5.1 In the light of the recommendation to progress with options 3 and 4, a resource plan has been put together to undertake design work and detailed costing of a scheme for the refurbishment of the Mercury building to suit the requirements of the Council and to further interrogate option 4.

4.5.2 Upon receipt of the costings and valuation it will then be necessary to open negotiations with the Mercury regarding the purchase of their building and the commercial agents will be employed for this purpose so that, should terms be agreed, the total cost of option 3 will be established and can be judged against option 4.

4.5.3 A further workstream will be the provision of development briefs for the NWC site, should the Council relocate, and other buildings to be released by the Council, so that the alternative uses and images for the site can be established as a first step towards the marketing and early development of them, which is a critical success factor for the project.

4.5.4 It is proposed to now develop a programme for the implementation and delivery of preferred options and additional management resource is required and it is proposed that £165,000 be released accordingly.

4.5.5 In view of the urgent works that were necessary to be put in hand as a result of the Ove Arup report to make necessary arrangements to reduce load in NWC and to provide temporary support to parts, the Director of Strategic Asset Management, after consultation with Cabinet Lead and Chair and Party Spokepersons of the appropriate Scrutiny Committee took urgent action under Part 4(d) Rule 14 of the Cabinet Procedure Rules to release an initial £100,000 from the CLABs capital budget. The works and moves are now nearing completion and total cost will be in the region of £258,000, and further release of funding is required.

5. Future Governance and Resourcing

5.1 In accordance with the recommendations of this report it is now proposed to progress further with two options to enhance the detail of these options in terms of design, cost and deliverability.

5.2 Linkage to other transformational agendas is critical and the project will continue to work closely with neighbourhood working, One Council One Contract and Support Services to ensure integration. The Project Board (Built Assets Group) includes representation from across the key players in linked projects.

5.3 It is now recommended authority be delegated to the Chief Executive in consultation with the Leader to select between options 3 and 4 and then to enter into necessary contracts and arrangements to progress the preferred option.

6. Financial Implications (Nick Booth, Extn. 297460)

The report outlines 5 potential options for resolving the structural problems regarding New Walk Centre and rationalising the Council's core administrative buildings portfolio. These options are as follows:

- Option 1 - Repair and Refurbish NWC A and B blocks.
- Option 2 - New build on Dover Street.
- Option 3 - Acquisition of additional building.
- Option 4 - Refurbish NWC A block only.
- Option 5 – Demolish NWC and new build on the site.

Council has previously authorised capital expenditure of £29.9 million towards the CLABs review, as well as a further revenue budget of £3 million pa which was mainly anticipated to be used towards capital financing costs of the whole scheme. It also included a relatively small provision for the landlord costs of Bishop Street. To date, £11,028,000 has actually been spent on the CLABs review and £11.2m has been committed. If recommendations 3, 6 and 9 are approved, this would increase the commitment to £11.57 m.

An analysis of all 5 options has indicated that the current capital budget should be sufficient for all of them. However, this is based on the assumption of 25% fewer staff and the use of modern ways of working. If for example the number of staff was to be only 20% reduced, this would be likely to cost approximately an additional £250,000 p.a. in accommodation costs.

The table below shows the effect of the 5 options, over the short and longer term. It should be noted, that most revenue savings will not be fully realisable until the programme is finally completed in 2016/17.

	Capital cost (less net receipts)	Capital financing costs (2013/14)	Revenue running cost/ (savings) (full effect 2016/17 onwards)*	Contingency	Net cost 2013/14	Net cost FYE from 2016/17
	£m	£m p.a.	£m p.a.	£m p.a.	£m p.a.	£m p.a.
Option 1	52.1	3.02	(1.68)	0.50	3.52	1.84
Option 2	43.0	2.30	(0.70)	0.50	2.80	2.10
Option 3	31.1	1.35	(0.93)	0.50	1.85	0.92
Option 4	34.0	1.58	(0.88)	0.50	2.08	1.20
Option 5	42.0	2.22	(0.68)	0.50	2.72	2.04

*Revenue running cost savings exclude an additional £200k savings from York House which are expected to be accrue towards the Regeneration, Transport and Highways budget.

A budget of £3m p.a. was originally set for the revenue costs of the CLABs review, and there are a number of uncertainties at this stage, however, and consequently a contingency has been added within the figures. However, the best present information suggests that the full budget of £3m will not now be fully required.

Recommendations 7 seeks approval for the release of a further £1.65 m which is included within all the estimated option costs. If this was approved, it would increase the committed costs to approximately £13m.

These figures are current best estimates indexed to the mid-point of the assumed delivery contract i.e. April 2013. There are potential additional savings to options 2 and, 3 if a cheaper alternative to Bishop Street can be found for the customer services centre. The costs of refurbishment of New Walk Centre are based on our best current knowledge of the structural problems of the building, and there are always dangers of unforeseen costs arising with refurbishment works of this nature.

The table above represents our best estimate of the current position though with a project of this size and complexity a number of uncertainties remain and the actual costs and savings could be greater or smaller. Such uncertainties would include actual tender prices, negotiation outcomes, interest rates relating to capital financing and the size of accommodation actually required.

Options 3 is dependent upon a satisfactory conclusion to negotiations to acquire an additional building and as such can't be guaranteed until they are concluded with a third party.

The report refers to the potential for some staff to be relocated from the city centre CLABS portfolio into neighbourhoods and the figures shown take no account of any potential works to properties or other relocation costs necessary to facilitate such moves.

If either of options 3 and 4 are progressed, then as both of them are estimated to cost in the region of £2.0 million p.a. in the medium term, it should prove possible to reallocate the saving of £1.1 million from the CLABS provision towards the 2011/12 budget. It is to be noted that option 4 has been costed on the basis of the more expensive structural solution and there may be some scope to reduce as design work progresses.

7. Legal Implications (John McIvor – Extn. 297035)

- 7.1 The various options set out in the Report have varying implications depending on the option chosen. At this point advice is provided on the implications for the recommended options (Options 3 and 4). Options 1, 2 and 5 predominantly relate to development of the Council's existing property assets though further advice on these options can be provided if further consideration is given to these.
- 7.2 With regard to all the options set out in this report the Council will be under a statutory duty to ensure the health and safety of its employees and visitors to its premises. As the Council is the occupier of the building the Council will be under a duty of care to any visitors to the building, pursuant to the Occupier's Liability Acts 1957 and 1984, The Council is required to take such care as in all the circumstances of the case is reasonable to see that the visitor will be reasonably safe in using the building for the purposes for which they are invited or permitted by the occupier to be there. The Council must also ensure that any visitors are provided with reasonable protection from risks on the building.
- 7.3. With regard to Option 3, this will require the acquisition of property presently in the ownership of a third party. The Council will need to have certainty that the terms of acquisition are acceptable to the Council and will be in accordance with the financial assessments and budgets outlined in this report.
- 7.4 With regard to Option 4, whilst there is no element of property acquisition, the Council will need to ensure that it complies with the requirements of the Local Government Act 1972 in respect of the proposed disposal of the site of B Block following demolition.
- 7.5. With regard to both Options 3 and 4, any contracts relating to works for the refurbishment of property acquired or currently within the Council's ownership will need to be let in accordance with the Council's Contract Procedure Rules and also (depending on the amount of the contracts in question) in accordance with the EU Procurement Rules and the Public Contract Regulations 2006. The Council will be required to comply with the guidance and practice set out in its Contract Procedure Rules. Compliance with the EU Procurement Rules and the 2006 Regulations will be required in the event that the amount of the proposed contract exceeds £3,927,260.00.

8. Climate Change Implications

All five options for the redevelopment of the CLABS should result in a carbon dioxide emissions reduction of greater than 50% compared with the existing CLABs portfolio. This is in line with the corporate target to reduce Council carbon dioxide emissions to 50% of the 2008/09 level by 2025/26. In addition, all five of the options are located in the City centre so there will be no associated increase in carbon dioxide emissions from travel.

Mark Jeffcote, Senior Environmental Consultant, Environment Team, Ext 296765

9. Other Implications

OTHER IMPLICATIONS	YES/ NO	Paragraph/References Within Supporting information
Equal Opportunities	NO	
Policy	NO	
Sustainable and Environmental	YES	3.12, Appendix I
Crime and Disorder	NO	
Human Rights Act	NO	
Elderly/People on Low Income	NO	
Corporate Parenting	NO	
Health Inequalities Impact	NO	

10. Risk Assessment Matrix

Option 3 and 4 have differing advantages, disadvantages and risks. These are summarised below with mitigations.

Option 3			
Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/ appropriate)
Cost certainty Costs and specification of works provided by third party, could rise.	M	H	Negotiation around price and specification of works required.
Programme certainty Owner required to vacate before works start.	L	H	Timetable in accordance with structural engineers' concerns over NWC needs to be agreed.
Regeneration Move from NWC could result in that site, along with other buildings vacated as part of this	H	H	Seek to identify an alternative viable use for NWC site. Potential car park use. Costings

project, remaining unused to the detriment of the surrounding area and businesses.			include for a sustainable development legacy for an interim period if required.
Disruption Relocate Customer Services, and Data centre No decant required.	L	M	Programme for CSC and data centre relocations to tie in with main move.
Option 4			
Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/ appropriate)
Cost certainty Costed on basis of structural design principles could be additional cost once detailed designs completed Increased cost if façade replaced.	M L	H L	Full design needed. Further works to be undertaken should option 3 not prove acceptable.
Programme certainty Council own and can progress subject to decant arrangements being put in place.	L	H	Decant opportunities being collated.
Regeneration Retains NWC base, but other sites releases – e.g. Greyfriars	M	M	Need to establish programme to market sites that are released to secure their early development and use.
Disruption A Block will need to be decanted with substantial disruption to Council business.	H	H	Decant opportunities being collated. Programme of moves to be put together to manage and minimise disruption.

11. Background Papers

None

12. Consultations

Public Sector Property Forum
Built Assets Group

13. Report Authors

Lynn Cave
Director of Strategic Asset Management

Neil Gamble
Head of Property
Development

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)

Aspirations

There are four aspirations that help to set the vision for the Council future offices and their impact on the organisation.

Effectiveness (making the most of the people)

- improving the productivity of individuals and teams
- Increasing the sharing of knowledge
- promoting and sustaining creativity

Efficiency (making the most of the space)

- increasing the capacity of our space
- giving flexibility
- enabling cultural change in the organisation

Expression (making the most of the brand)

- support desired cultural attributes
- motivate our people
- communicate our values and activities
- attract and retain the best people

Responsiveness (meeting the needs of customers)

- improving accessibility for customers
- provide appropriate spaces for customers

With these four aspirations in mind the Council have reviewed options for future office provision with a view to releasing efficiencies from:

- 1) Improved customer access to services
- 1) Focussing the estate on the most efficient buildings
- 2) Reduced duplication of support space across the estate
- 3) Adoption of revised space standards and consistent application of these
- 4) Modernised working practices
- 5) Improved ICT tools to support flexible working
- 6) Provision of flexible space

Key Enablers and Non Negotiables

Key enablers which will need to be in place to support transformation.

Firstly the Key Enablers

I. Leadership and commitment

- Strong leadership from the top
- Long term commitment to modernising the workplace
- High level project sponsor to champion or pilot change

- Organisational commitment to support staff at local level through change

II. Continuous engagement

- Continued commitment from within each Department to the support and use of flexible working practices.
- Programme of change management with all users.
- Opportunities for users to influence design and develop local protocols for running the space.
- Opportunities and involvement in continuous review and development of the project.
- Design evolution as project rolled out through continuous process of listening, reviewing and developing.

III. High performing and integrated ICT solution

- Integration of the ICT staff within the project team
- Centralised printing facilities within floors
- Established and trusted EDRMS system
- Advanced phone technology to support mobile working
- Move to laptops and other mobile devices where required
- Investment in projectors and video equipment

IV. Integrated human resource policies

- Established home working policy
- Training and support for managers in the operation of home working and other flexible work methods

It is explicit that for a successful transition all the key enablers need to be in place. Investment will be necessary within ICT, and has been costed in as part of the overall cost of the various solutions and some policy alignment necessary in HR.

Key Non Negotiables

In addition to the enablers there are a few key policies / standards, in terms of office layouts and allocation of space, that need to be established. These are fundamental to the success of the project and, once agreed, must be regarded as non negotiable.

For the project to succeed it is essential that, once established, these are applied across the organisation consistently and are adhered to. This requires strong leadership from senior managers, a willingness to be advocates of the benefits of change and, most importantly, to be seen to lead by example. The protocols are listed below, and represent very fundamental change.

I. Working protocols

Working protocols will be developed in each setting and must be adhered to. These will include, as appropriate:-

- clear desk policies
- discipline in booking shared spaces

II. Individual offices

Individual offices will not be available.

III. Space Planning & Furniture

Whilst staff will have significant choice over the working environment, there will be predetermined standards:

- Space allocations
- Available furniture
- Furniture layout
- Filing space

IV. Team Workstyles

The amount of office space required will be impacted by two main factors:

- The percentage of shared workspace the Council wish to adopt within the new workplace,
- The portfolio of buildings selected.

Space demand

The adopted space standard for space demand mapping has been based around a planning model of approximately 7 sq ms within office areas for each workstation and its contribution towards circulation areas, ancillary support spaces such as break out areas, meeting rooms and pod spaces with a further 3 sq ms being contributions to corporate spaces including receptions, corporate meeting rooms and training, common areas, café etc. To put this in context, this will allow for approximately 120 staff on a typical floor of NWC which is in accordance with maximum densities for fire escape purposes.

In 2008 space consultants carried out a study of the Council use of offices and identified that as an organisation a higher percentage of our staff were desk bound compared to other similar organisation with 73% falling within the resident population group. The remaining 27% of staff were much more mobile and offer greater opportunities for sharing arrangements.

Based on all these factors the following table provides an analysis of required office floor plate by considering a range of reductions in staff to be provided for and a ratio of workstations required to house such a number, all on the assumption of the space standards referred to above being implemented.

	% reduction in city centre based office staff				
	0%	15%	20%	25%	30%
Staff Number	3,102	2,637	2,482	2,327	2,171
Workstations	2,601	2,211	2,081	1,951	1,820
Area required (net internal area/sq ms)	26,013	22,112	20,812	19,509	18,200

For the options appraisal the 25% staff reduction scenario has been adopted requiring future provision of 19,509 sq ms net internal area of accommodation. This gives a 50% reduction of floor plate and this could be reduced by a further 3,220 sq ms should workstation sharing at a ratio of 7:10 be achieved if improved ICT tools enable greater numbers of staff to work in a more mobile fashion.

Partners

The project has explored partner requirements to establish joint working and occupation opportunities through the Public Sector Property Forum and the Total Asset Pathfinder. There has also been a meeting with officers at GOEM representing the civil estate who are at an early stage of identifying their future needs in the city but are keen to share information to identify opportunities. A similar workstream is in place looking at training facilities across the city and county and it is assumed that the Data Centre currently located on B3 will not be located within the main office buildings. The Public Sector IT group is progressing a workstream looking at the potential for a joint facility.

The health sector appears to offer the most immediate potential for joint working with the PCT and hospitals in discussion regarding their future demand for offices. UHL are looking to move some non-clinical staff off their 3 primary sites to enable expansion and co-location of clinical activities in these locations. Further meetings are scheduled to look at what could be moved. Hopefully this will enable an assessment of the numbers of staff involved. Our strategy therefore needs to be flexible enough to be able to adapt to opportunities with partners.

Service transformation

The accommodation project includes a redesign of services being reliant upon the introduction of new ways of working supported by IT investment thereby impacting on the property assets required to support it. Agile working is a partnership between people, places and technology. It is about delivering the best services to our customers and creating better environments for our employees that are suitable for the different types of activities undertaken by them, thereby helping them to work in more creative ways, whilst reducing the overall cost of property to the authority. In addition the project will focus on the customer and how they are best served in communities and by doing so will define the services and staff who deliver from a city centre base with direct impact on the number of staff who will remain centrally based.

Regeneration

A further critical factor in assessing options is the regeneration impact accruing from proposals. NWC currently houses a large workforce on the southern periphery of the city's retail centre and is an important anchor for this end of the city centre. Any move of staff from this location, whether temporary decant or permanent, will have a detrimental impact on this part of the city centre which is to be compared with the benefits accruing to the location the staff move to. It is important therefore if the preferred option involves the Council vacating the NWC site that along side development of the preferred option the future use of the NWC site is considered and options developed based on the market demand and potential alternative planning uses in order to mitigate to as great an extent as possible the negative effect of the Council's move on the area. Current possible alternative uses include car parking or student accommodation. The costings also include a sum for a sustainable development legacy to fund an interim use on the NWC site were there to be a time lag between Council relocation and a subsequent use. There is also potential positive regeneration within neighbourhoods with a move of staff and investment in communities.

Environmental sustainability

An important factor in appraising options is the carbon agenda and the ability of the built solutions to provide energy efficiency and be an exemplar of best practice. NWC is currently very inefficient in terms of energy use and savings of over 50% in carbon emissions is a minimum requirement with new build options striving for BREEAM 'excellent' and refurbishment for 'very good'.

As mentioned above, if temporarily vacant, the New Walk Centre site would provide the Council with an opportunity to implement some form of temporary use of the site such as an urban food growing project and thereby further demonstrate its commitment to local sustainable development. The highly successful Urban Farming Project in Middlesborough is an example of what can be achieved. Middlesborough Council turned over land to an initial eight month food growing project that culminated in 8,000 people sharing a meal made from the food that had been grown. The partnership project achieved very high levels of community participation, educated people about diet and food growing and was a practical response to increasing food prices and food miles. The success of the Middlesborough project can be replicated in Leicester with a suitable budget and provision of £300,000 has been included within the demolition costings.

Background

In support of the transformation agenda, the office strategy can review our built assets to ensure a cost and carbon efficient portfolio, drive change in our use of these assets through modern ways of working and provide a customer orientated solution. Appendix I outlines aspirations, key enablers and non negotiables that will need to be in place to achieve this transformation and includes paragraphs on work undertaken with partners to look for sharing opportunities, how the office strategy can promote service transformation, issues around regeneration and environmental sustainability.

To date the office programme has completed the move of Members to the Town Hall, the refurbishment of Sovereign House, 16 New Walk, Phoenix House, parts of Greyfriars and Floors BG, B1, B7, A1 and A2 in NWC. In addition fitting out works were undertaken at Wellington House and a new public reception area provided there and at A Block and Phoenix House. Other works under the programme have included urgent actions to safeguard the operation of the Council's Data Centre and the purchase of the former Post Office building on Bishop Street with a view to conversion to provide a new Customer Service Centre for the Council. Consultants DEGW were commissioned to look at the demand side of our accommodation needs and modelled work styles for Council staff. To date £11,028,807 of the budget has been spent from an allocation of £29,676,000. The programme has enabled the release of Mansion House and Welford House from the office portfolio, giving an annual revenue saving of £365,000.

At its meeting on 12th July 2010 Cabinet considered a report on the structure of NWC which concluded that the structure falls short of the recommendation in current codes in terms of the current loading. The buildings therefore need structural strengthening to take full office loadings, although it is the engineer's opinion that the buildings have sufficient redundant strength to continue to be used safely while strengthening works are designed and procured, subject to the rigorous ongoing management of the loads within the buildings and the 'no imposed load zones' identified. Works are to be designed and procured by July 2011.

Cabinet noted these conclusions and the commencement of an options appraisal project in response to them to consider the options available to the Council in future provision of offices.

The Council's central office estate is currently provided from the following buildings:-

New Walk Centre	Eagle House
Town Hall	York House
Sovereign House	10 York Road
Phoenix House	Collegiate House
16 New Walk	Marlborough House
1/5 Greyfriars	Wellington House

Greyfriars rear buildings

This is a mixed portfolio in terms of building types and ages, tenure (freehold and leasehold) and suitability to meet the needs of modern office use. The buildings currently house approximately 3,100 staff and the diversity of the portfolio results in inefficiencies in terms of space usage and carbon footprint. From the existing portfolio it is felt that Sovereign House, 16 New Walk and Phoenix House would be the most advantageous to retain as they are freehold owned, have benefited from some refurbishment and are suitable for modern working.

There are six factors which have now come together to provide the Council's anticipated space demand budget into the future, which has been adopted to judge accommodation options against.

- 1) Space planning work undertaken in 2008 and now updated
- 2) Impact of proposed substantial budget reductions which will reduce staff numbers into the future
- 3) Impact of neighbourhood working project on city centre based staff numbers
- 4) Requirements of partners
- 5) Space standards adopted
- 6) Customer access requirements

This appendix includes details of the space standards and other assumption adopted in determining a future provision of 19,509 sq ms net internal area of accommodation upon which all options have been based. This gives a 50% reduction on the current area occupied. The space will house a city centre staff 25% reduced on existing numbers and a further 3,220 sq ms could be saved if workstation sharing at a 7:10 ratio could be achieved with improved ICT tools enabling greater sharing. Space demand is currently mapped at approximately 8.5:10.

The options all assume the IT data centre and Creativity print service will not be included within the office estate and that training facilities are at present provided for within the footprint. Continued works with partners may enable this space to be released should a suitable shared training venue be identified. All options include retention of the Town Hall with its current activities. For options that retain a presence at NWC site, it is assumed that Customer Services Centre will remain there, for other options, in view of their "off centre" locations, it is assumed that the Bishop Street building will be used. In all of the options the new main HQ building will not meet all the Council city centre needs and some buildings from the existing city centre presence will be retained in each option.

Option 1 - Refurbishment and strengthening of NWC

The strengthening and refurbishment of NWC would enable most of the Council's future office needs to be fulfilled in one location. The retention of one further building would fulfil the requirement and for the purposes of appraisal Phoenix House has been chosen due to its size and location.

Two possible methodologies have been considered for strengthening, the use of an internal steelwork solution and an alternative post tension solution. In terms of programme and disruption (both solutions would require complete vacation of the building being worked on and hence require considerable decant and hence considerable disruption to the business) the methods are similar and for the appraisal of this option the steelwork alternative has been used with the exclusion of renewal of the façade. This would add approximately £5m to the cost. Each option includes for strengthening of the Piazza.

The refurbishment has been costed for three different specifications and for comparison with other options ii) has been used. Option iii) would only deal with structure and leave the other problems with the building's remaining.

- i. full refurbishment and strengthening including complete renewal of façade.
- ii. full refurbishment and strengthening excluding renewal of façade.
- iii. Strengthening and basic refurbishment excluding renewal of all plant, machinery and services.

All the options assume a start on site in January 2012 to allow for necessary decant, planning and third party negotiation.

Advantages of this option

- Prime, landmark city centre site where the Council is already established.
- Good access to some bus routes, nearby car parks and reasonable access to railway station.
- Provides a suitable location for improved customer services centre.
- Retains substantial workforce in part of the city centre where this loss would have a significant detrimental impact on the vitality of the local economy of that area. The Council staff underpin the footfall and commercial activity of this quadrant of the city centre which currently helps to balance against the 'shift' of activity towards Highcross.
- Location gives opportunity to include income generating uses (some form of retail and café etc.) which would help to improve activity, townscape and commercial vibrancy of the areas.
- Council departure from the site would require a substantial, high density replacement of mixed uses capable of retaining a large population and in the current climate it is difficult to envisage what uses these could be and Council retention avoids the possibility of the site remaining vacant or underdeveloped for a significant period. Possible car parking or student use.
- The site is in Council ownership and the scheme can be delivered without involvement of third party land owners except for decant purposes.

Disadvantages of this option

- Substantial disruption with complete block needed to be vacated while undergoing works. While some staff could be housed in other Council buildings or those of partners, it is inevitable that temporary decant space will need to be rented.
- NWC car park out of action for the period of the works.
- Majority of portfolio within the 2 blocks, therefore limited flexibility for meeting future contraction in Council size.
- This costed scheme does not include for replacement of the façade and externally the building will appear little changed, giving little understanding to the public of value for money and no change to Council profile.

Option 2 - New build on Dover Street car park site

The Dover Street car park site is in Council ownership and could house a new build office development of approximately 20,805 sq ms. However, to seek a value for money option it is proposed to have a new build of 11,117 sq ms with other buildings retained. While the site could be enhanced by the acquisition of adjacent property interests, it is capable of development in isolation and forms the basis of this option. The site is hidden behind properties that front onto Granby Street and therefore has no major public profile and may not be suitable for customer services. For this reason the Bishop Street property is included in the option for customer services provision.

Advantages of this option

- New build gives ability to provide an exemplar design which meets the Council's carbon reduction expectations and can best suit the needs of modern working.
- Location is on the edge of the New Business Quarter and the development would support delivery.
- Site is in heart of city centre, close to a key pedestrian route and would create greater activity in the vicinity.
- Potential to help enhance pedestrian routes and connectivity between Granby Street and New Walk area, possibly with enhanced bus route and amenity space.
- Site is cleared for development although in car park use. Design could include for some car park replacement.
- Capacity for high density development with some opportunity for integrating other income generating uses.
- Good access to city centre services and facilities.
- No decant requirement.

Disadvantages of this option

- Current bus access limited to a few routes.
- Would need to deal with third parties to enhance site and provide a comprehensive development.
- Possible loss of car park income - £228,000 pa net.
- Backwater feel to site.
- The regeneration benefits of relocation here could be outweighed by disbenefits to the NWC site and adjoining area.

While this option is site specific to Dover Street, the financial impact would be similar for alternative sites within the city which the Council could look to acquire for new build. There would be added cost for site acquisition and both project and programme uncertainly should a new build on an alternative site be progressed.

From a past site identification exercise undertaken in 2007 (OJEU adverts placed seeking alternative sites), a number of sites with potential to be developed with offices of this size were identified and remain undeveloped. Should this option be preferred, then the Council would need to consider whether a further advertising exercise be undertaken or whether the Council may seek to identify a preferred location and negotiate with land owner accordingly.

Options 3 - Acquisition and refurbishment of Mercury building

This option provides for the acquisition and refurbishment of the Mercury building. The pros and cons of a move away from NWC are as outlined in options 1 and 2 above.

The option involves acquisition of a building and therefore requires agreement with a third party and unlike option 1 and 2 is not completely within the Council's control to achieve. This provides a level of uncertainty on achievability and programme.

The option is modelled on achieving a refurbished building of approximately 10,767 sq m thereby requiring retention of other existing buildings within the portfolio. Similar to option 2 Bishop Street is retained in these options for customer services.

Advantages of this option

- No decant requirement.
- Location adjacent to the New Business Quarter and Cultural Quarter will support delivery.
- High profile building would raise Council profile.
- Potential to negotiate improved price from that quoted which costs based upon.

Disadvantages of this option

- Requires negotiation with a third party.

- Third party are required to vacate to a timescale acceptable to structural engineers' view of NWC.
- Costs as presented are based upon those supplied by a 3rd party.
- Will lead to NWC being vacated with negative impact on that part of city centre.

Option 4 - Refurbishment of NWC A Block only and retention of other buildings

This option looks to provide a reduced cost version of option 1 by only seeking to refurbish and retain A Block with the additional space required provided through the retention of other buildings within the existing estate. It would be intended that B Block then be sold for refurbishment or demolition and redevelopment.

The reverse option of retaining B Block has been considered but because of its smaller size it would require retention of the majority of the remaining estate including buildings which would not support modern working and this option has not been progressed.

The A Block option would require decant but would retain the benefits of option 1 regarding the Council continued use of the NWC site.

The costed scheme does not include for replacement of the façade and externally the building will appear little changed.

Advantages of this option

- Prime, landmark city centre site where the Council is already established.
- Good access to some bus routes, nearby car parks and reasonable access to railway station.
- Provides a suitable location for improved customer services centre.
- Retains substantial workforce in part of the city centre where this loss would have a significant detrimental impact on the vitality of the local economy of that area. The Council staff underpin the footfall and commercial activity of this quadrant of the city centre which currently helps to balance against the 'shift' of activity towards Highcross.
- Location gives opportunity to include income generating uses (some form of retail and café etc.) which would help to improve activity, townscape and commercial vibrancy of the areas.
- The site is in Council ownership and the scheme can be delivered without involvement of third party land owners except for decant purposes.

Disadvantages of this option

- Substantial disruption with complete block needed to be vacated while undergoing works. While some staff could be housed in other Council buildings or those of partners, it is inevitable that temporary decant space will need to be rented.
- NWC car park out of action for the period of the works.

- This costed scheme does not include for replacement of the façade and externally the building will appear little changed, giving little understanding to the public of value for money and no change to Council profile.

Option 5 - New Build on NWC site

This option involves the demolition of B Block, the redevelopment of the cleared site with a new office of equivalent size to that outlined for Dover Street in option 2 above, retention of similar additional buildings and the eventual sale (demolition) of A Block.

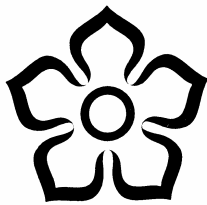
This option again retains the advantages outlined in option 1 with the Council remaining on NWC site, requires a reduced decant as fewer staff are housed in B Block and provides the A Block site with its frontage to Welford Road for complementary development. The benefits of new build offices as outlined in option 2 would also be achieved.

The programme for this option is dependant upon the relocation of the data centre being completed prior to demolition of B Block being undertaken.

Other buildings retained would be Sovereign House, 16 New Walk, Phoenix House, Wellington House and part of York House.

Scores against assessment criteria

Option 1	323
Option 2	336
Option 3	357
Option 4	338
Option 5	322



Leicester
City Council

SECOND DESPATCH

CABINET – 7 February 2011

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

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, as the report has only recently been finalised and cannot be deferred because to do so would avoid a delay in implementation and result in subsequent costs to the Council.

IMPLEMENTING THE LOCAL PAY AND GRADING REVIEW (SINGLE STATUS)

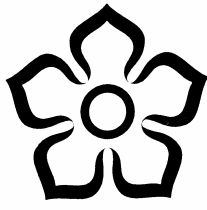
AOUB B1

Councillor Dawood submits a report.

Report attached for Cabinet Members only

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

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Leicester
City Council

THIRD DESPATCH

CABINET – 7 February 2011

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

CHILDREN AND YOUNG PEOPLE SERVICES CAPITAL PROGRAMME 2010/11: ADDITIONAL PROJECTS **Appendix A**

A minute extract from the meeting of the Children and Young People Scrutiny Committee held on 31 January is attached. The Committee resolved as follows:

RESOLVED:

that the report be noted and the recommendations for Cabinet endorsed

RUSHEY MEAD SPORTS AND SCIENCE SCHOOL REQUEST FOR APPROVAL TO SUBMIT THE BUILDING SCHOOLS FOR THE FUTURE FINAL BUSINESS CASE TO PARTNERSHIPS FOR SCHOOLS **Appendix B**

A minute extract from the meeting of the Children and Young People Scrutiny Committee held on 31 January is attached. The Committee resolved as follows:

RESOLVED:

that the report be noted and the recommendations for Cabinet endorsed

SUB REGIONAL ECONOMIC DEVELOPMENT REVIEW **Appendix C**

A minute extract from the meeting of the Overview and Scrutiny Management Board held on 3 February 2011 is attached. The Committee resolved as follows:

RESOLVED:

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

ASHTON GREEN STAGE 2 **Appendix D**

A minute extract from the meeting of the Overview and Scrutiny Management Board held on 3 February 2011 is attached. The Committee resolved as follows:

RESOLVED:

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

**WATERCOURSE MAINTENANCE AND IMPROVEMENT -
CAPITAL PROGRAMME FOR 2010/2011**

Appendix E

A minute extract from the meeting of the Overview and Scrutiny Management Board held on 3 February 2011 is attached. The Committee resolved as follows:

RESOLVED:

that the report be noted.

OFFICE ACCOMMODATION STRATEGY

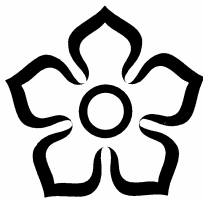
Appendix G

A minute extract from the meeting of the Overview and Scrutiny Management Board held on 3 February 2011 is attached. The Committee resolved as follows:

RESOLVED:

- (1) that Cabinet be asked to agree to refer the final decision for selecting a preferred option to Full Council; and
- (2) that a report which provides greater detail on the IT transformational change programme be brought to the Board.

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



Leicester
City Council

APPENDIX A

Minute Extract

Minutes of the Meeting of the
CHILDREN AND YOUNG PEOPLE SCRUTINY COMMITTEE

Held: MONDAY, 31 JANUARY 2011 at 5.30 pm

PRESENT

Councillor Corrall – Chair
Councillor Senior – Vice-Chair

Councillor Cleaver
Councillor Johnson

Councillor Potter
Councillor Suleman

Co-opted Members

Mr Edward Hayes - Roman Catholic Diocese

Also In Attendance

Councillor Dempster Cabinet Lead Member for Children and Schools

Phil Fuller – Youth Representative
Will Hough – Youth Representative
Mu-Hamid Pathan – Youth Representative

71. DECLARATIONS OF INTEREST

Members were asked to declare any interests they had in the business on the agenda, and/or indicate that Section 106 of the Local Government Finance Act 1992 applied to them.

Councillor Cleaver declared a personal non prejudicial interest in item 7. 'Any Other Urgent Business – Capital Programme 2010/11', as she was the Chair of Goldhill Adventure Playground.

Councillor Mugglestone declared a personal non prejudicial interest in item 7. 'Any Other Urgent Business – Capital Programme 2010/11', as he was a school governor at Uplands Infant School.

Councillor Potter declared a personal non prejudicial interest in item 6, '2011/12 Budget Proposal – Investing In Our Children', as she had a child in mainstream education and in item 'Any Other Urgent Business – Rushey Mead

Business Case', as she was the Chair of the Planning and Development Control Committee.

Councillor Senior declared a personal non prejudicial interest in item 6, '2011/12 Budget Proposal – Investing In Our Children', as she worked in the Voluntary Sector and her husband was an employee of the Council, although not directly linked to Children's Services.

75. ANY OTHER URGENT BUSINESS

CAPITAL PROGRAMME 2010/11: ADDITIONAL PROJECTS

Under Scrutiny Procedure Rule 15, (Part 4E of the Council's Constitution), the Chair agreed to accept the following item as urgent business on the grounds that details of the final allocation of funding for Leicester City Council following the Comprehensive Spending Review (CSR) were received very late and as a result approval for capital spend must move forward quickly since a significant amount of this capital must be spent by March or August this year. It was necessary to allow its consideration before it was presented to Cabinet.

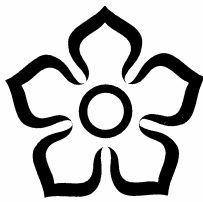
The Strategic Director, Children, submitted a report which sought to include additional projects to Children and Young People Services Capital Programme 2010/11.

The Director, Property, commented that the proposals would be effective immediately. The proposals were to ensure spend for the 2010/11 financial year, although costs for repairs and maintenance would need to be from future capital and revenue allocation.

A Member queried the allocation to Alderman Richard Hallam to improve the school's kitchen and dining facilities and if any schools were not receiving the opportunity. In response it was explained that the Department of Education had confirmed that the kitchen funding originally allocated to Crown Hills Community College could be utilised for an additional primary project as the BSF project at Crown Hills would not start in time for the kitchen grant to be used. There was one remaining reserve project that had not received funds.

RESOLVED:

that the report be noted and the recommendations for Cabinet endorsed.



Leicester
City Council

APPENDIX B

Minute Extract

Minutes of the Meeting of the
CHILDREN AND YOUNG PEOPLE SCRUTINY COMMITTEE

Held: MONDAY, 31 JANUARY 2011 at 5.30 pm

PRESENT

Councillor Corrall – Chair
Councillor Senior – Vice-Chair

Councillor Cleaver
Councillor Johnson

Councillor Potter
Councillor Suleman

Co-opted Members

Mr Edward Hayes - Roman Catholic Diocese

Also In Attendance

Councillor Dempster Cabinet Lead Member for Children and Schools

Phil Fuller – Youth Representative
Will Hough – Youth Representative
Mu-Hamid Pathan – Youth Representative

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71. DECLARATIONS OF INTEREST

Members were asked to declare any interests they had in the business on the agenda, and/or indicate that Section 106 of the Local Government Finance Act 1992 applied to them.

Councillor Cleaver declared a personal non prejudicial interest in item 7. 'Any Other Urgent Business – Capital Programme 2010/11', as she was the Chair of Goldhill Adventure Playground.

Councillor Mugglestone declared a personal non prejudicial interest in item 7. 'Any Other Urgent Business – Capital Programme 2010/11', as he was a school governor at Uplands Infant School.

Councillor Potter declared a personal non prejudicial interest in item 6, '2011/12 Budget Proposal – Investing In Our Children', as she had a child in

mainstream education and in item 'Any Other Urgent Business – Rushey Mead Business Case', as she was the Chair of the Planning and Development Control Committee.

Councillor Senior declared a personal non prejudicial interest in item 6, '2011/12 Budget Proposal – Investing In Our Children', as she worked in the Voluntary Sector and her husband was an employee of the Council, although not directly linked to Children's Services.

75. ANY OTHER URGENT BUSINESS

RUSHEY MEAD SPORTS AND SCIENCE SCHOOL – REQUEST FOR APPROVAL TO SUBMIT THE BUILDING SCHOOLS FOR THE FUTURE FINAL BUSINESS CASE TO PARTNERSHIP FOR SCHOOLS

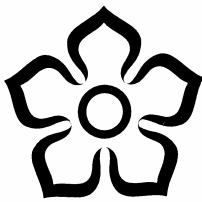
Under Scrutiny Procedure Rule 15, (Part 4E of the Council's Constitution), the Chair agreed to accept the following item as urgent business on the grounds that the last minute approval for the revised capital spend on Building Schools for the Future (BSF) was received from the Secretary of State just before Christmas. Once the approval was received and so not to delay the BSF programme any further considerable work had been carried out to finalise the contracts associated with the projects and it was important that Cabinet approval was received to proceed to Financial Close when further approval from Cabinet to spend would be needed. It was necessary to allow the Committee consideration before it was presented to Cabinet.

The Strategic Director, Children, submitted a report that sought to update members on the position of the Rushey Mead Sports and Science School Final Business Case and secure Cabinet approval to submit to Partnership for Schools.

A Member queried if the s106 developers' contributions was secure. In response it was explained that this had been reduced to £300,000 compared to earlier plans and that it was secure.

RESOLVED:

that the report be noted and the recommendations for Cabinet endorsed.



Leicester
City Council

APPENDIX C

Minute Extract

Minutes of the Meeting of the OVERVIEW AND SCRUTINY MANAGEMENT BOARD

Held: THURSDAY, 3 FEBRUARY 2011 at 7:00pm

P.R.E.S.E.N.T.

Councillor Grant – Chair
Councillor Bhavsar – Vice-Chair

Councillor Aqbany Councillor Bajaj
Councillor Johnson (for Cllr Scuplak) Councillor Kitterick (for Cllr Clair)
Councillor Newcombe Councillor Potter (for Cllr Joshi)

Councillor Suleman

* * * * *

140. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Clair, Joshi and Scuplak.

141. DECLARATIONS OF INTEREST

Members were asked to declare any interests they had the business on the agenda, and/or indicate that Section 106 of the Local Government Finance Act 1992 applied to them.

No such interests were declared.

150. SUB REGIONAL ECONOMIC DEVELOPMENT REVIEW

The Strategic Director, Development, Culture and Regeneration, submitted a report that updated members on the development of a new approach to support economic development in the Leicester and Leicestershire sub-region, including the establishment of a Local Enterprise Partnership and a Single Delivery Vehicle (combining Prospect Leicestershire and Leicestershire Promotions).

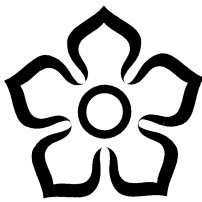
The Strategic Director, Development, Culture and Regeneration, stated that this report recommended the combination of Leicestershire Promotions and

Prospect Leicestershire into a single company. Members heard that several details of the changes were still to be confirmed which included chairing arrangements and the name of the new company.

It was questioned whether the change of arrangements could lead to the Council being liable for paying the rent of the existing Prospect Leicestershire premises in Colton Square. In response, members heard that the lease was held by Leicestershire County Council, but the City had a commitment to sharing that responsibility. Officers were optimistic that the building would be sub-let.

RESOLVED:

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



Leicester
City Council

APPENDIX D

MINUTE EXTRACT

Minutes of the Meeting of the
OVERVIEW AND SCRUTINY MANAGEMENT BOARD

Held: THURSDAY, 3 FEBRUARY 2011 at 7:00pm

P.R.E.S.E.N.T.

Councillor Grant – Chair
Councillor Bhavsar – Vice-Chair

Councillor Aqbany	Councillor Bajaj
Councillor Johnson (for Cllr Scuplak)	Councillor Kitterick (for Cllr Clair)
Councillor Newcombe	Councillor Potter (for Cllr Joshi)

Councillor Suleman

140. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Clair, Joshi and Scuplak.

141. DECLARATIONS OF INTEREST

Members were asked to declare any interests they had the business on the agenda, and/or indicate that Section 106 of the Local Government Finance Act 1992 applied to them.

No such interests were declared.

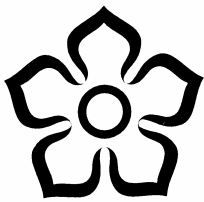
149. ASHTON GREEN - STAGE 2

The Director of Planning and Economic Development submitted a report that asked the Board to consider stage 2 of the Ashton Green project following outline planning approval at Planning Committee.

The Ashton Green Project Manager stated that this report considered the best way to support the project through the developer procurement stage to enable land disposals and a potential start on site from 2012/13 onwards. Members heard that officer would now work to secure a developer to implement the scheme.

RESOLVED: that the report be noted and the recommendations contained within it be endorsed

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Leicester
City Council

APPENDIX E

MINUTE EXTRACT

Minutes of the Meeting of the
OVERVIEW AND SCRUTINY MANAGEMENT BOARD

Held: THURSDAY, 3 FEBRUARY 2011 at 7:00pm

P.R.E.S.E.N.T.

Councillor Grant – Chair
Councillor Bhavsar – Vice-Chair

Councillor Aqbany	Councillor Bajaj
Councillor Johnson (for Cllr Scuplak)	Councillor Kitterick (for Cllr Clair)
Councillor Newcombe	Councillor Potter (for Cllr Joshi)

Councillor Suleman

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140. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Clair, Joshi and Scuplak.

141. DECLARATIONS OF INTEREST

Members were asked to declare any interests they had the business on the agenda, and/or indicate that Section 106 of the Local Government Finance Act 1992 applied to them.

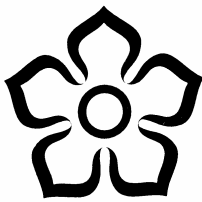
No such interests were declared.

147. WATERCOURSE MAINTENANCE AND IMPROVEMENT - CAPITAL PROGRAMME FOR 2010/11

The Strategic Director, Development, Culture and Regeneration, submitted a report that sought the Board's consideration of the 2010/11 Watercourse Improvement budgets.

RESOLVED:
that the report be noted.

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Leicester
City Council

APPENDIX G

MINUTE EXTRACT

Minutes of the Meeting of the
OVERVIEW AND SCRUTINY MANAGEMENT BOARD

Held: THURSDAY, 3 FEBRUARY 2011 at 7:00pm

P.R.E.S.E.N.T.

Councillor Grant – Chair
Councillor Bhavsar – Vice-Chair

Councillor Aqbany	Councillor Bajaj
Councillor Johnson (for Cllr Scuplak)	Councillor Kitterick (for Cllr Clair)
Councillor Newcombe	Councillor Potter (for Cllr Joshi)

Councillor Suleman

* * * * *

140. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Clair, Joshi and Scuplak.

141. DECLARATIONS OF INTEREST

Members were asked to declare any interests they had the business on the agenda, and/or indicate that Section 106 of the Local Government Finance Act 1992 applied to them.

No such interests were declared.

146. ACCOMMODATION STRATEGY

The Strategic Director, Development, Regeneration and Culture submitted a report that outlined why the Council needed to address the structural problems of New Walk Centre (NWC) and explained how making a positive decision in the current financial climate would unlock funding for other purposes and act as a catalyst for redefining the Council's offer to the people of Leicester, changing the nature of public service into the future.

The Strategic Director, Development, Regeneration and Culture, introduced the report and stated that a rigorous options appraisal in connection with office accommodation for staff had taken place, and that the report sought approval

for further work to commence in relation option 3 (acquisition and refurbishment of the mercury building with retention of other buildings) and option 4 (structural strengthening and refurbishment of A Block only and retention of other buildings, with demolition/sale of B Block to then follow)

Members generally expressed concern around the recommendation for the Chief Executive Officer in consultation with the Leader to select between options 3 and 4 at the end of the extended appraisal period. Councillor Grant, seconded by Councillor Suleman moved that the decision to select the preferred option be taken by full Council. Upon being put to the vote, the motion was CARRIED.

It was felt that a move away from New Walk Centre could serve a heavy negative impact on businesses in the Market Street and Belvoir Street area. Members suggested that further work in relation to the consequences of this be further explored.

Several members expressed concern around whether a robust procurement exercise had been performed. It was commented that as part of the exercise to score the various options, option 2 received two points less than option 4 , but that no justification for not proceeding with this option had been provided.

Concern was also expressed that a recommendation was presented around releasing £1.65m to fund the IT transformational change programme without wider context of this being provided to members. In light of the amount of money in question, Councillor Grant, seconded by Councillor Suleman, moved that a separate report which provided greater detail in respect of the £1.65m required to fund the IT transformational change programme be brought to the Board. Upon being put to the vote, the motion was CARRIED

RESOLVED:

- (1) That Cabinet be asked to agree to refer the final decision for selecting a preferred option to Full Council; and
- (2) That a report which provides greater detail on the IT transformational change programme be brought to the Board.