



Leicester
City Council

Minutes of the Meeting of the
CABINET

Held: MONDAY, 1 MARCH 2004 at 5.00pm

P R E S E N T :

Councillor R. Blackmore - Chair
Councillor Johnson - Vice-Chair

Councillor Coley
Councillor Hunt

Councillor Mugglestone
Councillor Scuplak

Councillor Suleman

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206. DECLARATIONS OF INTEREST

Members were 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 applied to them.

There were no declarations.

207. LEADER'S ANNOUNCEMENTS

Fair Trade Fortnight

The Leader informed the meeting that he attended the opening ceremony of Leicester's Fair Trade Fortnight at the Guildhall. He noted that a number of events were taking place to promote Fair Trade and this included a breakfast event at the Environ Eco-House on the forthcoming Sunday.

208. MINUTES OF PREVIOUS MEETING

RESOLVED:

that the minutes of the ordinary meeting of Cabinet held on 2 February 2004 and the special meeting held on 23 February, having been circulated to Members, be taken as read and signed by the Chair as a correct record.

209. MATTERS REFERRED FROM SCRUTINY COMMITTEES

The Cabinet received the following item from Scrutiny Committees:-

FINANCE, RESOURCES AND EQUAL OPPORTUNITIES SCRUTINY COMMITTEE – 22 JANUARY 2004

Revenue Budget Monitoring 2003/04 – Period 7

The Committee resolved the following at the above meeting:-

- *that the Cabinet be asked to look at achieving any in year savings in the Cultural Services and Neighbourhood Renewal Department.*

Councillor Mugglestone noted the issue raised by the Committee and commented that efficiency was a cornerstone of the current administration and one of the key issues he discussed during his weekly meetings with the Corporate Director.

He therefore asked the Cabinet to note the current position as detailed in the Officer's advice report.

RESOLVED:

that the current position be noted.

210. LEICESTER WEST TRANSPORT SCHEME

Councillor Hunt submitted a report seeking approval to submit the Leicester West Transport Scheme bid for funding to the Department of Transport. The report outlined the details of the scheme and the results of the public consultation.

The relevant minutes extract from the Highways and Transportation Scrutiny Committee held on 26 February 2004 was circulated to the Cabinet. Councillor Hunt noted that these showed the differences between the two options under consideration were finely balanced. The sites under consideration were known as site 29, the land bounded by the Great Central Way, Soar Valley Way and Lutterworth Road which has housing to the east and north. Site 33 was the other option which was to the South of Soar Valley Way. He also referred to the public consultation, which indicated that site 29, was the least worst option.

The Service Director, Highways and Transportation reported the final results of the consultation. These were as follows:-

1740 leaflets and questionnaires were distributed
400 were returned (23% response rate)

Site A (29)

Approximately 22% of respondents agree/strongly agree that site A (29) was appropriate for Park & Ride
75% disagree of which 64% strongly disagree)

Site B (33)

Approximately 10% of respondents agree / strongly agree that site B (33) was

appropriate for Park & Ride
86% disagree (of which 73% strongly disagree)

Letters of Objection

16 letters of objection had been received from the public. This included one from Jim Marshall MP in which he expressed particular concerns about a dual carriageway linking Soar Valley Way and Lutterworth Road. It was noted that the proposal was for a single carriage roadway.

RESOLVED:

- (1) that the submission of a joint bid for funding with Leicestershire County Council for the Leicester West Transport Scheme be authorised, to include site 29 as the Park and Ride site in Aylestone; and the Corporate Director of Regeneration and Culture be authorised in conjunction with the Head of Legal Services to settle the form and nature of the said application;
- (2) that the Corporate Director of Regeneration & Culture be authorised in conjunction with the Head of Legal Services to settle the form and content of any necessary joint management or implementation agreements and related planning applications and construction contracts;
- (3) to note that the Corporate Director of Regeneration & Culture would submit a future report to Cabinet when full cost and time information was available; and
- (4) that the above decisions are urgent because the “bid” has to go to the Department for Transport on 2 March 2004; and that Cabinet procedure rule 12.d (that no call in may be made if the Cabinet decides when making a decision that the matter is urgent for specified reasons) shall apply.

211. CREMATORIUM PROVISION IN LEICESTER

Councillor Mugglestone submitted a report seeking guidance from the Cabinet on future crematorium provision in Leicester. The report responded to a strategic review of the Burial and Cremation Service undertaken during 2003. The review was undertaken primarily to establish the extent to which current cemetery and crematorium resources were addressing service needs and the actions necessary to provide appropriate service provision for the next 30 years.

Councillor Mugglestone noted that existing crematorium provision didn't meet the requirements of all of Leicester's communities. Consideration was given to a number of sites and the preferred option was the Enderby site due to a range of factors. He noted the potential difficulties with regard to the lack of support for this proposal from Blaby District Council, but commented that this land has

been designated suitable for a crematorium for many years.

Councillor Mugglestone then stated that he would not be recommending the Officers recommendations contained within the report but proposed a further recommendation, to be Option 5.

The relevant minutes extract from the Arts, Leisure and Environment Scrutiny Committee held on December 2003 was attached to the report.

RESOLVED:

that the development of a new crematorium be supported in principle, not on City Council owned land while pursuing the future development of a new crematorium at the reserved Enderby Site and market this with the benefit of planning consent for the development of a crematorium.

212. NEW AFFORDABLE HOUSING

Councillor Blackmore submitted a report seeking agreement for how to provide new affordable housing in Leicester. He noted that Council's were unable to build new housing and this proposal, for an arms length company to build affordable housing was a new approach.

The Corporate Director of Housing noted that research had shown there was a shortage of approximately 600 affordable homes each year. The proposal for a new company was in response to a change in policy by the Regional Housing Board and it allowed the Council to respond to the shortage of affordable homes within Leicester.

The relevant minutes extract from the Housing Scrutiny Committee held on 12 February 2004 was attached to the report. The Corporate Director of Housing noted the Committee had concerns regarding what control the Council would retain over the new company. In response to this he stated that the Council would be including conditions in the financial support and property disposals as well as the Memorandum of Association which would limit the companies activities. The Council would also have one representative on the company's board. He also noted that the Scrutiny Committee gave their support to the creation of the company.

RESOLVED:

- (1) that a not for profit company be set up to create new affordable housing in Leicester as described in the report, subject to the Corporate Director of Housing and Chief Financial Officer, in consultation with the Cabinet Link member for Housing, agreeing that a viable business case exists; and that the detailed legal framework can be set up so as to properly safeguard the Councils and tenants interests;
- (2) that a well being grant of up to £10,000 be provided to the

new company from the Housing General Fund for setting up the new company;

- (3) that the Corporate Director of Housing be given delegated authority, in consultation with the Cabinet Link Member for Housing, to sell dilapidated, non tenanted Housing Revenue Account property at less than market value, with nomination rights and apply capital receipts from those sales and those at market value for investment in the Housing Capital Programme, where the law allows or where government consent is given.

213. CRIME AND DISORDER BEST VALUE IMPROVEMENT PLAN

Councillor Hunt submitted a report presenting an Improvement Plan to strengthen the City Council's contribution to crime reduction in Leicester. He noted that in recent years crime in Leicester had been falling significantly and this Plan was a response to the recent slight upward trend in crime figures.

The relevant minutes extract from the Housing Scrutiny Committee meeting held on 15 January 2004 was circulated to the Cabinet.

RESOLVED:

- (1) that the Best Value Improvement Plan appended to the report, be approved;
- (2) that the corporate policy, adopted since 2001, of allocating £100,000 annual revenue growth to crime and disorder activities, in the annual budget, be noted, and approval be given in principle to continue to recommend this to Council;
- (3) that the needs of the Best Value Improvement Plan be considered when allocating the £100,000, approved for 2004/05, noting that the improvement plan is dependent on this for resources.

214. CAPITAL PROGRAMME 2003/04 PLAYGROUND AND KICKABOUT AREAS

Councillor Mugglestone submitted a report requesting approval for the reallocation of Capital Funding already allocated for the development and refurbishment of kickabout areas to other areas of work identified in the report.

RESOLVED:

that the £45,000 previously allocated for kickabout refurbishment be spent on the areas of work identified in this report.

215. THE BALANCE OF FUNDING: A COMBINATION OPTION

Councillor Coley submitted a report informing the Cabinet of the Local

Government Association's recent discussion document, 'The balance of funding: a combination option'.

RESOLVED:

- (1) that the report be noted; and
- (2) that a letter be written to the Local Government Association offering support for the principle of the combination option.

216. THE EMPTY HOMES STRATEGY - COMPULSORY PURCHASE OF VARIOUS HOUSES 2004

Councillor Blackmore submitted a report recommending that Compulsory Purchase Orders be sought on a number of properties under the City Council's Empty Homes Strategy in order to secure their improvement, proper management and occupation as residential dwellings.

RESOLVED:

- (1) that the following land and dwellings outlined in the appendices to the report be made the subject of Compulsory Purchase Orders (CPOs) under sections 9 and 17 of the Housing Act 1985 and the Acquisition of Land Act 1981, in order to secure their improvement, proper management and occupation as residential dwellings:-
 - 16 Hollins Road
 - 3 Hollins Road
 - 52 Austwick Close
 - 31 Webster Road;
- (2) that the necessary capital expenditure be authorised from the Empty Homes Strategy in line with the agreed Capital Programme.

217. ANNUAL AUDIT LETTER 2002/3

Councillor Coley submitted a report introducing the Annual Audit Letter for 2002/03. The Annual Audit Letter was the District Auditor's report to the Council on the findings of the work of the Audit Commission's Joint Inspection and Audit Team.

Chris Leeland and Phil Jones from the Audit Commission were in attendance at the meeting.

Councillor Coley enquired what the view of the Audit Commission was with regard to the level of reserves which the Council should maintain. Mr Jones commented that it wasn't a straightforward process to identify a minimum level of reserves; as the Council needed to take a view of all its challenges and contingencies. He recommended that the Council should maintain at least £5 million but that the Chief Finance Officer would need to review his

recommended minimum balance in the light of all the relevant circumstances to ascertain if it was still appropriate given that it had not changed since originally recommended.

It was also noted that the Finance, Resources and Equal Opportunities Scrutiny Committee would be considering this report with the Officers from District Audit in attendance.

RESOLVED:

that the report be noted and referred to the Finance, Resources and Equal Opportunities Scrutiny Committee for its comments.

218. PRIVATE SESSION

Under the Access to Information Procedure Rule 19 of the Council's Constitution, the Chair agreed to a request from Councillor O'Brien to remain in the meeting for consideration of item B3 'Performing Arts and Convention Centre – Project Progress and Key Decisions', as a member of the Strategic Planning and Regeneration Scrutiny Committee Triumvirate.

RESOLVED:

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.

Paragraph 9

Any terms proposed or to be proposed by or to the authority in the course of negotiations for a contract for the acquisition or disposal of property or the supply of goods or services.

OLD TOWN DEVELOPMENT PARTNERSHIP

PROVISION OF DOCTOR'S SURGERY AND LIBRARY AT HAMILTON DISTRICT CENTRE

Paragraph 7

Information relating to the financial or business affairs of any particular person other than the authority.

Paragraph 9

Any terms proposed or to be proposed by or to the authority in the course of negotiations for a contract for the acquisition or disposal of property or the supply of goods or services.

Paragraph 12

Advice received, information obtained or action to be taken in connection with the determination of any matter affecting the

Authority.

PERFORMING ARTS AND CONVENTION CENTRE –
PROJECT PROGRESS AND KEY DECISIONS

219. OLD TOWN DEVELOPMENT PARTNERSHIP

Councillor Coley submitted a report reaffirming the Council's commitment to the Development Partnership with Bovis Lend Lease (BLL), and, if re-affirmed to obtain delegated authority to enter into all the necessary agreements in respect of the partnership.

RESOLVED:

- (1) that the principle of the proposed structure of the Limited Partnership be agreed and the role of the Old Town Strategic Partnership;
- (2) that as a consequence of entering into the Partnership Agreement, the City Council may be required to exercise its compulsory purchase powers for site assembly purposes (which, if required, will be the subject of a further report identifying further the risks attached to this, as referred to in the Supporting Information;
- (3) that the Corporate Director of Resources, Access and Diversity be authorised, in consultation with the Cabinet departmental links for Resources Access and Diversity, and Regeneration and Culture, to agree the matters referred to in the recommendations contained within the report; and
- (4) that the Head of Legal Services be authorised to enter into the necessary agreements.

The full decision is recorded in the private section of the Minutes as it contains exempt information as defined in Paragraph 9 of Schedule 12 of the Local Government (Access to Information) Act 1990, that is, any terms proposed or to be proposed by or to the Authority in the course of negotiations for a contract for the acquisition or disposal of property or the supply of goods or services.

220. PROVISION OF A DOCTOR'S SURGERY AND LIBRARY AT HAMILTON DISTRICT CENTRE

Councillor Coley submitted a report seeking approval to changes to the basis of agreement for the provision of a Doctor's Surgery and Library at Hamilton District Centre, which was approved by Cabinet on 10 March 2003.

RESOLVED:

- (1) that the agreements to be entered into are with GPG No. 1 Ltd., rather than General Practice Investments Ltd;
- (2) that the basis of the agreement be changed to enable the granting of a 125 year lease of the surgery site, at the outset;
- (3) that the Corporate Director of Resources, Access and Diversity in consultation with the Corporate Director of Education and Lifelong Learning and the link Members for Resources, Access and Diversity and Education and Lifelong Learning be authorised to agree any revisions to the proposed terms;
- (4) that the Head of Legal Services be authorised to enter into the necessary legal documentation.

221. PERFORMING ARTS AND CONVENTION CENTRE (PACC) PROJECT PROGRESS AND KEY DECISIONS

Councillor Mugglestone submitted a report seeking Cabinet's guidance on the way forward for the Performing Arts Centre.

RESOLVED:

- (1) that the Council proceed with the construction of the Performing Arts and Convention Centre, finalise the design and move to construction provided that prior to start on site:
 - a) the construction phase price is within the budget approved for that purpose
 - b) those sources of grant aid identified in paragraph 3.1.3 of the supporting information report, are secured unconditionally and irrevocably (subject only as to reasonable funder conditions relating to performance, outputs, drawdown, reporting and the like).
 - c) that all property interests, and consents necessary to the construction Phase, are secured or are materially risk free;
- (2) that the Corporate Director of Regeneration and Culture, in consultation with the Cabinet Link Members for Regeneration and for Cultural Services, be authorised to:
 - (i) Appoint the main construction contractor and proceed with construction works on site once a guaranteed maximum price is agreed

- (ii) Appoint a Contract Administrator
 - (iii) Extend the current design contract to complete the project
 - (iv) Appoint a fundraising team;
- (3) that, if need be, the Corporate Director of Culture and Regeneration, in consultation with the Cabinet Link Members for Regeneration and for Cultural Services, be authorised to waive the following 2 contract regulations:-
- (i) Contract Procedure rule 8.1 (A Director shall normally accept the lowest tender submitted for a contract. Ref. Appendix Two), to enable the Corporate Director of Regeneration and Culture to accept the tender that offers best value in terms of cost and quality to the Council.
 - (ii) Contract Procedure rule 10, (All contracts shall include provisions substantially corresponding to the Council's standard contract terms and conditions. Ref. Appendix Two), to enable the Corporate Director of Regeneration and Culture Services to agree the terms and conditions of the contract that are the most advantageous to the council practically and commercially available within the budget and risk parameters approved by this decision;
- (4) that an amount of up to £250,000 be allocated to enable the purchase of up to-date conferencing equipment for the flexible auditoria (paragraph 4.2.3 of the Supporting Information);
- (5) that Members of the Cultural Quarter Cabinet Sub Group lead on a structured campaign to raise the profile of the PACC to support the continued work of fundraising for the Cultural Quarter Projects (Section 7 of the Supporting Information);
- (6) that the possible sources of funding for covering the capital risk of up to £7million, as detailed in paragraphs 3.15 – 3.18 of the report, be noted and that the views of Finance, Resources and Equal Opportunities Scrutiny Committee be sought on the preferred priorities for covering the capital risk on the capital programme from these sources; and
- (7) that under the provisions of Cabinet procedure rule 12 d),

no 'call in' of the above decisions be allowed on the grounds of urgency, that being the need to move quickly to the contractual design development phase, so as to meet the timetable required by funders.

222. CLOSE OF MEETING

The meeting closed at 6.30pm.