

Leicester
City Council

WARDS AFFECTED
ALL

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Performance and Value for Money Committee
Cabinet
Full Council

15th November 2010
22nd November 2010
25th November 2010

Council Annual Report 2009/2010

Report of the Chief Executive

1. PURPOSE OF REPORT

To present the Council Annual Report 2009/2010, see attached. The report is intended to inform stakeholders of the council's progress towards fulfilling its commitment to One Leicester. The report will also fulfil statutory requirements by including the Statement of Accounts (included) and the Organisation Assurance Certificate. The State of the City report is complementary to this report and is also presented, for consideration at this meeting.

2. SUMMARY

In 2008 Leicester Partnership and the council approved One Leicester, the 25 year vision for the city. In February 2010, the Council approved One Council, the corporate plan that presents the council's contribution to One Leicester. The Council budget and the Organisation Development and Improvement Plan were approved at the same time. This report establishes the latest performance against the key outcomes in the One Council plan, in effect creating a baseline for the 2010/11 to 2013/14 plan. As most of the key outcome measures are included in the Local Area Agreement, it is also possible to identify a direction of travel, i.e. improvement or decline.

3. RECOMMENDATIONS

- 3.1. Cabinet is asked to:
- 3.2. Approve the report and recommend it to full council.
- 3.3. Note the arrangements for publication and circulation of the report.

4. REPORT

The council annual report (attached) provides an overview of performance against the key outcomes in "One Council" and uses additional measures to enhance the analysis of performance.

There are 25 key outcomes in One Council, the corporate plan. Since the document was first agreed, some supplementary measures have been included and some of the data has been revised as indicators have been improved or amended. Changes

The report will be published on the council's external and internal websites.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

There are no additional legal implications.

P. Nicholls

The Council Annual Report for 2009/10 provides a snapshot of progress towards the Council's commitment to One Leicester, and fulfils its statutory requirements by including the Statement of Accounts for 2009/10. It also provides an overview of the Council's finances and challenges that it faces in 2010/11 and beyond with the significant reductions in public finances.

Alison Greenhill

Climate Change Implications

Whilst progress has been made in recent years to reduce city-wide carbon emissions (as outlined in section 3.4) a continued effort will be required to maintain this position and to continue to reduce the city's carbon footprint to achieve the long-term targets set.

Helen Lansdown, Senior Environmental Consultant - Sustainable Procurement

6. OTHER IMPLICATIONS

OTHER IMPLICATIONS	YES/NO	Paragraph references within the report
Equal Opportunities	NO	
Policy	NO	
Sustainable and Environmental	YES	3.7; 3.8
Crime and Disorder	YES	3.9.4
Human Rights Act	NO	
Elderly/People on Low Income	YES	3.9.6
Corporate Parenting	NO	
Health Inequalities Impact	YES	3.5.2; 3.10

7. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

One Leicester
One Council
Budget

Organisation Development and Improvement Plan
LAA Performance Outturn Report
Draft Self Assessment (available on request)

8. CONSULTATIONS

Divisional Directors were consulted on the report prior to SMB
Strategic Management Board approved the report on 17th August subject to final editing.

9. REPORT AUTHOR

Margaret Frith
Partnership Executive Team
Tel 297121
Margaret.frith@leicester.gov.uk

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

LEICESTER CITY COUNCIL ANNUAL REPORT

2009/2010

This report provides the baseline position of the key priorities in the corporate plan (2010/11 to 2012/3)

DRAFT 1.2

Draft 1.1 Approved by SMB 17th August

1. Introduction

Purpose of the Report

- 1.1. The council approved One Council, the corporate plan in March 2010. This report is an assessment of past and current performance against the outcomes in this plan.
- 1.2. Delivery of our corporate plan requires us to have a financial plan underpinning our aims and priorities and which supports us to make the best use of our resources. This report therefore also includes a summary of how we spend our financial resources and provide value for money services.
- 1.3. Our Organisation Development and Improvement Plan sits alongside our corporate plan and financial strategy. It helps to ensure we have an organisation which is efficient and effective and can improve outcomes for the citizens of Leicester. This annual report therefore also includes a summary of the work undertaken to improve the council, making it more efficient and effective.
- 1.4. The council carried out its annual corporate governance review against the agreed framework. The corporate assurance statement is attached to the report.
- 1.5. For further information, please refer to the following documents:
 - One Council, Corporate Plan 2010/13
 - Self Assessment (CAA), May 2010
 - General Revenue Budget Strategy 2010/11 to 2012/13
 - One Excellent Council, Organisation Development and Improvement Plan
 - Performance Reports
 - Employment Profile, November 2009
 - Financial Statements 2009/10
 - Corporate Governance Annual report 2009/10

2. THE ONE LEICESTER VISION

The corporate plan derives from the One Leicester vision.

2.1. One Leicester sets out a vision of the city:

- We want the people of Leicester to become more confident – in themselves, their communities and their city.
- We want there to be greater prosperity in Leicester, so everyone can reach their potential, no-one is trapped by poverty and people are more active and healthy.
- We want Leicester to be a truly beautiful place, with less traffic, clean and tidy streets, excellent green spaces and attractive buildings.

2.2. The vision is owned and delivered by Leicester Partnership and its key member agencies. One Leicester has seven priorities

- **Investing in our children:** to narrow the wellbeing gap and remove barriers to improve educational achievement.
- **Planning for people not cars:** to reduce the number of cars on the roads and increase the opportunities for people to walk and cycle around the city.
- **Reducing our carbon footprint:** to help to tackle global warming and carbon emissions.
- **Creating thriving and safe communities:** to reduce inequalities by strengthening and supporting communities.
- **Improving wellbeing and health:** to reduce the health inequalities between deprived areas of the city and the whole city and between the city and the rest of the country.
- **Talking up Leicester:** to take our place as a city regionally and nationally as a centre for excellence, creating pride in our citizens and a national reputation.
- **Investing in skills and enterprise:** to improve the economy of the city by increasing skills and through growth in business.

Delivery

- 2.3.** Leicester City Council undertakes its community leadership role within the Leicester Partnership and works with partners to drive out inequality and improve the quality of life for people in the city.
- 2.4.** One Council is Leicester City Council's contribution to One Leicester. Our progress towards the vision in One Leicester is assessed in the Partnership's State of the City report.
- 2.5.** One Leicester priorities are mirrored in the management arrangements adopted by the council. The council's management team is responsible for delivering the outcomes through the services it provides. This is managed through priority boards that decide what needs to be provided, and the operations board who manage the delivery of the services effectively and efficiently.
- 2.6.** The One Council plan sets out our key priorities that have been determined from an analysis of the key issues that affect Leicester's citizens. It is supported by a range of supporting plans to ensure priorities and quality services are delivered.
- 2.7.** The council monitors performance, reporting regularly to Cabinet and the Performance and Value for Money Select Committee. This ensures we take timely action if our activity is not producing the expected results.

3. Managing Performance

3.1. This section presents the latest position (2009/10 unless otherwise stated) for the key outcomes in the corporate plan. Many of the outcome measure are used in the Local Area Agreement and have previous data that is used to describe direction of travel. A more detailed analysis is contained in the self assessment of May 2010 (available on request).

3.2. Key to data tables.

No.	Key target number in the corporate plan
Description	Short description of the measure
Baseline 2009/10	The actual figure for the financial year 1 st April 2009 to 31 st March 2010 that sets the baseline figure for the corporate plan target
Performance	Performance is assessed as <u>improvement</u> , <u>no change</u> or <u>decline (underlined)</u> The direction of travel is quantified where possible.
Target 2012/13	This is the target in the corporate plan

Overview

3.3. Working in partnership, the council is making a major contribution to changing the city, delivering the cultural quarter with its iconic theatre, new shopping precinct and better streets in the city centre, a new library and opening four new schools. Many of our new buildings have won awards, including the building at the recently opened park and ride at Enderby.

3.4. Our school improvement notice was lifted on 1st March 2010, we have an increasing number of good schools as well as significant and sustained improvement in exam results. Only a few months into a two year improvement plan our housing benefits service is already delivering results.

3.5. The recession has affected our building programmes and our ability to get people back into work. We have secured two grants to build our own housing and 8 Multi Access Centres to address problems of worklessness.

3.6. We have allocated additional resources to meet the growing pressures in Children's social care and for more adaptations that mean people can stay in their own homes. We are increasing our efforts to maintain clean streets and meet our landfill and waste targets.

3.7. We are making good progress on improving the council's effectiveness through the Organisation Development and Improvement plan. We are

confident that this will lead to further improvement that will be evident throughout this new financial year. Progress on corporate key outcomes is assessed below:

3.8. Investing in our children

Overview

- 3.8.1. Outcomes for children and young people in Leicester are improving and a range of action is underway to further accelerate this. Considerable progress was made during 2009/10 in delivering priority services and improvements. In lifting the statutory improvement notice imposed following the Joint Area Review, the Secretary of State acknowledged the improvements to the quality of local schools and settings, and the performance management, leadership and capacity building that has supported this.
- 3.8.2. Sustained improvement in schools and education attainment is the result of continuous investment in education over the last ten years. More city schools than ever before are now rated as good or outstanding. 14 city schools are now in the top achievement category compared with 10 two years ago. In the same two years, the number of good schools has risen from 34 to 52.
- 3.8.3. Alongside the continuing good quality of children's social care services, these improvements have helped to further strengthen safeguarding in Leicester and are enabling universal and targeted services to adopt more personalised approaches to learning and development. Other improvements of note include the opening of a number of new school facilities and buildings and the timely progress of phase 3 children's centres.
- 3.8.4. In 2010/11 we will invest in:
 - "Whatever it Takes", an initiative to ensure every child is ready for secondary education at age 11.
 - Continue with the Building Schools for the Future programme
 - Develop a child poverty strategy

Closing the Gap

- 3.8.5. The gap in opportunities and outcomes between most children and young people and those that are the most vulnerable or underachieving is narrowing. Problems of youth unemployment, teenage conceptions and childhood obesity that are associated with poorer life chances are showing improvement. Pupils living in the most deprived 10% areas have improved their performance by 4% in reading, 8% in writing and 3% in mathematics from 2008 to 2009.

3.8.6. However, the number of children in poverty remains too high.

No.	Description	(2009/10)	Performance compared to 08/09	Target (2012/13)
CP 1	% 16-18 year olds not in education, employment or training	7.6%	<u>Improvement</u> Reduction of 0.8 percentage points	5%
CP2a	Rate of teenage conceptions per 1,000	48.6%	<u>Improvement</u> 43% reduction on 1998 baseline	28.9%
CP2b	Obesity among primary school age children in Year 6	17.8%	<u>Improvement</u> Reduction of 2.5 percentage points	19%

No.	Description	(2009/10)	Target
CP3	% children living in 10% most deprived areas	35%	Halve the proportion of children in poverty by 2020

Educational Attainment

3.8.7. Standards of attainment in Leicester are improving rapidly, a view shared by the DCSF and National Strategies. Improvements in attainment at ages 5, 11 and 16 are, in some cases, at a pace that puts Leicester on course to move above the national average in the near future. There is also evidence which indicates that vulnerable groups, including children in receipt of free school meals, achieve better in Leicester than in comparable authorities. (Note that the attainment figures relate to summer 2009, figures for 2010 will be available in November 2010)

No.	Description	Baseline (2009/10)	Performance compared to 08/09	Target (2012/13)
CP 4	% young people achieving level 4 plus in English and Maths KS2	69%	<u>Improvement</u> Increased by 2.3% points	82%
CP 5	% young people achieving 5 or more A*-C grades at GCSE or equivalent including English and Maths	44.4%	<u>Improvement</u> Increased by 4.5% points	65%

3.9. Planning for People not cars

Overview

- 3.9.1. A growing cultural quarter has a new theatre, digital media centre and creative and cultural industries. Government ministers have been impressed by these innovations in the city. Pedestrianisation and provision of open space in the city, particularly around Highcross and the Cultural Quarter are making it easier to move around the city on foot.
- 3.9.2. We have managed to keep congestion under control and have received £1.6m Congestion Fund Reward Grant since 2007/08.

Reducing car use

- 3.9.3. Car journeys to work are falling and we are on track to achieve the target in 2013. The number of bus journeys fell from the previous year although there was an increase in the numbers of people cycling and walking.

No.	Description	Baseline (2009/10)	Performance compared to 08/09	Target (2012/13)
CP 6	Journeys to work by car	51%	<u>No change</u>	48%
CP7	Bus journeys	41,004,313	<u>Decline</u> Reduction in number of passengers from 2008/09	44 million
CP 8	% of workforce in central transport zone covered by travel plans	38%	N/A	55%

3.10. Reducing our carbon footprint

Overview

- 3.10.1. The overall level of carbon emissions is falling with a downward trend in industry and the domestic sector and an increase in transport. Despite progress in reducing carbon levels there is still a shortfall of 232,000 tonnes to meet the target in 2013 and larger scale interventions are needed to achieve the 2025 target.

No.	Description	Baseline (2009/10)	Performance compared to 08/09	Target (2012/13)
-----	-------------	--------------------	-------------------------------	------------------

CP 9	C02 emissions from residential properties	awaited		530,000 tonnes
CP 10	C02 emissions from businesses	awaited		837,000 tonnes
CP 11	C02 emissions from car use	awaited		232,000 tonnes

Carbon emissions from the council

3.10.2. The council publicly demonstrated its continuing commitment to reducing carbon emissions by joining the 1010 campaign in January. This commits the council to a more rapid and challenging reduction from 08/09 figures than previously planned (10% by March 2011). We have focused our attention on behavioural change as a key action to achieve this cut, and have trained all of our managers with each division now developing their own carbon action plans.

No.	Description	Baseline (2009/10)	Performance compared to 08/09	Target (2012/13)
Local	C02 emissions from the council	Figures awaited	2008/09 67,626 tonnes	

3.11. Creating thriving and safe communities

Overview

3.11.1. The council contributes to this priority in many ways, including:

- a focus on preventing crime and promoting safer neighbourhoods
- supporting vulnerable people to live independently
- providing community facilities for people to meet and be part of their community including a new library in New Parks, opened in March 2010.
- providing opportunities for people to get involved in local democracy through ward community meetings
- supporting community cohesion through a range of projects that promotes an understanding between the diverse populations of Leicester.

3.11.2. In August 2009 (latest data):

- 94.2% of people asked stated that they felt safe walking out in the area where they lived during the day compared to 91.8% in April 2009
- 67.5% of people asked said that they felt safe walking out in the area where they lived at night compared to 70.7% in April 09

New Parks Library opened on the 16 March 2009 funded by Leicester City Council and Big Lottery and has library, cafe, learning and IT facilities. In the first two weeks it opened it had 261 new joiners compared with 50 in previous months.

3.11.3. In 2010/11 we will:

- Agree our neighbourhood working strategy and implementation plan.
- Continue to support a growing number of older and vulnerable people by increasing adult care budgets.
- Continue the £15,000 funding for each ward committee to allocate to local projects.
- We will continue to invest in making the city clean and green including:
 - Extending the City Warden service to cover the whole city
 - A major initiative to reduce graffiti
 - Targeted free service for pest control in deprived areas
 - Additional street cleaning targeted at problem areas

Overall Crime

3.11.4. There was a reduction in overall crime between December 2009 and 31st March 2010. This was due to the refocusing of partnership working in tackling crime. The council facilitates and works closely with the Safer Leicester Partnership in preventing crime and protecting vulnerable people. The Adults Safeguarding Board was established this year.

3.11.5. The city council now employs community wardens to cover every ward, involves residents in environmental improvements that address crime and provides street lighting and road measures to improve safety. The city council contributes a range of services and activities to the Partnership's crime improvement plan. Success is measured by the overall numbers of recorded crime.

No.	Description	Baseline (2009/10)	Performance compared to 08/09	Revised Target (2010/11)
CP 12	Recorded crime per 1,000 population	133	N/A	25% reduction

Independent lives

3.11.6. The council's adult social care service was assessed as performing 'well' for 08/09 against the regulatory Care Quality Commissions (CQC) seven key outcomes. The number of people in receipt of a personal budget is above the regional average, which demonstrates

the organisation's commitment to giving people greater choice and control over the services they receive.

No.	Description	Baseline (2009/10)	Performance compared to 08/09	Target (2012/13)
CP 13	Numbers of people in control of social care services through self directed support	1,269**	N/A	1,957

** This information is reported as an age standardised percentage, further detail on request.

Affordable Housing

3.11.7. The target for 111 new affordable homes to be built in 2009/10 was surpassed as 166 were eventually delivered. Work has started on site at all 5 of our Local Authority New Build sites which secured funding for 146 new council homes. In total we have a current programme of over 600 new affordable homes which are currently on site and/or have confirmed homes & Community agency funding. This will increase the amount of affordable housing in the City which in turn will help to reduce the number of people on the Council's Housing Register.

3.11.8. A large housing association scheme has started at the BUSM site in the Abbey Meadows regeneration area. This will provide affordable housing in a popular area and is part funded by New Growth infrastructure fund and the Homes and Community Agency. This will contribute 119 affordable homes as a first phase on a brownfield housing growth site.

No.	Description	Baseline (2009/10)	Performance compared to 08/09	Target (2012/13)
CP 14	New affordable homes	298*	N/A	992

* cumulative from 08/09

People in Communities

3.11.9. Three quarters of residents think their area is a place where people from different backgrounds get on well. The research group, MORI analysed the factors that make it easy or difficult for local councils to achieve positive perceptions. The factors were summed up in their Area Challenge Index Score. According to this, Leicester's percentage of people who believe people from different backgrounds

get on well together is 12 percentage points higher than could be expected. (Mind the Gap, Mori 2010).

No.	Description	Baseline (2009/10)	Performance compared to 08/09	Target (2012/13)
CP 15	% people who believe people from different backgrounds get on well together in their local area	76.2%	Place survey abolished so not repeated in 2010	

Special Olympics Leicester was part of the East Midlands programme in the run up to London 2012 and had a significant impact on community cohesion with 1,500 local volunteers supporting 2,700 athletes, 1,000 coaches and 6,000 family members in a programme of 21 sports over 7 days. The sporting programme was complimented by a cultural extravaganza on the opening night and through activities in the Festival Village.

3.12. Improving health and well being

Overview

3.12.1. Mortality rates remain high we need to reduce health inequalities to increase life expectancy. Partnership arrangements have been strengthened, additional resources allocated and an improvement plan is being implemented. Partners are tackling the main contributory factors for healthy living, these supporting activities are reported in section 4.5.2 below.

No.	Description	Baseline (2009/10)	Performance compared to 08/09	Target (2012/13)
CP 16	All-age all-cause mortality rate per 100k population - males	836.3	<u>Improvement</u> Reduction in death rate of 4.3 per 100k	663
CP 16	All-age all-cause mortality rate per 100k population - females	585.5	<u>Improvement</u> Reduction in death rate of 12.2 per 100k	482

Healthy living

3.12.2. Tackling the main causes of illnesses and disease that cause early deaths focuses on reducing smoking, increasing physical activity and reducing consumption of alcohol.

Smoking

3.12.3. As part of Leicester's Tobacco Control Alliance the council's trading standards service has taken action against traders selling tobacco to people aged under 18. We worked closely with HM Revenue and Customs sharing intelligence about contraband suppliers of tobacco. Residents can access information about quitting smoking in many of our facilities and council employees are supported to attend smoking cessation sessions.

Physical Activity

3.12.4. Usage of sports and leisure centres fell by 75,800 this year compared with last year. However, usage increased by 11.5% overall from 2005/06 to 2.3m in 2009/10. Free sessions for over 60s at Leicester City Council's leisure centres attracted more users as did junior swims which increased by 48% to 258,500. The user demographic profile increasingly reflects the population of the city.

3.12.5. The measure of 3x30 minutes exercise is now 17.9%, a rise of 2.9% points in 2009/10. This is still just below the 2007/08 figure and is below both the East Midlands and national averages.

Alcohol

3.12.6. The rate of increased hospital admissions from alcohol harm has slowed quicker than predicted.

No.	Description	Baseline (2009/10)	Performance compared to 08/09	Target (2012/13)
CP 16a	Number people who quit smoking (proxy indicator for number of people smoking)	2418 smokers quit	N/A	
CP 16b	Percentage people participating in 3x30 mins exercise per week	17.9	<u>Improvement</u> Increased by 2.9 percentage points	
CP 16c	Alcohol harm related hospital admission rates (directly age-standardised rates per 100,000)	2,319 (forecast)	<u>Improvement</u> Increase of 77 (3.4%) compared with predicted increase of 728 (33%)	

	The aim is to reduce the rate of increase.			
--	--	--	--	--

3.13. Talking up Leicester

Overview

3.13.1. The opening of Highcross Leicester has created a more vibrant city centre and has increased visitor numbers and our ranking in the retail index from 16th to 11th. Vacancy rates for shops at March 2010 are comparatively low in the city. The city centre regeneration and brand building has had a positive effect on the reputation of the city. Curve had 143,000 visitors in 2009/10.

Satisfaction with Place

3.13.2. The 2008 Place survey results showed 71.7% satisfied with the area, low in comparison with the England average of 79%. The Place survey is no longer a government requirement and will not be repeated in 2010 as expected.

No.	Description	Baseline (2009/10)	Performance compared to 08/09	Target (2012/13)
CP 17	% people satisfied with their neighbourhood as a place to live	71.7%	Place survey abolished so no survey in 2010	

3.14. Investing in skills and enterprise

Overview

3.14.1. Our performance in getting people into employment and supporting businesses has been affected by the recession so we have not achieved all our LAA targets. However, we are building on the success of our Work Highcross employment initiative through 8 Multi Access Centres based in neighbourhoods with severe worklessness problems. We have been successful in developing employment opportunities for young people in particular via the Future Jobs Fund and continue to develop new business workspaces.

3.14.2. In 2010/11:

- Central government spending cuts will have an impact on the Working Neighbourhoods Fund programme to tackle worklessness

- Central government funding for the Future Jobs Fund ceased on 30th June 2010; this will mainly affect opportunities for young people later in the year.
- The Local Enterprise Partnership will be formed.

Skills

3.14.3. Workforce qualifications are amongst the lowest in the region. In recent years there has been good improvement but this year numbers fell back slightly. It is thought this is linked to changes in the make up of the work force and population churn.

No.	Description	Baseline (2009/10)	Performance compared to 08/09	Target (2012/13)
CP 18	Proportion of population qualified to at least level 2 or higher	57%	<u>Decline</u> Reduced by 0.6 percentage points	72.2%

Businesses

3.14.4. The city is marginally below the East Midlands average for the LAA measure which records growth in VAT registered businesses. Up to date information for actual business starts in 2009/10 however continues to show above average levels of business formation.

No.	Description	Baseline (2009/10)	Performance compared to 08/09	Target (2012/13)
CP 19	VAT registered businesses in the area showing employment growth	14.3%	<u>Decline</u> Reduced by 0.36 percentage points	16%

Employment

3.14.5. Targets for reducing the numbers of people on out of work benefits were not met by March 2010 due to the economic downturn and the job losses that have occurred. A proxy indicator, the Job Seekers Allowance claimant count increased from 6% in March 2009 to 6.7% in March 2010 though the count has been fairly stable from mid 2009 onwards and has showed slight improvement recently.

No.	Description	Baseline (2009/10)	Performance compared to 08/09	Target (2012/13)
CP 20	Percentage of	17.46	<u>Decline</u>	14.3%

	working age people on out of work benefits		Increase of 1.26 percentage points	
--	--	--	------------------------------------	--

3.15. Conclusion

3.15.1. Of the 24 population outcomes reported above:

- 2 were Place survey measures
- 5 have no appropriate comparator with the previous year

3.15.2. Of the remaining 17

- 12 (70.6%) are improving
- 5 (29.4%) are declining

3.15.3. Of the 5 declining, 3 are directly attributable to the recession (skills, employment and business); but also, bus use decreased and indications are that CO2 emissions from travel increased (although awaiting final data).

Notes:

Some of the national indicators selected by the partnership and the council to measure priorities and outcomes have been deleted from the national indicator set. This means, although the council can continue to collect them there, national comparator information will not be available. In some cases, they have been deleted because of the difficulty of collection. The remaining National Indicator set is under review.

The perception indicators in the national set were measured for the first time in 2008 through the national Place Survey and due to be repeated in 2010. The survey has been discontinued and consideration is being given to how the council can continue to collect that information.

4. One excellent council

Overview

- 4.1. The Organisation Development and Improvement Programme is based on 4 key areas of Leadership, Our People, Ways of Working and Performance Management. In the preparation for external inspection early in 2010, it was clear that many improvements have been made; the proof of this is our improving outcomes. Our key measures of success are reported below.

External judgement

- 4.2. In the first year of CAA the organisation was assessed as performing adequately at level 2. We aimed to achieve level 4 at the 2012 assessment. There were indications that the council may have progressed from level 2 to level 3 in the Use of Resources assessment. We will need to establish new mechanisms for assessing organisational excellence for the future.

No.	Description	Baseline (2009/10)	Performance compared to 08/09	Target (2012/13)
CP 21	CAA organisation score	CAA was abolished and no scores allocated in 2010		

Fair treatment

- 4.3. In 2008 66% people felt they received fair treatment, performance was in the lowest third nationally. This is another area where we will be considering appropriate outcomes that we can measure locally in future.

No.	Description	Baseline (2009/10)	Performance compared to 08/09	Target (2012/13)
CP 22	People receiving fair treatment by local services	This measure was withdrawn as a NI; Place survey abolished so not repeated in 2010		

Representative workforce

- 4.4. Overall, the number of Black and Minority Ethnic (BME) employees continues to increase. As the overall number of employees also increased, the proportion of BME employees has remained largely stable. Between 2006/07 and 2009/10 the total BME workforce has increased from 20% (2006/07) to 27% (2009/10). The non-schools BME workforce has increased from 21% (2006/07) to 30%. (2009/10)
- 4.5. BME employees in the top 5% earners increased from 15.4% in 2008/09 to 17% in 2009/10. The councils Reach Higher Programme,

which arose from suggestions by the Black workers group, aims to develop BME staff with management potential.

No.	Description	Baseline (2009/10)	Performance compared to 08/09	Target (2012/13)
CP 23	Workforce representation in top 5% earners from BME communities	17%	N/A	20%

Attendance at Work

- 4.6. Sickness levels are generally improving though pockets of high levels remain. The sickness absence figure for 2009/10 is 9.93 days exceeding the target of 10 days. This is a 15% improvement on the 2008/09 figure of 11.65 days. Absence levels are still slightly above the average for our comparators (AXA/CBI survey) and there is a wide variation between divisions. Action is being taken at corporate and divisional level to reduce it further.

No.	Description	Baseline (2009/10)	Performance compared to 08/09	Target (2012/13)
CP 24	Average no. sickness days per employee	9.93	<u>Improvement</u> Reduction of 15% from 11.65 days	8

Efficiency

- 4.7. The Council seeks to secure value for money in all its activities, not just at budget time. We have been very successful at securing efficiency savings over many years, enabling budgets to be set which enable more resources to be secured for front-line activities. To meet our national target we aim to make efficiency savings of £37,443,000 from 2008/09 to 2010/11.
- 4.8. Council savings in 2009/10 were £17.543m against a target of £21.812m.
- 4.9. Following a change of national government (May 2010), the council has to make even greater savings that is likely to impact on all services.

4.10. Conclusion

- 4.10.1. Of the 5 internal outcomes reported above

- 2 have data for only one year and will no longer be collected
- 1, sickness levels, shows significant improvement
- 1, the level of BME representation in management shows some improvement.
- This efficiency indicator is superseded by new government requirements for savings.

4.10.2. In 2009/10 we also conducted our first staff survey since 2003 which set a baseline in terms of staff views of the Council. One-third of our staff were surveyed and we had a 42% response rate. The most positive responses were around the Council as an organisation and how we give a lot back to society. The least positive responses were around sense of wellbeing and staff views about senior leadership. Actions have been agreed and are being implemented. We will repeat the survey in 2011 to follow up on progress.

5. Next steps

- 5.1.** The council is part of the sub-regional Public Service Board that is considering joining up services on a sub regional basis. The council is subject to central government cuts of over £9m in the current financial year (2010/11) and considering the impact of other external funding cuts to major projects. The council is making preparations for budget reductions over the following 3-4 years. Detailed figures for the city will not be available until the Local Government Finance Settlement in November 2010.
- 5.2.** A partnership workshop assessed the external environment in terms of the challenges facing the city in the medium term. There was wide agreement on the key challenges we face:
- 5.3.** The recession and its consequences are posing the biggest challenge in the public sector for decades. The recession has already impacted on skills, jobs and businesses. The consequent cut in finance in public services and funding of projects is/will impact on housing, transport and building. The economic recovery is fragile and the removal of funding for getting people into work programmes could increase the numbers of people without jobs, particularly young people. The reduction of numbers employed in the public sector in Leicester could further increase worklessness.
- 5.4.** An increase in worklessness would impact on all areas of life that the One Leicester Strategy prioritises and partners have been striving to improve such as crime, health, education and inequality.
- 5.5.** Commissioning Boards will consider these issues within the commissioning process.

APPENDIX 1

MANAGING THE COUNCIL'S FINANCES

This section of the report provides a summary of the council's financial performance for 2009/10 and also looks ahead to our spending plans for 2010/11 and beyond.

Summary of the Year

The council's spending in 2009/10 amounted to £1billion – nearly £3m for every day of the year. £0.9bn paid for day to day running costs of services like schools, museums, parks and care for older people, whilst £0.1bn was invested in capital projects.

Birds Eye View of Our Spending

	£bn		£bn
Children and education	0.4	Government grants	0.7
Adult social care	0.1	Council tax	0.1
Housing benefits	0.1	Fees, charges and other income	0.2
Other services	0.2		
Housing	0.1		
Capital projects	0.1		
Total Spending	1.0	Total Income	1.0

The council has a track record of effective budget management and early identification of budget pressures has once again enabled spending to be contained within budget. Despite financial constraints, services managed their spending to within a small underspend of £0.2m.

The context to 2009/10 was of national economic recession, but within this context the Council continued the delivery of key objectives. The budget redirected resources to support achievement of the City's Sustainable Communities Plan ("One Leicester"). The year saw the completion of all schools in phase one of the Council's "Building Schools for the Future" (BSF) programme, and Beaumont Leys School was awarded the national BSF School of the Year Award. Work completed on the digital media centre at Phoenix Square, which is now open, and the Council commenced a modest programme of new Council house building (the first for many years). 2009/10 also saw the city stage the Special Olympics, with Council support.

The council's uncommitted general reserves, which are held as a contingency against any unforeseen circumstances, stand at £6.1m. This is higher than the recommended minimum level (£5m) but below the £7m the financial strategy aims to achieve. At just 2.2% of the budget our reserves are low when compared to similar local authorities.

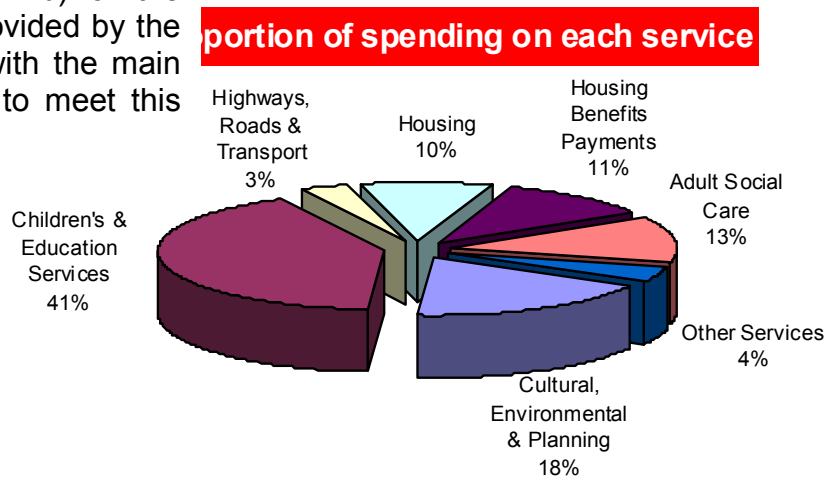
Summary of the Statutory Accounts

The following sections provide a more summarised version of the council's main financial statements for the year ended 31st March 2010. The full statutory statement of accounts, which are currently subject to audit, can be obtained from our customer services centre at New Walk Centre or at www.leicester.gov.uk. The full accounts incorporate other key statements setting out responsibilities for the accounts, a statement of accounting policies, and a statement setting out the annual governance framework.

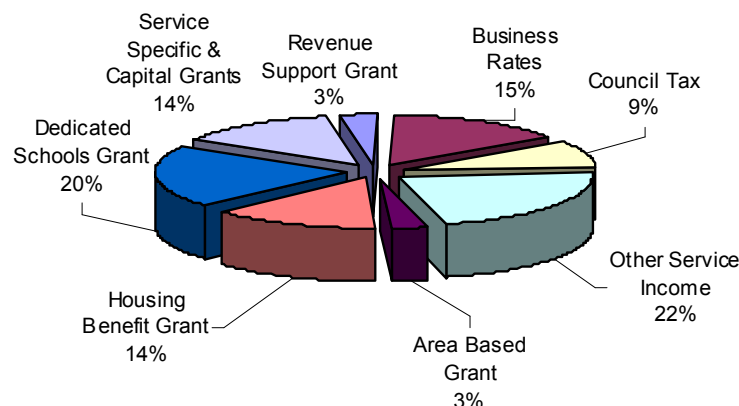
Revenue Income and Expenditure

The income and expenditure account reports the net cost of all services and functions for which the council is responsible. The following charts provide an analysis of the total

revenue cost (£1.042b) of the various services provided by the authority together with the main sources of income to meet this spending.



How the council's services are funded



This chart demonstrates that around 70% of the income we receive is controlled by the government through general and service specific grants, leaving real local discretion of just 30% of our total income.

For the purposes of the summary below the income and expenditure account has been combined with the statement of movement on the general fund balance.

	2008/09		2009/10	
	Gross £m	Net £m	Gross £m	Net £m
Cultural, environmental and planning services	103.6	62.0	184.4	125.8
Childrens and education services	370.6	79.3	431.6	113.3
Highways, roads and transport	31.4	20.8	34.5	21.4
Housing	290.6	66.8	213.9	13.8
Adult social care	105.2	80.1	131.5	87.4
Corporate, central and other services	26.8	22.7	46.6	19.3
Cost of all services	928.2	331.7	1042.5	381.0
Net operating expenditure and adjustments to reflect statutory and proper practices		(45.3)		(85.0)
Net Expenditure for the Year		286.4		296.0
General government grants		199.4		207.1
Council tax		87.5		92.0
(Increase)/decrease in general fund balance		-0.5		(3.1)
General Sources of Finance		286.4		296.0

Capital Expenditure and Financing

When the council constructs a building or purchases a piece of land this type of expenditure is known as capital expenditure. The very nature of this

spending is that it will provide value to the community for some years to come. The council's capital spending in 2009/10 totalled £96.7m.

<u>Capital Expenditure</u>	<u>£m</u>	<u>Capital Financing</u>	<u>£m</u>
Childrens Services - including rebuilding and reinvesting in secondary schools	33.5	Grants and Contributions	51.2
Housing - including kitchen and bathroom improvements	26.4	Borrowing	27.1
Regeneration and transport - including football development facilities and New Parks Library	30.8	Reserves and budget contribution	17.4
Adults and Corporate	6.0	Receipts from the sale of land and buildings	1.0
Total Expenditure	96.7	Total Financing	96.7

Balance Sheet

The balance sheet sets out what the council owns (assets) and what the council owes (liabilities) as at 31st March each year. The balance of these two items is represented by reserves and balances. The table below provides a more summarised version of the balance sheet as at 31st March 2010.

	2009 £m	2010 £m
Assets		
Fixed and long term assets	2,215	2,283
Money owed to the council	66	91
Investments and stock	73	59
Total assets	2,354	2,433
Liabilities		
Items owed by the Council	107	131
Borrowing	336	369
Pension scheme	243	562
Other	256	268
Total liabilities	942	1,330
Net assets	1,412	1,103
Non - spendable reserves	1,304	979
Spendable reserves	108	124
Net worth	1,412	1,103

Fixed and long-term assets include land and buildings, council dwellings, roads, vehicles, plant and equipment owned by the council.

This figure (£91m) includes £35m owed by the government and other local authorities, £16m in business rates and council tax and £6m relates to capital grants and contributions outstanding.

The non-spendable reserves (£978m) are amounts arising from the financing and revaluation of fixed assets. This sum is not available to spend on council services.

Spendable reserves and balances of £124m include: £71m earmarked for specific items in the future including grants we have received for later years, £16m in balances held by individual schools, £14m towards capital investment and £7m for insurance purposes.

Cash Flow Statement

The cash flow statement is one of the main financial statements contained within the accounts. Whilst for a commercial company this is an important statement it is of less significance within a local authority context. This statement has been reproduced below in a slightly more user friendly format

		£m
Cash In	880	Rents, council tax, business rates, government grants and cash received for other goods and services
Cash out	(867)	Capital receipts and contributions
Movement of cash 2009/10	13	Interest received
		Liquid Resources
		Cash in
		Cash paid to and on behalf of employees
		Operating and other revenue costs
		Interest paid
		Capital spending
		Movement in loans and investments
		Cash out

Spending Plans for 2010/11

In February 2010, the council agreed a three year strategy for the years 2010/11 to 2012/13. The strategy sets out the council's spending plans for that period and expresses our financial commitment to the "One Leicester" sustainable community strategy and the City of Leicester's Local Area Agreement. Beyond 2010/11 a period of very substantial financial constraint will occur, and the Council's spending will be reviewed in detail. Notwithstanding the above our original spending plans for 2010/11 are set out in summary below – these figures are shown net of grant for specific purposes and other services related income (such as fees and charges for sports facilities).

<u>General fund service spending plans</u>	£m	<u>General sources of finance</u>	£m
Childrens services	73.4	Government grant	182.4
Adult services	85.0	Council tax	94.0
Housing	9.6	Use of reserves	1.7
Regeneration, culture & highways	73.3		
Central and support services	36.8		
Total Net Service Expenditure	278.1	Total Financing	278.1

What are the council's spending priorities?

Although many of the services we provide are required by law the council has a significant influence on how we prioritise our spending. "One Leicester" sets out priorities and plans to make Leicester a better place to live. The financial strategy supports this in a number of ways, including:-

Theme	Spending priorities
Confident People	- Continuing to fund the development of community meetings at ward level and giving residents a direct say in how money is spent.

Theme	Spending priorities
	<ul style="list-style-type: none"> - Substantial growth in adult care budgets to meet the growing needs of older and vulnerable people. This includes the continuing development of choice for the elderly in the way they receive their care, and the provision of new preventative services as well as meeting higher levels of need. - Retention of appropriate levels of funding for youth provision.
New Prosperity	<ul style="list-style-type: none"> - Continuing substantial provision through the Building Schools for the Future initiative. - Funding work to improve educational outcomes, particularly through investment in new laptops and initiatives to improve reading performance prior to secondary school. - Funding the development of multi-access centres for improving adult skills and in helping workless adults to become members of the workforce.
Beautiful Place	<ul style="list-style-type: none"> - Continued funding of city centre cleaning initiatives. - One-off funding to improve facilities at parks, city centre Christmas decorations and help to refurbish De Montfort Hall.

Achieving value for money

The council aims to get value for money in all its activities and has met the government efficiency savings target of £21m between 2005/06 and 2007/08.

The 2010/11 budget contains a very substantial programme of efficiencies, aiming to secure £8m per annum by 2011/12, principally through re-organising internal support services and by getting better value from services procured from the private sector.

The substantial budget reductions facing the Council next year and beyond will significantly increase the need for obtaining value for money, particularly to minimise the impact of cuts on priority front line services.

DRAFT v. 1.2

APPENDIX TWO

Corporate Assurance Statement to be added here.

APPENDIX Three

Changes to corporate plan targets June 2010

Key Target 2

Improving health outcomes by:

- 2.a. Reducing the rate of teenage conceptions per 1,000 from 50.1 to 29 by 2011 (LAA target) and 28.9 by 2013.
- 2.b. Reducing childhood obesity from 20.3% of Year 6 primary school age children in 2007/08 to 19% on 2012/13.

Change – added 2b

Key Target 5

Increase the percentage of young people achieving 5+ A* GCSEs (including English and Maths) from 39.9% to 52% in 2011 and to 65% by 2013.

Change – the target for 2011 has been changed from 53% to 52%

Key Target 12

Reduce recorded crime target is wrong as it is now counted in a different way. 2009/10 actual figure is 133, target for 2010/11 is a reduction of 25%

Key Target 16

Reduce the all-age all-cause mortality rate per 100k population – males from 850 to 665 by 2011 (LAA target) and to 663 by 2013; females from 598 to 484 by 2011 (LAA target) and to 482 by 2013 by:

- 16.a. reducing smoking
- 16.b. increasing physical activity
- 16.c. reducing alcohol harm

Change – added a, b, c.

Key Target 20

Acknowledge the impact of the recession on the percentage of working age people on out of work benefit and amend LAA target to 17.6% by 2011 (previous performance – 08/09 – 16.2% 09/10 – 17.46%).

Change to wording and target

Key Target 25

Value for money: total net value of on-going cash releasing value for money gains of £37.4m by 2011.

Change – targets after 2011 deleted

