

Leicester  
City Council

**WARDS AFFECTED**  
**All**

## **FORWARD TIMETABLE OF MEETINGS:**

**Cabinet**

**24<sup>th</sup> March 2003**

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### **Local Improvement Finance Trust (LIFT) and Joint Service Centres**

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#### **Report of the Corporate Director of Social Care and Health and the Corporate Director Resources, Access and Diversity**

#### **1. Purpose of Report**

- 1.1 This report tests the affordability of the outline bid to the Office of the Deputy Prime Minister for PFI credits for Joint Service Centres. This bid was made, on a tight timetable in December, because it offered the way recommended by Government advisers of reducing the high cost of involvement in the proposed six Health and Social Care Centres to be developed through the LIFT programme and of opening Council Customer Care bases in key locations in the city. Attached as an appendix to this report is a paper outlining the Council's customer service centre concept.
- 1.2 The total annual cost of the full scheme without PFI credits (once all the centres are operational in 2006/07) is estimated to be £1m. This is based on the space needs estimated for Social Care and Health and an additional 60 square metres per centre for Customer Care purposes. After PFI credits, the costs would be £270,000 each year (£200,000 for Social Care and Health: £70,000 for Resources, Access and Diversity), although these can be offset against other savings, leading to a net cost to Social Care and Health of approximately £120,000 when all the centres are open in 2008/09.
- 1.3 In this model, current Social Care and Health staff will offer the customer care service on behalf of the Council, under the oversight of an additional Customer Care manager from RAD. Providing an additional member of RAD staff to each centre would cost RAD £185,000 rather than the £70,000 proposed above. Though desirable this is not considered affordable at this stage. If it is critical to the success of the ODPM bid, it can be reconsidered by RAD.

#### **2. Summary**

- 2.1 The bid is for a Joint Service Centre PFI Credit of £20.5 million and for PFI Grant of £34.843 million between 2004/05 and 2029/30. This is offset against estimated revenue costs of £52 million (or £2.084 million per annum) for the lease period of the Health and

Social Care Centres. It should be noted that since the original bid was submitted the scheme has been reduced, leading to a significantly lower estimate of space requirements. The current scheme would require a PFI credit of £10m.

- 2.2 When the bid was submitted in January 2003, there was an estimated cost of £800,000 (full year effect from 2006) falling (roughly) equally across the two key Directorates. Members' asked that the bid be analysed carefully to test its benefits and affordability before the bid to ODPM is confirmed by the council or approved by ODPM.
- 2.3 This exercise has suggested that costs to the Resources, Access and Diversity Department can be scaled down to a significant extent by redesigning the scheme on different assumptions. Those to Social Care and Health can be reduced, mainly through assumptions about space occupied, and savings from other premises that are released.
- 2.4 The balances of risk associated with this are summarised in paragraphs 3.19 – 3.21 in the Supporting Information. This bid offers the only possibility for developing Customer Care centres in LIFT projects and the best option for reducing costs for Social Care and Health occupation. On balance, providing the scaled down option is acceptable to ODPM it is recommended that the bid should proceed.
- 2.5 Work will continue to plan for a number of possible scenarios:
  - The bid is successful in full: provision will be required in SC&H and RAD budgets from 2005/06 onwards.
  - The bid is successful in part: plans will need to be reviewed and possibly scaled down.
  - The bid is withdrawn or unsuccessful: SC&H will need to review its participation in LIFT projects and other funding routes. Customer Care centres, on this basis, will not be possible.

### **3. Recommendations**

It is recommended that Cabinet should:

- (a) agree that the revised costs of the scheme (after PFI grant) represent an acceptable risk when judged against the service benefits for the Council;
- (b) confirm that the PFI bid should stand; and
- (c) agree that further reports should be made on the participation of the Council in the LIFT programme for improving primary care services and integrating health and social care.

## 4 Headline Financial and Legal Implications

- 4.1 The Council would take out a lease, called the Lease+, for its occupation in LIFT premises, which would be provided by a private sector provider called the LIFT Co, for a period of 20 to 25 years. Until further progress has been made in securing a private sector partner to LIFT Co and the Council's exact accommodation requirements are finalised it is not possible to provide exact costs. However, estimates made seek to reduce any adverse variance as far as possible and are based upon a plan to move all existing staff out of Grey Friars to the HSCCs or other current accommodation.
- 4.2 The annual ongoing cost of the scheme is likely to be in the region of £1m per annum. An expression of interest has been submitted for a joint Service Centre PFI Credit of £20.5 million. The bid was based upon the Council's estimated share in 6 joint Health and Social Care Centres (HSCC). A PFI credit of £10m would be required to undertake the current scheme.
- 4.3 If the PFI bid is successful, it is currently estimated that the scheme would lead to additional running costs, after PFI credits, in a full year in the order of £370,000. This is based upon all Customer Services staff, except for the provision of a manager, being provided from within the existing complement of Social Care and Health staff. As stated above, costs remain indicative at this point.
- 4.4 These costs fall to Social Care and Health and Resources, Access and Diversity as follows: -

<b>Directorate</b>	<b>2005/06 £000</b>	<b>2006/07 £000</b>	<b>2007/08 £000</b>	<b>2008/09 £000</b>
Social Care and Health	80	170	200	120
Resources Access & Diversity – Customer Services Centres (CSC)	40	63	70	70
<b>Total</b>	120	233	270	190

- 4.5 It is proposed that the additional revenue cost for the CSC of £70,000pa is funded from savings expected from the front of house review. The first £70,000 of savings achieved through remodelling services could be earmarked to this scheme with any subsequent savings reinvested into customer access. Any shortfall would be funded from the RAD's budget.
- 4.6 Social Care and Health has made provision for up to £120,000 of revenue costs from 2005/06 onwards in their three year Departmental Revenue Strategy. This would meet the expected costs in 2005/06. It should also be noted that by 2008/09 (or earlier if possible) revenue savings should accrue to Social Care and Health in respect of current buildings that can be vacated as a result of the NHS LIFT scheme. These savings are estimated at £80,000 in a full year. Therefore the estimated full year effect of the

scheme from 2008/09 of £120,000 can be contained within the agreed provision of £120,000 in the department's revenue strategy. Additional one-off funding in 2006/07 and 2007/08 of around £130,000 would still need to be identified.

4.7 However, it should also be noted that although, technically, provision has been made in Social Care and Health's revenue strategy, the very fluid nature of Social Services' funding arrangements nationally, and the possibility of further changes to structural arrangements to facilitate inter-agency working, mean it is difficult to be confident of the overall financial position for the department for 2005/06 onwards at this point. Therefore, the provision of the revenue costs of £120,000 made at this point in respect of 2005/06 onwards could, worst case, represent an opportunity cost in that the department is incurring a liability which means it has £120,000 less available to fund any other budget pressure that may arise.

4.8 It is estimated that there will be set up costs in the region of £1m in order to implement the project, which are as follows: -

	<b>£000</b>
Set up costs for CSC	110
Social Care and Health	240
Financial and Legal Advice	250
Project Management	200
Contingency	<u>200</u>
<b>Total</b>	<b>1,000</b>

4.9 These costs, particularly in relation to financial and legal advice, are tentative at this stage, especially as there are no previous examples of this type of scheme. Therefore, it is felt prudent to include a contingency at this stage.

4.10 It is recommended that one-off costs are funded as follows:

	<b>£m</b>
Cost	1.0
Corporate Capital Programme – Revitalising Neighbourhoods	(0.3)
Corporate Capital Programme – Social Services minor works	<u>(0.1)</u>
	0.6

4.11 It is recommended that the balance is sought from other resources in this order of priority:-

- Further NRF bid;
- capital receipts arising from the project (Lincoln Street);
- Other Social Care and Health and RAD revenue;
- Consideration of reprioritisation of the Central Maintenance Fund.

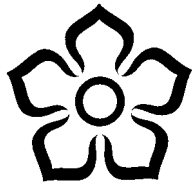
- 4.12 At present the corporate capital programme contains an unallocated provision of £300,000 in respect of Revitalising Neighbourhoods. It is recommended that consideration be given to utilising this allocation for the scheme.
- 4.13 The Council will seek to utilise any usable capital receipt arising directly from the scheme (excluding Greyfriars) to fund one-off costs. It is expected that a receipt will be generated from the future disposal of Lincoln Street.
- 4.14 It is recommended that the Social Services minor works capital programme is utilised. This is in recognition of the significant saving in future maintenance costs that will arise because of the disposal of Greyfriars. The proposals also include a potential reconsideration of the prioritisation of the Central Maintenance Fund on the same basis.
- 4.15 There may also be scope to utilise the PFI credit to fund one-off set up costs. This would dependant upon the overall level of any PFI credit received. Any additional resources would reduce the requirement for the two departments to fund one-off costs, or could be utilised to manage any additional risks.

**5. Report Authors/Officers to contact:**

Andrew Cozens, Corporate Director of Social Care and Health Tel: 252 8300  
 Tom Stephenson, Corporate Director of Resources, Access & Diversity Tel: 252 6300  
 Graham Feek, Financial Strategy Manager Tel: 252 7495  
 Colin Sharpe, Head of Finance, Social Care & Health Tel: 252 8800

**DECISION STATUS**

<b>Key Decision</b>	<b>Yes</b>
<b>Reason</b>	<b>Significant effect on more than two wards</b>
<b>Appeared in Forward Plan</b>	<b>Yes</b>
<b>Executive or Council Decision</b>	<b>Executive (Cabinet)</b>



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### **Local Improvement Finance Trust (LIFT) and Joint Service Centres Bid**

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**Report of the Corporate Director of Social Care and Health and the Corporate Director Resources, Access and Diversity**

## **SUPPORTING INFORMATION**

### **1. Report**

- 1.1 The LIFT programme is a public/private partnership to improve the quality of primary care premises, particularly in deprived communities. Leicester City West and Eastern Leicester Primary Care Trusts made a successful joint bid, with City Council support, for a second wave LIFT project. As well as the building and refurbishment of GP surgeries and health centres, a key element of the bid was the development of six Health and Social Care Centres to accommodate staff from the NHS, City Council and other partner agencies.
- 1.2 Unlike “standard” PFI schemes, the private sector’s involvement is as the selected partner in the development of the Leicester LIFT Company that will raise private finance to build and lease the new premises to the NHS and other occupants.
- 1.3 The development of Health and Social Care Centres offers a unique opportunity to co-locate and integrate key primary care, other NHS, social care and related services in seven (with Braunstone) parts of the city.

### **2. The Business Case for Health and Social Care Centres and the Council’s Involvement in LIFT**

- 2.1 The Strategic Service Development Plan (SSDP) for Leicester LIFT aims to integrate primary health care and social care services in modern, purpose-built premises and to make them accessible on a local basis to the people of Leicester. In simple terms, it aims to advance the Government’s agenda for the modernisation of NHS and social

care services, whilst contributing substantially to the Council's Revitalising Neighbourhoods Initiative.

- 2.2 The NHS LIFT initiative complements the Braunstone Health and Social Care Centre, being developed by Braunstone Community Association, through the development of a further six Health and Social Care Centres across the City.
- 2.3 LIFT also assists the exit route from the main Social Care and Health office at the Grey Friars/St. Martin's complex – which would otherwise require substantial capital investment to meet Health and Safety and Access standards. RAD's Departmental Revenue Strategy is dependent on savings from CLABS consequent on the disposal of Grey Friars and St. Martin's.
- 2.4 At present 387 staff are located at Grey Friars/St Martins. The present plan is that around 171 Community Care and 12 related support staff based at Grey Friars, as well as some 130 staff at the other sites, being Sulgrave Road, The Rowans, Layton House and Lincoln Street, will move into the Health and Social Care Centres. This will free up these buildings and would, potentially, release capital assets for the Council's use. It would also free the buildings' running costs towards the revenue costs of the LIFT Health and Social Care Centres. In addition Age Concern, Leicestershire, who occupy space at St Martin's would be given notice to move. This would leave 204 staff at Grey Friars/St Martins that would need re-accommodating in order to release the property.
- 2.5 The future of those Children's Services currently located at the Grey Friars complex and at Market Street (201 staff) will be subject to decisions yet to be taken by the Council. This is likely to be related to the potential development on integrated children's services for the City and the possible development of a Children's Trust in Leicester. Whilst children's services have not been considered within the context of NHS LIFT and HSCC, there may be an opportunity to consider any synergies depending upon the level of any PFI credit and the practicalities from a service perspective. Such a strategy would further assist in the aim of vacating Grey Friars.

### **The Strategic Plan and Background to Leicester LIFT**

- 2.6 The SSDP for Leicester LIFT sets out the vision for modern and dependable health and social care services providing a better, more accessible and more welcoming environment for patients, improved working conditions for staff, and developing services to respond to new and changing expectations.
- 2.7 The aim of the Health and Social Care community is to develop one-stop centres to service the needs of local people in their localities.
- 2.8 A vision for Health and Social Care Centres for the 21<sup>st</sup> century has been developed by Leicester City West Primary Care Trust, eastern Leicester Primary Care Trust, Leicester City Council, University Hospitals of Leicester NHS Trust, Leicestershire Partnership NHS Trust and other local stakeholders. The vision is to develop primary care services in the city, including six Health and Social Care Centres. These centres will accommodate NHS and Social Services as appropriate to each neighbourhood,

including the provision of primary care contractors' services through which the use of their clinical services can be maximised.

2.9 Leicester LIFT will contribute to this vision by the procurement, delivery and estate management of a new generation of Health and Social Care Centres. These centres will accommodate:

- Modernised primary care services (including GPs, pharmacists, dentists, optometrists, other integrated health and social care services).
- Extended primary care services (moving services from hospital settings, such as day case surgery and diagnostic investigations).
- Support for professional development of staff with flexibility for wider use.
- Facilities for the locality (including meeting rooms for wide ranging groups, accommodation for voluntary and community services, information points, and child care services).

2.10 The vision incorporates the extended use of technology both for clinical services, training and development.

2.11 Leicester LIFT aims to transform the delivery of associated public services so that they may be provided in an integrated way with health services. This is coupled with the desire to offer a holistic approach to medicine.

2.12 Leicester LIFT underpins the following plans for future investment:

- Co-location and co-alignment of relevant staff and services.
- Major investment to benefit all parts of the City.
- Clear access to all services through a common reception and signposting system.
- Extension of opening hours to widen access to services.
- Enhanced patient services through I&MT developments, for example directly booked hospital appointments.
- Shift of appropriate services and information from hospital to community settings.
- Service delivery that reflects the diverse ethnic, cultural and language requirements of the locality.
- Changes in working practices linked to changes in culture, organisational development and workforce strategy.

2.13 The SSDP sets out the stakeholders' priority of nine first tranche schemes. The development of a new Health and Social Care Centre at Charnwood contributes to delivering the aims and vision of a modern service.

2.14 The SSDP also provides background information concerning the City of Leicester, population statistics, estate issues, and priorities for service development. A copy is located in the data room and it is available on [www.leicester.gov.uk/LIFT](http://www.leicester.gov.uk/LIFT).



### **3. FINANCIAL, LEGAL AND OTHER IMPLICATIONS**

- 3.1 It is envisaged that the Council would wish to take out a lease, called the Lease+, with the LIFT company, called the LIFT Co, for a period of 20 to 25 years.
- 3.2 Under the present capital finance regulations, entering of a lease of more than 10 years constitutes a “credit arrangement”. The Council must provide upfront resources, either from revenue or from credit approvals to provide “credit cover” in respect of the “credit arrangement”. The effect of this is that resources must be found up front roughly equal to the present value of all payments to be made over the course of the contract. This makes such arrangements prohibitively expensive.
- 3.3 In order to overcome this problem a number of options were considered further and discussed with government departments and other agencies. This culminated in a meeting being organised in Leicester in November with the Office of Deputy Prime Minister (ODPM), Department of Health (DOH), Partnerships for Health, Partnerships UK and the Public Private Partnerships Programme (4Ps) to try and find a way forward. It was concluded that the only realistic funding route as present was to establish the scheme as a PFI scheme and seek to obtain PFI credits from the ODPM’s Joint Service Centre PFI initiative. The ODPM has around £30m available nationally and therefore can only fund a small number of schemes.

#### **PFI Bid**

- 3.4 The Council subsequently submitted an expression of interest to ODPM for £20.5m of PFI credits from the initiative. The bid was based upon the Council’s estimated share in 6 joint Health and Social Care Centres (HSCC). The Government will prioritise expression of interests by the end of March, at which point they will seek formal bids for their preferred schemes. The Council can withdraw the expression of interest at any point up to the end of March. A PFI credit of £10m would be required to fund the existing scheme.
- 3.5 If successful the PFI credit would provide revenue support over the course of the contract to meet the capital aspects of the scheme. The revenue costs must be funded by the Council.
- 3.6 It should be noted that in order for the scheme to qualify “technically” as a PFI scheme under the relevant regulations and for it to pass various Treasury tests on value for money, which are essential before PFI credits can be awarded, some changes to existing Government processes and Audit Commission guidelines are required. ODPM, DOH and others are progressing these issues and the latest feedback suggests that good progress is being made. To some extent Leicester is a test case on how to facilitate local authorities becoming fully involved in NHS LIFT in order to enable closer working between Social Services and Health.
- 3.7 The bid made to ODPM was based upon the estimated cost of the leases that the Council would enter for each of the 6 HSCCs. At present only indicative costings are available regarding the likely payments to the service provider. Whilst estimates to date

have been based on the national cost modeller developed for NHS LIFT by KPMG, assumptions used at this stage are inevitably broad. Further clarity on costs will not be possible until more progress has been made in securing a private sector partner and when our exact occupation requirements are known. However, estimates made seek to reduce any adverse variance as far as possible and there is a clearer understanding of the space and occupancy requirements for the scheme.

## Ongoing Costs

3.8 Previously it was estimated that the scheme lead to additional revenue costs in the order of £800,000 per annum. Through a combination of reviewing space requirements and reconfiguring the provision of Customer Service staff the gap has been substantially reduced. It is currently estimated that the scheme would lead to net additional running costs in a full year of £270,000 from 2007/08, reducing to in the order of £190,000 from 2008/09 when the savings from other properties are fully released. As stated above, costs remain indicative at this point.

3.9 These costs fall to Social Care and Health and Resources, Access and Diversity as follows: -

<b>Directorate</b>	<b>2005/06 £000</b>	<b>2006/07 £000</b>	<b>2007/08 £000</b>	<b>2008/09 £000</b>
Social Care and Health	80	170	200	120
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<b>Total</b>	120	233	270	190

3.10 It is proposed that the additional revenue cost for the CSC of £70,000pa is funded from savings expected from the front of house review. The first £70,000 of savings achieved through remodelling services could be earmarked to this scheme with any subsequent savings reinvested into customer access. Any shortfall would be funded from the RAD's budget.

3.11 Social Care and Health has made provision for up to £120,000 of revenue costs from 2005/06 onwards in their three year Departmental Revenue Strategy. This would meet the expected costs in 2005/06. It should also be noted that by 2008/09 (or earlier if possible) revenue savings should accrue to Social Care and Health in respect of current buildings that can be vacated as a result of the NHS LIFT scheme. These savings are estimated at £80,000 in a full year. Therefore the estimated full year effect of the scheme from 2008/09 of £120,000 can be contained within the agreed provision of £120,000 in the department's revenue strategy. Additional one-off funding in 2006/07 and 2007/08 of around £130,000 would still need to be identified.

3.12 However, it should also be noted that although, technically, provision has been made in Social Care and Health's revenue strategy, the very fluid nature of Social Services' funding arrangements nationally, and the possibility of further changes to structural

arrangements to facilitate inter-agency working, mean it is difficult to be confident of the overall financial position for the department for 2005/06 onwards at this point. Therefore, the provision of the revenue costs of £120,000 made at this point in respect of 2005/06 onwards could, worst case, represent an opportunity cost in that the department is incurring a liability which means it has £120,000 less available to fund any other budget pressure that may arise.

3.13 It is estimated that there will be set up costs in the region of £1m in order to implement the project, which are as follows: -

	<b>£000</b>
Set up costs for CSC	110
Social Care and Health	240
Financial and Legal Advice	250
Project Management	200
Contingency	<u>200</u>
<b>Total</b>	<b>1,000</b>

3.14 These costs, particularly in relation to financial and legal advice, are tentative at this stage, especially as there are no previous examples of this type of scheme. Therefore, it is felt prudent to include a contingency at this stage.

3.15 It is recommended that one-off costs are funded as follows:

	<b>£m</b>
Cost	1.0
Corporate Capital Programme – Revitalising Neighbourhoods	(0.3)
Corporate Capital Programme – Social Services minor works	<u>(0.1)</u>
	0.6

3.16 It is recommended that the balance is sought from other resources in this order of priority:-

- Further NRF bid;
- capital receipts arising from the project (Lincoln Street);
- Other Social Care and Health and RAD revenue;
- Consideration of reprioritisation of the Central Maintenance Fund.

3.17 At present the corporate capital programme contains an unallocated provision of £300,000 in respect of Revitalising Neighbourhoods. It is recommended that consideration be given to utilising this allocation for the scheme.

3.18 The Council will seek to utilise any usable capital receipt arising directly from the scheme (excluding Greyfriars) to fund one-off costs. It is expected that a receipt will be generated from the future disposal of Lincoln Street.

3.19 It is recommended that the Social Services minor works capital programme is utilised. This is in recognition of the significant saving in future maintenance costs that will arise because of the disposal of Greyfriars. The proposals also include a potential reconsideration of the prioritisation of the Central Maintenance Fund on the same basis.

3.20 There may also be scope to utilise the PFI credit to fund one-off set up costs. This would dependant upon the overall level of any PFI credit received. Any additional resources would reduce the requirement for the two departments to fund one-off costs, or could be utilised to manage any additional risks.

#### 4 Assessment of Risks

4.1 A full risk assessment has been carried out which seeks to identify the risks associated with entering a bid for PFI credits. The full risk assessment is not reproduced in this report. However, a summary of the most significant issues is shown below.

<b>Risk</b>	<b>Likelihood H M L</b>	<b>Impact H M L</b>	<b>Action</b>	<b>Contingency</b>
Financial (1) Expected level of occupancy higher than estimated leading to Lease payments being higher than bid for or budgeted for.	L	H	A full analysis of staff moving to lift premises based on realistic space requirements has been carried out. Therefore additional space requirements are unlikely.	Actual space requirements are significantly less than assumed in bid. Therefore may be further headroom depending upon the size of any PFI credit.
(2) Revenue costs higher than estimated	L	M	Prudent estimate made of likely costs per of space required, based on KPMG national modeller, local experience (as far as is relevant to this type of project).	There is significant headroom in respect of capital costs in the bid(as our overall space requirements have reduced), however, there would be a revenue effect. The bid makes a case for a lower level of revenue abatement which reduces the PFI credit. If this is successful it will benefit the scheme by approximately £100k pa. This is not built into any of the present cost estimates and if successful would help to mitigate any risk.
(3) One-off costs exceed estimates	M	M	Difficult to be precise about these. No real precedent, either locally or nationally for such a scheme. Property Services have been consulted on indicative budgets for property moves.	Needs to be kept under review are requires careful monitoring. A hierarchy of funding options has been presented in the report, which exceed present estimate. Also 20% contingency included.
(4) Failure to achieve the capital	M	L	2 risks 1) capital receipt at Lincoln Street is not obtained 2) it is but ODPM seek to net it	Estimated one-off costs can be funded without Lincoln Street receipt.

receipts assumed required towards the scheme			off the scheme. The former is dependent, amongst other things, on the associated strategy for property moves (see below). The latter is considered unlikely as the proceeds are being used to fund the one-off implementation costs of the scheme.	
(5) Failure to achieve the efficiency savings required towards the scheme	M	M	All identified savings in respect of Social Care and Health relate to existing property budgets and therefore are dependant upon having a realistic plan for vacating existing property (see below) Customer Services Savings are dependent on recycling the first £70k of savings from the front of house review.	Any underachievement of Customer Services Savings to be made up by the Resources department.
(6) Failure to identify true cost of scheme in bid therefore potential lead to loss of resources/funding difficulties.	L	H	The bid is based upon space requirements, which have now been reduced substantially. Initial PFI credit sought of £20.5m. Now estimated that the PFI credit required to carryout entire scheme is £10m.	

Property/Accommodation Risks				
(1) Legislative/organisational changes mean that the configuration of social care and health within HSCCs is no longer appropriate and the Lease+ agreement commits the authority to occupation up to <b>25 years</b> .	M	H	There are risks associated with a 25 yr lease tying Social care services into shared accommodation with the NHS. This reflects the strong policy direction of integration of social care and health services within the NHS modernisation plan. Should govt direction change (the likelihood of that being low to medium) the impact on us would inevitably be high. This would affect many of our current initiatives - eg integration of mental health services within the Partnership Trust - and would be felt everywhere up and down the country!	
(2) Space Standard of 11.25m <sup>2</sup> is unachievable leading to increased cost of Lease+	M	M	Current corporate target is 6.5m <sup>2</sup> . Have used 7.5m <sup>2</sup> , plus 50% (on the advice of property) for communal areas etc. Also included 60m <sup>2</sup> for reception area (equates to c1m <sup>2</sup> for each member of LCC staff in HSCC). Also will be sharing of space for meeting rooms, and in some cases joint working, with the PCTs, which should reduce the average requirement. (Greysfriars presently c11m <sup>2</sup> )	If could not accommodate within 11.25m <sup>2</sup> other options include further integration with PCTs and homeworking.
(3) Planned property moves failing to happen, affecting strategy to vacate Greysfriars and release other Social Services Property	L	H	We will establish a planned approach to the accommodation moves over the life of the initial LIFT building programme. This will cover the moves into the new centres and decisions about the use of space vacated within Council buildings as a result.	This will be a key task for the dedicated Project Manager, working within a structure including corporate colleagues - given the significance of this initiative for both finance and premises.
<b>PFI Risks</b>				
(1) Only part of the ODPM bid is approved			Bid was for £20.5m. We now estimate that we can complete the bid for £10m therefore considerable scope to undertake the scheme with a lower PFI credit.	Any further reduction in credit would require a re-evaluation of the affordability of the scheme. Could withdraw bid on the basis that bid as submitted not approved

(2) Final Bid scaled back to actual costs per m2 of Lease+	M		This is what has been assumed in our model. If actual costs are lower there would be a marginal improvement in the funding position as the PFI credits do not fund the full cost the lease.	If a scheme cannot be carried out from an award, which is less than bid for ultimately could turn it down on the basis of it not being what we bid for.
(3) ODPM/DOH fail to agree a suitable approval process with the Treasury therefore cannot prove VFM in respect of LIFT.		L	The current process of submitting an Outline Business Case, followed up with a Final Business Case is unlikely to satisfy the Treasury because the strategic nature of LIFT makes VFM comparison difficult. ODPM were to recommend an alternative "sign off" route for LIFT schemes. If an alternative route has not been agreed in government, unlikely that any NHS lift scheme can be approved for PFI credits. Therefore assume it will be sorted out.	If we are invited to submit a final bid and existing process stops us doing so, we can do little about it. We have already told Government about the problem. We would not lose any credibility.
(4) Fails to meet requirements of regulation 16 and 40 leading to abortive work and costs.		L	We had concerns that NHS LIFT would not constitute a PFI scheme according to regulations 16/40. At our request, ODPM and other were to develop advice for the Audit Commission to form a view that LIFT projects were PFI compliant and therefore off balance sheet. Otherwise they would constitute a credit arrangement.	If Government has not clarified the PFI treatment we may have difficulty in persuading external auditors of compliance. In this case need a determination from District Audit quickly to ascertain whether we should go forward. This will undoubtedly mean us having to employ consultants to carry out the necessary analysis at risk. If not compliant will cause a major problem to the only possible LA funding route for NHS LIFT. Ultimately, the Council could withdraw its bid under these circumstances without losing credibility.
<u>Project Management Risk</u> (1) Failure to deliver final bid for PFI credits to Govt's satisfac'n and therefore fail to secure credits.	M	H	If the Council is asked to submit a final bid a substantial amount of work will be required to facilitate this. This requires a dedicated project manager and support.	An estimated cost of £200,000 has been allowed in the project budget to provide this support. However, it will be crucial to get somebody quickly if we are asked to submit a bid after March

## 5. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References within Supporting information
Equal Opportunities	Yes	Section 2
Policy	Yes	Throughout
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	Yes	Section 2

## 6. Background Papers – Local Government Act 1972

4.1 Strategic Service Development Plan for LIFT

## 7. Consultations

Corporate Directors' Board  
Chief Finance Officer

## 8. Report Authors/Officers to Contact

Andrew Cozens, Corporate Director of Social Care and Health Tel: 252 8300  
Tom Stephenson, Corporate Director of Resources, Access & Diversity Tel: 252 6300  
Graham Feek, Financial Strategy Manager Tel: 252 7495  
Colin Sharpe, Head of Finance, Social Care & Health Tel: 252 8800



## **THE CUSTOMER SERVICES CENTRE CONCEPT**

### Concept

1. A neighbourhood Customer Services Centre (CSC) will integrate with and helps to integrate locally provided services. It will provide the first point of contact with services on the site and additionally to a wide range of public information and services. Staff specialist in front-line contact with the public deal with inquiries on first contact or refer people for more detailed or professional assistance on an 80/20 basis. Contact can be face-to-face, by telephone or by e-mail as the user prefers. Personal contact with a member of staff is always available on site.
2. CSC staff are supported by:
  - A comprehensive, on-going training and development programme
  - On-site data (contacts, frequently asked questions, leaflets, forms, etc)
  - Established links to Council departments and partner agencies
  - Access to other data bases.
3. There is flexibility to ensure that the CSC component is compatible with and supports the on-site services, the requirements of local people and the constraints of the accommodation. The required elements can be blended from a menu, which includes:
  - Triage-style contact with confidential interview areas.
  - “*Internal*” telephone contact for visitors
  - Contact through video conferencing
  - Leaflet bars
  - Self help electronic kiosks offering data through web-based technology
  - Waiting and relaxing areas catering for visitors with children
  - Cash payment opportunities (where compatible)

### Experience of CSCs

4. Since 1993 the Council has operated a hugely successful Customer Service Centre (CSC) offering a ‘One-Stop’ service to users. The centre, which is located in the Council’s headquarters in the heart of Leicester, deals with in excess of 100,000 face-to-face enquiries every year, and provides information, access and advice on a diverse range of council services.
5. Personal visitors, or those preferring to contact us by phone, can speak to our specially trained officers about any Council issue such as Housing Benefits, Council Tax, Environmental Services; Licensing, Concessionary Travel, Housing Repairs, Housing issues, Blue Badge Scheme, Electoral Registration, Planning, Council Job Vacancies and Grants. Where required the staff can assist with form completion, form verification and if necessary provide an advocacy role on behalf of users.

6. The operation of the Customer Service Centre is designed to ensure that all citizens' needs are met irrespective of age, gender, physical or financial ability, ethnic origin, race or religion. The Centre has a range of facilities available to assist with access to services and staff on hand who can speak Asian languages and provide Basic Sign Language interpreting.
7. A pilot neighbourhood CSC is being developed by the Council in New Parks, to operate in conjunction with the local Housing Office. Contractors are on site and the CSC is expected to open in February 2003. Arrangements have been agreed with the Pensions Agency, Inland Revenue and Job Centre Plus to join the CSC. Other partnerships are being explored.

### **The Wider Strategy**

8. The Council's Customer Access Strategy aims to make public services more accessible, more convenient and more responsive. It envisages an integrated network of CSCs (in neighbourhoods and in the city centre), of telephone contact centres and of self-service channels. Ultimately, the same service would be available through any access channel to all users, whatever their communication needs or preferences. At the moment, surveys suggest that about 70% of Leicester people prefer using their telephones to contact the Council and about 30% (higher than in many other areas) prefer face-to-face contact. A relatively small percentage prefer inter-active, electronic self-service but we are assuming this will grow.
9. This approach is consistent with the Council's initiative to revitalise neighbourhoods. It is supported by our E-Government and ICT Strategies. These all allow for the development of partnership arrangements with other public agencies.
10. The principles underpinning our Customer Access Strategy are:
  - We will design & develop services around the needs of local people;
  - Services will be delivered from a user perspective. The user shouldn't need to know the organisational structure or internal processes of the Council in order to receive the service they require. Service provision should be seamless and as far as possible all requirements should be satisfied at the first point of contact;
  - Subject to local demand, we will seek to provide a Council access point within one mile of every home in the City;
  - The solutions adopted will be financially realistic and sustainable;
  - Delivery options will be designed to maximise social inclusion by adopting a 'design for all' approach that ensures all citizens' needs are met irrespective of age, gender, physical or financial ability, ethnic origin, race or religion;
  - Full consideration will be given to the needs and protection of our more vulnerable service users, arrangements to secure their safety and well being will remain of paramount importance;
  - Service design will be fully compliant with the Data Protection Act 1998 and the Freedom of Information Act;

- Where opportunities allow, we will work in partnership with other agencies in the interest of providing joined up public services.

11. Our approach to e-government is illustrated by:



## Synergies With Health and Social Services

12. Apart from the general opportunity to provide single point access to a wide range of public sector information and services, there are many synergies between the services a CSC can offer and the likely requirements of health and social care users. For example, those eligible for disabled concessionary travel or whose changed circumstances raise questions about benefits, can access the necessary services through the CSC.

**TOM STEPHENSON**  
**CORPORATE DIRECTOR OF RESOURCES**  
**LEICESTER CITY COUNCIL**