



Leicester
City Council

WARDS AFFECTED
All Wards

CABINET

March 24th 2003

**STRATEGIC PLANNING AND REGENERATION
SCRUTINY COMMITTEE**

March 26th 2003

**THE CITY COUNCIL'S RESPONSE TO THE LEICESTER REGENERATION COMPANY
BUSINESS PLAN**

Report of the Corporate Director of Environment Regeneration and Development

1. Purpose of Report

To establish the City Council's response to the Leicester Regeneration Company's (LRC) Business Plan.

2. Summary

The report sets out what the LRC is seeking from the City Council, as one of its three funding partners, to enable it to deliver the Masterplan's Strategic Development Framework. It discusses the current funding arrangements and the emerging working groups. It suggests how the City Council should respond.

3. Recommendations

- 3.1 That Cabinet supports in principle, a rolling three year funding programme of £250,000 p.a. to be paid to the Leicester Regeneration Company (LRC).**
- 3.2 That Cabinet supports, from 1st April 2004, a continuation of £70,000 p.a, set aside for LRC related revenue expenditure within the City Council; this will be considered as part of the corporate budget strategy and allocated as agreed by the Corporate Director of Environment Regeneration & Development.**
- 3.3 That Cabinet supports further discussions of an additional sum, also from 1st April 2004, (thought to be in the order of £80,000), to cover additional revenue costs resulting from the ongoing work of implementing the LRC Masterplan's Strategic Framework; this matter will need to be considered as part of the continuing corporate budget strategy process.**
- 3.4 Subject to the proposed wording changes to bullets 1, 4/5, 6, 10 and 12, in the letter received from LRC (and set out in the report), that the support requested through the LRC Business Plan from Leicester City Council is noted and that the**

LRC is informed of the City Council's wish to facilitate delivery of the LRC Masterplan's Strategic Framework, through joint working as described in the response set out in this report.

- 3.5 That the LRC are made aware of the "Prime Concerns" and "Additional Concerns" as set out in the report.
- 3.6 That further consideration be given to the relationship between the Leicester Regeneration Company Business Plan and other major developments throughout the City as a whole, including planning issues, developer capacity and labour market forces.

4. Financial and Legal Implications

It is proposed, in principle, to continue the £250,000 p.a **revenue** funding as part of a rolling programme; this will need to be considered annually as part of the budget strategy. This sum is currently held within ER&D's base revenue budget. **Members are asked to continue this support in the form of a rolling three-year fund.**

In addition, to take account of inflation and other rising costs, Members will be asked to consider increasing the sum that is entirely controlled by the City Council and used to cover staff and other expenses. It is thought that the sum should be increased to £150,000 p.a.

£70,000 for each of the years 2002-2003 and 2003-2004 is currently set aside within the revenue base budget of the Environment, Regeneration and Development Directorate. Support is sought from Members for this to continue in future years; this will be considered as part of the budget strategy.

However, an increase to £150,000 cannot be met from the Environment Regeneration & Development base revenue budget and therefore **this matter will need to be discussed further as part of the continuing corporate budget strategy process as will the request to guarantee the lease of the premises for the LRC.**

There are no significant legal implications beyond those covered in earlier reports, that established the City Council's support in principle for the LRC and its Masterplan. More detailed aspects are covered in the main report's list of areas in which the LRC is seeking agreement from the Council through its Business Plan. It covers matters such as procedural aspects of land disposal, the use of Compulsory Purchase powers and the development of a mechanism for ensuring developer contributions.

5. Report Author/Officer to contact:

Diana Chapman, Development Plans Group/ City Council Liaison Manager LRC.
Extension 7251.

DECISION STATUS

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