
Investment in Regeneration & Culture and Removal of Charges at the Guildhall and for Public Conveniences

Report of the Service Director Resources for the Regeneration and Culture Department

1 Purpose of Report

- 1.1 This paper seeks Cabinet's approval to continue and enhance the programme of investment in cultural services and informs Members of Cabinet of the required procedures, along with financial and legal implications, to implement the Leader's Announcements at Cabinet on the 29 November 2004.

2 Summary

- 2.1 At the Cabinet meeting on 29 November 2004 the Leader announced that Cabinet intended to make six changes to current Council policy:
- 1 Reinstatement of concessionary fares before 9.30am for the elderly, disabled and unemployed by Spring 2005.
 - 2 Removal of charges for public conveniences by Christmas 2004.
 - 3 Reinstatement of community transport provision.
 - 4 Removal of the charge for admission to the Guildhall immediately.
 - 5 Ensure Humberstone Park Café remains open.
 - 6 Increase the grant to the Urban Regeneration Company (LRC) by £50,000 per annum resulting in a matched increase of £50,000 each from the East Midlands Development Agency (emda) and English Partnerships.
- 2.2 This report sets out the procedures and timetables to enable these announcements to become the policy of the Council and be put into effect. The report also seeks Cabinet's agreement to continue the programme of investment in Leicester's museums, leisure centres and parks.

3 Recommendations

3.1 Cabinet are recommended to make the following changes to Council Policy and to agree the mechanisms for delivering the changes as set out:

- 1 Abolish the charges for the use of public conveniences at all Leicester City Council owned and run facilities from Tuesday 21 December 2004, (paras 2.1 – 2.5 of the Supporting Information).
- 2 Abolish the entrance charges for the Guildhall from Tuesday 21 December 2004 (para 2.6 of the Supporting Information).
- 3 Support the programme of disposals and investment in cultural services agreed in principle by Cabinet on 15 March 2004 and 5 April 2004 and for Cabinet to agree the following specific provisions:
 - a Agree that officers continue to progress the disposal of the assets identified at the Cabinet meeting of 15 March 2004 and that the proceeds be used for investment in Cultural Services. Additionally, agree that authority to agree terms, enter contracts for sale, vary the assets disposed of to maximise the benefit to the Council be delegated to the Corporate Director of Resources, in liaison with the Corporate Director of Regeneration and Culture, and the Cabinet Link Members for Resources and Leisure.
 - b Approve an addition to the capital programme of £4.035m as described at Cabinet on the 15 March 2004. This addition to be funded from ring-fenced receipts and revenue contributions by the Regeneration and Culture Department.
 - c Agree that the Director of Regeneration and Culture, in consultation with the Chief Finance Officer, can commit expenditure subject to reasonable assurance of the availability of sale proceeds (with any shortfall falling to the Cultural Services Division's revenue account).
 - d Note that, in accordance with the approved 'Spend to Save' rules, 7.5% will be charged to the department on any un-financed expenditure prior to achievement of receipts.
 - e Note that should the receipts from the disposal of the assets agreed in principle by Cabinet on the 15 March and 5 April 2004 exceed or fall short of the investment identified, a further report will be brought to Cabinet with options for the use of those receipts.
- 4 Consider the options available for the future of the Humberstone Café and offices as outlined in paras 2.7 – 2.12 of the supporting information and choose an option. Additionally, Cabinet are asked to delegate authority to the Corporate Director of Resources, Access and Diversity to take all necessary action to progress and complete this disposal in consultation with the Cabinet Lead Member for Leisure if Cabinet chose a disposal option.
- 5 Provide an additional £50,000 in grant to the Leicester Regeneration Company (LRC) in the current financial year (2004/5) and, provide a continuing uplift in grant to the LRC from 2005/6, provided the grant is matched by emda and English Partnerships, and justified by the LRC's performance against their business plan (para 2.13 of the Supporting Information).

- 6 Subject to budgetary provision being made available in 2005/6, to reintroduce the Community (recreational) Transport scheme for groups and lunch clubs serving elderly and disabled residents. Cabinet are further asked to agree to delegated authority being given to the Corporate Director of Regeneration and Culture in consultation with the appropriate Cabinet Member to allow officers to start work and take decisions on this service reinstatement so that the new service can be operational within 6 months (paras 2.14 – 2.16 of the Supporting Information).
- 7 Subject to budgetary provision being made available in 2005/6, reintroduce pre 9.30am concessionary fares to the elderly from April 1st 2005. Other concessionary fares (for disabled and unemployed customers) will continue to be available on the same basis as they were prior to the 2004/5 budget. (paras 2.17 – 2.18 of the Supporting Information).
- 8 Increase the budget of Regeneration and Culture in the current year by £80k to meet the part year effect of the above, utilising savings from current budgets.

4 Financial & Legal Implications

Financial Implications

4.1 Only three of the proposals detailed in this report will impact on the current year's budget:

- the abolition of charges for the use of public conveniences
- entrance to the Guildhall
- the increase in LRC grant.

The loss of revenue and additional costs from these three items for the remainder of the current financial year is estimated at £80K. This sum will be met from underspends in current year budgets.

- 4.2 The full year costs of all these items for future years from 2005/6 will be addressed through the Corporate Revenue Strategy process for 2005/6 – 2007/8 and amount to an estimated £531,000 p.a.
- 4.3 The capital receipts from the net sale proceeds of the disposals will be used to fund the reinvestment in Cultural Services already agreed by Cabinet at meetings on the 15 March and 5 April 2004.
Alan Tomlins, Head of Finance 3 Dec 04

Legal Implications

- 4.3 On 25th February Full Council set the Council Tax for the current year and approved a revenue budget strategy for 2004/5 to 2006/7.
- 4.4 Included in the package of matters approved by Council was authority for Cabinet to add, delete or vire sums within the budget up to a maximum amount of £1m for a single purpose. This is in line with rule 2.10 of the current Budget and Policy Framework Procedure Rules.
- 4.5 Therefore, Cabinet can make changes up to this £1m limit, assuming there is sufficient flexibility within the approved budget to do so (e.g. underspends elsewhere).
- 4.6 The imposition of a restrictive covenant limiting the future use of Humberstone Park café may affect the unrestricted value for the purposes of a sale under S123 of the Local Government Act 1972. However, the consent contained in the General Disposal Consent (England) 2003 in respect of disposals for less than best consideration where an authority

considers it will help to secure the promotion or improvement of the 'economic, social or environmental well-being of the area' may apply in this case subject to the limitation of £2,000,000.00 in respect of any undervalue.

- 4.7 In the event of the imposition of a restrictive covenant, this would be entered on the Register of the title to the property. It would bind not only the original purchaser but any successor and would be enforceable by the Council by Court action if necessary.

Peter Nicholls, Head of Legal Services 6 Dec 04

5 Report Author

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DECISION STATUS

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

Cabinet

20 December 2004

Investment in Regeneration & Culture and Removal of Charges at the Guildhall and for Public Conveniences

Report of the Service Director of Resources for the Regeneration and Culture Department

SUPPORTING INFORMATION

1. Background

- 1.1 In the Council's 2004/5 Revenue Budget Strategy for the Regeneration and Culture Department a programme of service reductions was agreed along side a programme of service enhancements and investment broadly in line with the Council's Corporate Plan (see Cabinet papers of 23 February 2004 and Council papers of 25 February 2004).
- 1.2 At its meeting of the 5th of April 2004 Cabinet approved the disposal of a number of property assets with the receipts from those disposals to be invested in cultural services. At that time Cabinet requested that all disposals be subjected to a further report to Cabinet prior to sale and this report deals with one such sale. The paper further recommends that further disposals be delegated to the Corporate Director of Resources, Access and Diversity in consultation with the Corporate Director for Regeneration and Culture and the Cabinet Member for Leisure.
- 1.3 At the Cabinet meeting on 29 November 2004 the Leader announced his Cabinet's intention to reverse a number of decisions relating to the Regeneration and Culture department and to increase the grant to the LRC.
- 1.4 The Council no longer has any allocated budget to provide these services, and this paper identifies how, for this year only, underspends in corporate budgets could be used to provide for these changes. In 2005/6 and in future years these additions to the Council's budgets will need to be met either from compensating reductions elsewhere in the Regeneration and Culture Department, or from equivalent re-prioritisations elsewhere in the Council. These issues will be addressed through the 2005/6 Departmental Revenue Strategy (DRS).

2. The Implications of Each New Proposal

Abolition of the charges for Public Conveniences

- 2.1 The current departmental budget presumes income from public lavatories of £98K per year, with costs of £17K in collection, giving a net income of £81K per year.
- 2.2 The turnstiles that control access to the toilets can be easily, quickly and cheaply adjusted to provide free and open access. Removing the turnstiles may take several weeks to arrange at an as yet undetermined cost.

- 2.3 The Department has a one off sum of £700K allocated for increasing and improving public lavatory provision in parks and other key locations. This sum will still be required for improving public lavatories and ensuring that all our public lavatories are Disability Discrimination Act compliant.
- 2.4 Corporate underspends can be used to offset the loss of income of £23.5k for reinstatement this year. A corporate growth bid of £81k will be made in the 2005/6 Revenue Budget Strategy to match the on going loss of income.
- 2.5 Charging may have to be reintroduced from April 2005 if the department cannot obtain the required finances to offset this loss of income from either corporate growth or from agreed service reductions elsewhere in the department.

Abolition of the entrance charges for the Guildhall

- 2.6 The current departmental budget presumes a net income from the Guildhall of £20k per year. Corporate underspends can be used to offset the loss of income of £4.5k (seasonally adjusted) in this financial year. A corporate growth bid of £20k per year will be made in the 2005/6 Revenue Budget Strategy to match the on going loss of income. Charging will need to be reintroduced from April 2005 if the department cannot obtain the required finances to offset this loss of income from either corporate growth or service reductions elsewhere in the department.

Ensure the Humberstone Café remains open to the public

- 2.7 The Regeneration and Culture Department currently propose to sell the freehold of the building that houses the Humberstone Park Café (including the existing 5 year lease of the café tenant) at auction. Despite a proposed change of ownership of the freehold, the lease with the café operators would continue until the end of its existing term (as would be the case if the building remained in the ownership of the Council) and the tenants retain rights for a renewal of the lease.
- 2.8 The Humberstone Park café and offices are classed as public open space under section 123 of the Local Government Act 1972. The Council is legally required to advertise proposals to dispose of open space land in a local newspaper for at least two consecutive weeks to invite objections. Advertisements were placed in the Leicester Mercury on 15 and 22 October 2004 giving until 15 November 2004 for objections to be made. The Council is required to consider any objections it receives.
- 2.9 Humberstone Park café and offices are currently subject to two lettings. The office is let to tenants who are holding over (continuing in occupation) following the termination of their 21 year lease in 2003. The café is let to a tenant who has recently agreed terms for the renewal of the existing lease for a five year term commencing on 12 February 2005.
- 2.10 In response to the adverts in the Mercury, 225 letters have been received objecting to the proposals to sell, all the objections are concerned by the threat to the café of the building being in private ownership. The café is seen as providing an important local service and the respondents have expressed their desire to see it protected.
- 2.11 In July 2004 a petition was presented to the House of Commons requesting that the House urge the Deputy Prime Minister to ensure that the property remains a Council owned service for the community. In response to this the Deputy Prime Minister observed that the disposal of Council assets is a matter for the Council and such decision should be made in accordance with the Asset Management Plan, which sets out their approach and processes for dealing with all aspects relating to asset management. Details of the petition, response and comments in the House from Keith Vaz MP are included in Appendix 1 to this report.

2.12 There are a number of options available to Cabinet that allow the café to remain open

Option 1 Freehold Sale

A freehold sale subject to the existing tenancies, with a restrictive covenant to retain the existing café in use would mean that, should a future owner propose a different use for the café, they would need to obtain the Council's agreement for the release of the covenant, so keeping an element of control within the Council. If Members select this option the property will be offered for sale at the Shonki Brothers auction in February 2005, with the receipt being received in 2004/5. The potential capital receipt from this, and the other options below, are outlined in the supplementary report on the 'B' Agenda.

Option 2 Long Leasehold Sale

This option proposes a long leasehold sale, subject to the existing tenancies, with a user clause to limit use of the existing café only to a café. This option retains the freehold interest with the Council and allows the Council to determine the use of the café through a robust user clause. A user clause is likely to be more effective in the longer term than the restrictive covenant described in option 1. As it is not appropriate to sell a long leasehold interest by auction, if Members select this option officers will seek tenders for the lease. In this case the Council will not receive the capital receipt in 2004/5.

Option 3 Retain ownership of the building by the Council

As in the previous two options, keeping ownership of the building with the Council protects the interest of the existing tenant for the duration of their current lease. At the end of the lease the tenant will have rights to a new lease. Should Members decide retain ownership of the Humberstone Park Building the Council will need to re-prioritise in order to fund the maintenance and repairs required to ensure a reasonable life for the building. However, the Council would also continue to benefit from the rental income. If Members decide to retain ownership of the Humberstone Park Building the Regeneration and Culture Department may have to curtail the current programme of capital funded works to parks, museums and leisure centres or seek a matching contribution from the Council's capital programme

Provide an additional £50,000 of grant, per year to the Leicester Regeneration Company

2.13 £50K of Corporate underspends can be used to provide a grant to the LRC for the remainder of this financial year. From 2005/6 a Council uplift in grant of £50K could be made to the LRC, provided that the uplift is matched by emda and English Partnerships, and justified by the LRC's performance against their business plan. A corporate growth bid of £50k per year will be included in the 2005/6 Revenue Budget Strategy to enable this commitment to be met on a on-going basis. This increased grant must be built into the Council's base budget for it to continue in subsequent years, through either a successful corporate growth bid or from service reductions elsewhere in the Regeneration and Culture department.

Reintroduce the Community (recreational) Transport Scheme for the Elderly, disabled groups and lunch clubs

2.14 Based on previous usage information, officers estimate a new scheme would need 13 vehicles (5 adapted) to operate a service for elders' and disabled groups. This will cost in the region of £100K per year (presuming a 7 year lease), and 120K per year for drivers, accommodation, management and administration (including contributing to the Council's fixed overheads) giving a total annual cost of £220k. If similar group membership fees and hire charges are used as in the previous scheme, officers estimate £30k income per annum could accrue. This gives a net cost for the service of £190k. In the previous scheme 103 elder's groups were registered of which 70 used the scheme on a regular basis.

2.15 A rough indicative timetable (depending on the availability of, or time to build, the adapted vehicles) could have a service up and running within 6 months of this report. Officers will contact all the elder's and disabled groups previously members of the scheme to size the demand for the new scheme. The scheme could be managed and operated by the Council's Operational Transport scheme.

2.16 A corporate growth bid of £190k per year will be made in the 2005/6 Revenue Budget Strategy to enable this commitment to be met on a on-going basis. This item will be shown as a decision already taken in the 2005/6 Revenue Strategy and either equivalent growth or other Regeneration and Culture reductions will be used to pay for it.

Reintroduce pre 9.30am concessionary fares to the elderly from April 1st 2005

2.17 Last year's agreed revenue budget removed the pre 9.30 concessionary fares for the elderly. The scheme for disabled people and the government scheme for the unemployed continue untouched. The reversal of this decision with the reinstatement of pre 9.30am concessionary fares for the elderly will cost £200k per year.

2.18 To reintroduce these concessionary fares from April 1st 2005 a growth item will be included in the 2005/6 Revenue Strategy, this should be met by either a corporate growth bid or commensurate reductions in service elsewhere in the Regeneration and Culture Department.

3. Financial, Legal And Other Implications

Financial Implications

3.1 See the cover report and information provided already in this supporting paper.

Legal Implications

3.2 See the cover report

3.3 Other Implications

OTHER IMPLICATIONS	YES/NO	PARAGRAPH REFERENCES WITHIN SUPPORTING PAPERS
Equal Opportunities	Yes	The recommendations and section 2 of the Supporting Information
Policy	Yes	The recommendations and section 2 of the supporting information
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	
Older People on Low Income	Yes	The recommendations and section 2 of the supporting information

4 Risk Assessment Matrix

Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/or appropriate)
Non prioritisation of items for growth bids within the current Revenue Strategy process	M	M	Corresponding service reductions elsewhere in the Regeneration and Culture Department

L - Low
M - medium
H - High

L - Low
M - Medium
H - High

5 Background Papers – Local Government Act 1972

1. The 2004 Budget Strategy Cabinet papers of the former departments of Cultural Services and Neighbourhood Renewal and Environment Regeneration and Development – 23 February 2004
2. The 2004 Budget Strategy Council papers of the former departments of Cultural Services and Neighbourhood Renewal and Environment Regeneration and Development – 25 February 2004
3. 15 March and 5 April 2004 Cabinet Papers “One off Investment in Cultural Services”

6 Consultations

Consultee	Date Consulted
Tot Brill, Corporate Director	1 Dec 2004
Alan Tomlins, Head of Finance, Regen and Culture	1 Dec 2004
Peter Nicholls, Head of Legal Services	1 Dec 2004
Corporate Directors Board	7 Dec 2004
Mark Noble, Chief Finance Officer	8 Dec 2004
Neil Gamble, Property Services	8 Dec 2004

PETITION FROM ROB AND MOJISOLA GREEN,
STAFF OF THE HUMBERSTONE CAFÉ AND OTHERS, LEICESTER

21st July 2004

To the House of Commons.

The Petition of Rob and Mojisola Green, the Staff of the Humberstone Park Café and others,

Declares that Leicester City Council is to sell off a number of council owned properties including Humberstone Park Café. The petitioners further declare that once the Café building is under private ownership the general public will have no say on future developments at the site; and that the Café is an important service for the community which should remain in the hands of the City Council.

The Petitioners therefore request that the House of Commons urge the Deputy Prime Minister to ensure that Humberstone Park Café remains a Council owned service for the community.

And the Petitioners remain, etc.

Observations were presented on 11 October:

Observations by the Deputy Prime Minister on the Petition [21st July] from Rob and Mojisola Green, the staff of the Humberstone Park Café, Leicester, and others against the proposed sale of the Café building by Leicester City Council.

The disposal of council assets is a matter for Leicester City Council. However, such decisions should be made in accordance with their Asset Management Plan, which sets out their approach and processes for dealing with all aspects relating to asset management.

11th October 2004

You might also like to see what was said in the House when the petition was presented (column 577):

Humberstone Park Café

6.20 pm

Keith Vaz (Leicester, East) (Lab): I rise to present a petition on behalf of Rob and Mo Green and 2,000 other constituents in Leicester, East. It concerns proposals by the Liberal-led Leicester city council to sell off a property that is currently occupied by the Humberstone Park Café, which has been a local resource for a number of years. The proposals will mean that the Café will have to close and the community facility that has been provided will thus be at an end.

The petition

Declares that Leicester City Council is to sell off a number of council-owned properties including Humberstone Park Café. The petitioners further declare that once the Café building is under private ownership the general public will have no say on future developments at the site; and that

the Café is an important service for the community which should remain in the hands of the City Council.

The petitioners therefore request that the House of Commons urge the Deputy Prime Minister to ensure that Humberstone Park Café remains a Council owned service for the community.

And the Petitioners remain, etc.

To lie upon the Table.



