



Leicester  
City Council

**WARDS AFFECTED: ALL**

**SCRUTINY COMMITTEES  
CABINET (for approval)  
COUNCIL**

**Various  
14 February 2005  
23 February 2005**

---

**REGENERATION & CULTURE DEPARTMENT  
DRAFT REVENUE STRATEGY 2005/06 – 2007/08**

---

**Report of the Corporate Director, Regeneration & Culture and the Chief Finance Officer**

**1. Background and Approach to Revenue Strategy**

- 1.1 The proposals in this paper follow the 3 year budget strategies agreed by Council in February 2004 for both the Culture & Neighbourhood Renewal and the Environment, Regeneration and Development Departments, subsequently merged in April 2004 to become the Regeneration and Culture Department.
- 1.2 That budget strategy removed £4.7 million jointly from the budgets of the two departments over two years, creating a lean departmental structure that focused on our core activities. Subsequent efficiency reviews made savings in the management and operation of operational transport and will impact on the department's procurement, property and ICT operations.
- 1.3 The proposals in this paper are predicated on two principles:
- That, over the next 6 years, the department will prioritise basic highway maintenance. This is to redress previous striping of the maintenance budget, ensure the future of the highway network (including footpaths, pavements, signage and lighting) and minimise the possible risk to the Council of insurance and legal claims and criminal charges through new corporate manslaughter laws.
  - That the Regeneration and Culture Department will focus its work on particular priorities described in the corporate plan:

**Improve our environment to make local neighbourhoods and the city centre places to be proud of, by:**

- Promoting prosperity and new jobs, while safeguarding people's health and development interests.
- Developing a safe, clean and creative City with wider access to culture and recreation.
- Regenerating the city's housing, open spaces, public transport and access to work and services
- Investing in continuous improvement in a well-managed organisation.

1.4 These priorities will be met in The Regeneration and Culture Department by focusing activity that contributes to:

- Regenerating Leicester, prioritising the city centre and supporting the LRC in its delivery of its Master Plan
- Creating a safe and clean city
- Widening access and participation in cultural experiences and recreation
- Bringing our roads, pavements and associated street signage up to a basic good standard
- Running an efficient and well managed department

1.5 The previous three year strategy was predicated on savings of £450k to be made from alternative management options. The Council's current pension arrangements mean that those savings are not achievable, and this is reflected in this revenue strategy.

1.6 The approach taken for this revenue strategy has been that each Service Director made suggestions to make savings to ensure our financial pressures are dealt with and to reprioritise funding into basic highway maintenance and other corporate plan priorities. Members of Cabinet have informally looked at these suggestions and given guidance to officers about their strategic direction and priorities, this process has resulted in officers refining the original suggestions.

1.7 This revenue budget strategy has been assessed for any additional race implications in the context of all service and spending plans. None of the proposals is believed to have a significant race implication.

## **2. Budget Proposals**

2.1 This paper schedules:

- a number of growth proposals totalling £3,597k in 2005/06, and £3,034k in 2006/07, and £1,659k in 2007/08 (section 3)
- a series of savings proposals totalling £805k in 2005/06, £1,581k in 2006/07, and £1,686k in 2007/08 (Section 4).

The extent of savings overall is reduced significantly in their first year due to the impact of voluntary redundancies and the expected timing of their implementation.

2.2 I do not believe that it would be sensible, given the already high levels of savings made by the Regeneration and Culture Department in the last budget strategy to seek further savings beyond those outlined in section 5 at this stage. That is not to say that savings cannot be made, but to do so would require a major re-think of the purpose and nature of the department. I believe that this work is worthwhile and that savings of the order of £5 - £10 million (or up to 20% of the current budget) could be made over 5 years. Savings of that order cannot be made by reductions in services, or efficiencies in management or working practices alone. They will require the department to stop providing some services it currently provides altogether, and to radically re-structure its management, delivery and relationship with other departments of the Council.

**3. GROWTH BIDS TOTTALLING £3,597k IN 2005/06, £3,034k IN 2006/07 AND £1,659k IN 2007/08**

*Investment in Basic Highways Maintenance - £2,000k in 2005/6, £1,500k in 2006/7, £Nil in 2007/8*

3.1 The City's roads and footpaths are in a poor condition. The Government's ten year plan is to eliminate the maintenance backlog by 2011. At the present level of funding and prioritisation it will take until 2013 to achieve the Government's target on the Principal Road Network and 2021 to achieve the target on the remainder of the road network. For footways the target could never be achieved, as the rate of footway deterioration increases each year beyond our financial capacity to rectify it.

3.2 The recently published Corporate Manslaughter Bill articulates a legal framework around the growing trend to hold corporate bodies responsible for their actions. There are currently 6 Highways Authorities reported as under investigation for Corporate Manslaughter and others are anticipated. Road condition may be a feature in these cases.

3.3 Officers in the Highways and Transportation Division identified we need additional investment estimated to be the full Local Transport Plan capital allocation plus a further £2m pa until year 2011 to bring Leicester's highways and pavements to acceptable standards. This investment could also pull up our long term CPA score in this area. Further details of Leicester's road conditions and funding options are included in an Appendix to this report.

*Implementation of new Environmental Services Powers - £100k falling to £50k in 2006/7*

3.4 The department does not have the financial capacity to implement the government's new environmental services powers. Those powers include removing nuisance vehicles immediately, and extensions to the range of litter dropping/fly-tipping offences. We will have new powers to issue fixed penalty notices for contravening waste regulations, and we can keep the receipts. This figure is net of new income.

- Implementing the Licensing Act - £22k in 2005/6, £120k from 2006/7***
- 3.5 The department does not have the financial capacity to implement the obligations of the new licensing act. The act gives the Council new statutory requirements to administer and enforce all licensing activity in the City.

- Accommodation rationalisation - £150k for one year***
- 3.6 The department will rationalise its accommodation needs in A block of NWC in 2006/7. At the moment this accommodation charge is below the line so the department cannot show a long-term compensatory saving but a saving will accrue to the Council overall. The department will move its staff and give up 3 floors, realising a notional saving of £300k to the Council. These costs are one off and reflect required alterations.

- Increased Funding for the Overseas Working Party - £15k***
- 3.7 This sum will build upon Leicester's existing overseas links

- Re-instate Community/Recreation Transport - £180k***
- 3.8 This bid reinstates a subsidised Community Transport scheme for elderly and disabled groups. The cost is net of membership fees, small hire charges and petrol costs that will be passed onto the groups – as in the previous scheme.

- Re-introduce the pre -9.30am concessionary fares - £200k***
- 3.9 This growth bid will enable the full reinstatement of concessionary fares to the elderly and continue existing arrangements for the disabled and unemployed.

- Increase the grant to the LRC - £50k***
- 3.10 This increase would enable the LRC to obtain a further £100k of contributions from other partners. This increase in grant aid is predicated on those matching contributions from other funders being made available to the LRC from the start of the financial year 2005/6.

- Remove toilet charges - £81k***
- 3.11 This is the net income figure in the existing Regeneration & Culture budget after collection charges have been removed.

- Remove Guildhall charges - £20k***
- 3.12 This bid reinstates free public entry to the Guildhall

- Off-set the 2004/05 Alternative Management Options budget reduction - £450k***
- 3.13 The 2004/05 DRS for Cultural Services and Neighbourhood Renewal included a reduction of £450k p.a. to reflect the savings that could accrue by delivering an alternative management option for Cultural Services. Detailed feasibility work this year demonstrated that alternative management could cost the Council more in pension contributions and was therefore unsustainable.

- Additional funding for the festivals unit - £10k***
- 3.14 Additional funding to maintain and enhance the programme of festivals across the city.
- Costs of operating a new leisure centre - £Nil in 2005/06 rising to £250k in 2007/08***
- 3.15 The capital programme includes a bid for a new leisure centre. This covers the anticipated operating costs of the centre
- Operating costs of new kickabout areas - £25k***
- 3.16 The capital programme includes a bid for a 4 new kickabout areas. This covers the anticipated operating costs of these.
- Increased opening times at Cossington Street pool - £6k***
- 3.17 The expected cost of staffing and operating the pool to cover additional opening on Sunday afternoons
- Increased Museum opening times - £125k falling to £120k***
- 3.18 The expected costs of increasing the opening times of some Museums, possibly New Walk and Jewry Wall.
- Adjustment to expected income from De Montfort Hall - £50k***
- 3.19 Last year's Departmental Revenue Strategy included additional income from operating De Montfort Hall, thereby reducing the subsidy provided. This removes the requirement for these additional sums.
- Improved car park lighting at De Montfort Hall - £10k in 2005/06***
- 3.20 A one-off sum to improve the lighting to enhance the facilities and improve safety.
- CCTV on Great Central Way - £22k in 2005/06 falling to £2k***
- 3.21 The cost of installing and operating one camera on Great Central Way
- Crime & Disorder measure – alley gates - £11k in 2005/06***
- 3.22 The cost of installing 11 alley gates in locations yet to be determined as part of crime and disorder measures
- Public Art - £30k***
- 3.23 Provision for the maintenance of existing and the commissioning of new public art
- Leicester Riders - £40k in 2005/06***
- 3.24 Continuation for one further year of the subsidy to Leicester Riders to support their relocation back to Leicester.

4 SAVINGS PROPOSALS TOTALLING £805k in 2005/06, £1,581k in 2006/07 and £1,686k in 2007/08

*Remove 1 Post in Building Safety - £30k*

4.1 Deletion of a vacant post.

*Sale of capacity at Bursom ball-mill - £Nil (first year but £150k in future years)*

4.2 This income projection assumes the sale of surplus capacity of the mill to other authorities in a 50:50 profit share with Biffa. No savings are included for year 1 as the mill is not currently operating after the fire, and full capacity will only be possible from April 2005. This capacity will need to be confirmed prior to selling surplus. Planning permission will be required

*Increased sports income - £100k*

4.3 This income projection applies an above inflationary increase to charges including swimming and fitness

*Reduction to Environment team - £35k*

4.4 Reduce the team of 5 staff by 1 and reduce the amount of pro-active work. This may incur some redundancy costs in year 1

*St Margaret's Pasture Sports Centre - £10k (rising to £30k from 2006/7)*

4.5 Transfer responsibility for this centre to Fyffes Hockey Club.

*Record Office - £5k in 2004/05 (rising by £5k each year)*

4.6 Maintain the contribution at £211k pa by not increasing the grant in line with inflation

*Use of Reserves - £25k in 2005/06 only*

4.7 The Department has identified savings to fund all the growth items except for a shortfall of £25K in 2005/06. It is intended to utilise reserves to cover this relatively small amount for a single year rather than cut services that will affect future years.

*Additional Community Protection and Wellbeing income - £17k (rising to £27k from year 2)*

4.8 This income will be achieved by small changes across a number of areas in the Community Protection & Wellbeing Division, including more cost efficient charging mechanisms.

*Fund buses from on-street parking - £120k (rising to £185k in year 2 and £265k in year 3)*

4.9 Use the ring-fenced income from on-street parking to contribute further to the costs of bus services

*General reduction in Supplies and Services - £90k*

- 4.10 This reduction makes small miscellaneous savings in the Highways Division totalling £20k, general purchasing reductions in the Regeneration Division of £40k and the Resources Division of £30k.

***Cease economic research - £14k***

- 4.11 This saving presumes the department will use the research undertaken by LSEP and EMDA

***Changes to the Regeneration Division reflecting the end of the SRB grant regime - £40k (rising to £110k)***

- 4.12 Restructuring the Division to ensure it meets the regeneration priorities of the City. Some first year voluntary redundancy costs are expected.

***Review of support organisation and staffing levels - £65k (rising to £200k)***

- 4.13 This saving is made by changing the Resources staffing structure to remove 1 Head of Service post along with and some middle management. Some sizeable voluntary redundancy costs would arise in year one.

***Consolidation of Fundraising and Marketing teams - £40k (rising to £60k)***

- 4.14 Work is currently underway to identify a single appropriate structure for effectively accessing external funds and promoting, researching and getting feedback on the Department's services. Having single teams for these functions will enable some cost efficiencies to be made.

***Legal Services Costs - £25k***

- 4.15 This saving is made by greater control of actions initiated through Legal Services on the authorisation of the Community Protection & Wellbeing Division.

***Development Control income - £155k***

- 4.16 This income increase reflects recent trends and Government plans to increase planning application fees by about 10% next year

***Capital fee recovery - £10k***

- 4.17 This saving makes greater use of staff time and charges to highways capital projects.

***Full year effect of 2004/05 Regeneration voluntary sector savings - £70k***

- 4.18 All contracts have previously been terminated and no projects are attached

***Reduced investment in environmental works - £300k from 2006/07***

- 4.19 Cabinet approved in April 2004 additional £1.3m p.a. investment in environmental work. It is proposed to reduce this investment by £300k from 2006/07 to meet overall funding requirements and to allow ongoing investment in the growth items identified above.

## **5 Recommendations**

- 5.1 The meeting is recommended to approve the proposals contained in this report

## **6 Financial & Legal Implications**

### ***Financial Implications***

- 6.1 This report is exclusively concerned with financial issues.

### ***Legal Implications***

- 6.2 As this report deals with next year's budget, Section 106 of the Local Government Finance Act, 1992 applies to members in arrears of council tax.

## **7 Report Author**

Alan Tomlins

Head of Finance, Regeneration & Culture

0116 252 7390

tomla001@leicester.gov.uk