

Leicester
City Council

Democratic and Civic
Support
City Hall
115 Charles Street
Leicester
LE1 1FZ

23 April 2015

Sir or Madam

I hereby summon you to a meeting of the LEICESTER CITY COUNCIL to be held at the Town Hall, on THURSDAY, 22 JANUARY 2015 at FIVE O'CLOCK in the afternoon, for the business hereunder mentioned.

Monitoring Officer

AGENDA

1. LORD MAYOR'S ANNOUNCEMENTS

2. DECLARATIONS OF INTEREST

3. MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 13th November are available to view at:
<http://www.cabinet.leicester.gov.uk:8071/ieListDocuments.aspx?CId=81&MId=6578&Ver=4>.
Copies are also available from Democratic Support on (0116) 454 6352 or
Committees@leicester.gov.uk.

4. PETITIONS

- Presented by Councillors
- Presented by Members of the Public

5. QUESTIONS

- From Members of the Public
- From Councillors

6. MATTERS RESERVED TO COUNCIL

6.1 Capital Programme 2015/16*

6.2 Treasury Strategy 2015/16

6.3 Call-In of Executive Decision – City Council Golf Courses

* A colour list of the 'rag' overview of projects is attached to the agenda for Councillors.

7. REPORTS OF THE MONITORING OFFICER

7.1 Revision to the Constitution

7.2 Access to Information Procedure Rule 17 – Monitoring Report

8. EXECUTIVE AND COMMITTEES

To report on any changes to the Executive, or fill any vacancies of any Committee of the Council.

9. NOTICES OF MOTION

Proposed by Councillor Potter, seconded by Councillor Naylor:

The council notes:

- It has been estimated that the UK Treasury loses as much as £12 billion to tax dodging by multinational companies every year. Developing countries lose three times more to tax dodging than they receive in aid each year – enough to give a basic education to the 57 million children

currently missing out.

- The UK has a particular responsibility to end tax dodging, as it is responsible for 1 in 5 of the world's tax havens in the British Overseas Territories and Crown Dependencies.
- The use of tax havens by UK companies is rife, with 98 of the FTSE 100 companies routinely using tax havens.
- Large multinational companies pay as little as 5% in corporate taxes globally, while smaller businesses pay up to 30%.

This council believes:

- As a local authority we have a duty to provide the best possible public services.
- Our ability to provide quality local services would be significantly enhanced by the increased revenues from the government tackling tax dodging.
- All who benefit from public spending should contribute their fair share.
- The UK must take a lead role in creating a fairer tax system and combatting tax dodging.

This council resolves:

- To support the campaign for tax justice by supporting the motion:

“While many ordinary people face falling household income and rising costs of living, some multinational companies are avoiding billions of pounds of tax from a tax system that fails to make them pay their fair share. Local governments in developing countries and the UK alike would benefit from a fairer tax system where multinational companies pay their fair share, enabling authorities around the world to provide quality public services. The UK government must listen to the strength of public feeling and act to end the injustice of tax dodging by large multinational companies, in developing countries and the UK.”

10. ANY OTHER URGENT BUSINESS

Filming and Recording the Meeting

The Council is committed to transparency and supports efforts to record and share reports of proceedings of public meetings through a variety of means, including social media. In accordance with government regulations and the Council's policy, persons and press attending any meeting of the Council open to the public (except Licensing Sub Committees and where the public have been formally excluded) are allowed to record and/or report all or part of that meeting. Details of the Council's policy are available at www.leicester.gov.uk or from Democratic Support.

If you intend to film or make an audio recording of a meeting you are asked to notify the relevant Democratic Support Officer in advance of the meeting to

ensure that participants can be notified in advance and consideration given to practicalities such as allocating appropriate space in the public gallery etc.

The aim of the Regulations and of the Council's policy is to encourage public interest and engagement so in recording or reporting on proceedings members of the public are asked:

- ✓ to respect the right of others to view and hear debates without interruption;
- ✓ to ensure that the sound on any device is fully muted and intrusive lighting avoided;
- ✓ where filming, to only focus on those people actively participating in the meeting;
- ✓ where filming, to (via the Chair of the meeting) ensure that those present are aware that they may be filmed and respect any requests to not be filmed.

MATTERS RESERVED TO COUNCIL

6.1 Capital Programme 2015/16

The Capital Programme 2015/16 is submitted to Council for consideration and approval.

The full report is attached. A minute extract from the Overview Select Committee on 15 January will be circulated when it is available.

The Council is asked to:-

- (a) Approve the capital programme described in this report and summarised at Appendix 2, subject to any amendments proposed by the City Mayor;
- (b) For those schemes designated immediate starts, delegate authority to the lead director to commit expenditure, subject to the normal requirements of contract procedure rules and finance procedure rules;
- (c) Delegate authority to the City Mayor to determine a plan of spending for each policy provision; and to commit expenditure up to the maximum available;
- (d) For the purposes of finance procedure rules:
 - Determine that service resources shall consist of service revenue contributions; HRA revenue contributions; and government grants/third party contributions ringfenced for specific purposes (which, for the avoidance of doubt, includes grants for which we are the accountable body);
 - Designate the transport maintenance programme as a programme area, within which the director can reallocate resources to meet operational requirements;
 - Designate the transport improvement programme as a programme area;
 - Designate the following HRA schemes as 3 discrete programme areas: investment in council owned housing, business and technological investment, and environmental improvements.
- (e) Determine that the City Mayor may increase any scheme in the programme, or add a new scheme to the programme, subject to a maximum of £10m corporate resources;
- (f) Determine that the City Mayor may reduce or delete any capital programme provision, subject to a maximum of 20% of scheme

22 January 2014

value for “immediate starts”; and may transfer any “policy provision” to the “immediate starts” category;

- (g) Delegate to directors, in consultation with the relevant assistant mayor, authority to incur expenditure in respect of policy provisions on design and other professional fees and preparatory studies, but not any other type of expenditure.

6.2 Treasury Strategy 2015/16

Council is asked to consider a report which establishes the strategy for the Council’s borrowing and investments during 2015/16.

The Council is recommended to approve the treasury strategy, and the authorised borrowing limit in paragraph 6.3. Other than limits which apply specifically to 2015/16, the Council is asked to give this strategy immediate effect.

6.3 Call-in of Executive Decision – City Council Golf Courses

In accordance with Rule 12 of the City Mayor and Executive Procedure Rules, Councillors Barton (proposer), Unsworth (seconder), Cole, Westley and Newcombe have objected to the decision of the City Mayor of 11 December 2014 with regard to the above.

The submitted grounds for objection are:-

“The decision to close Western Park Golf Course will have a detrimental impact on golfers in West Leicester and on the city’s sport and outdoor leisure provision. This is a request to call in the decision to scrutiny.”

Also in accordance with Rule 12 of the Executive Procedure Rules, Councillors Porter (proposer), Naylor (seconder), Grant, Glover, and Potter have objected to the decision of the City Mayor of 11 December 2014 with regard to the above.

The submitted grounds for objection are:-

“That the decision is based upon an incomplete consultation(s) and subjective evidence. The decision is significant and requires the scrutiny and consideration of the Full Council.”

A copy of the decision is attached along with the Executive report and associated appendices.

Arising from the receipt of an objection the issue had been referred to the meeting of the Overview Select Committee on 15 January 2015. The relevant minute extract from this meeting will be circulated and published as soon as it is available.

22 January 2014

The City Council is recommended to **formally consider the Executive Decision.**

Under the provisions of City Mayor and Executive Procedure Rule 12 (h), the Council may either confirm the decision of the Executive which would take immediate effect or ask the Executive to consider an alternative recommendation.

**Sir Peter Soulsby
City Mayor**



Council

Date: 22nd January 2015

Capital Programme 2015/16

Report of the Director of Finance

1. Purpose

1.1 The purpose of this report is to ask the Council to approve a capital programme for 2015/16.

2. Summary

2.1 Capital expenditure is incurred on works of lasting benefit, and is principally paid for by grant, tenants' rents, and the proceeds of asset sales (capital receipts). Money can also be borrowed for capital purposes, but the scope for this is limited as borrowing affects the revenue budget.

2.2 Traditionally, the Council has approved 3 year capital programmes. However, with the onset of the economic downturn in 2008 and subsequent Government spending cuts, shorter planning horizons have been adopted.

2.3 A one year programme is being proposed for 2015/16 which ensures our planning horizon matches the Government's. It is hoped that a multi-year programme can be created in 2016/17 if we have sufficient certainty from the Government.

2.4 A number of other external factors are also influencing our capital planning:-

- (a) As described in paragraph 5, the Government is changing the way it supports some aspects of capital investment. This includes the introduction of the Local Growth Fund (LGF), funded partly from resources previously allocated to local authorities for transport improvement. In addition, grant previously paid to local government for

adult social care is now being paid to the Better Care Fund. The impact of these measures is that local discretion is being reduced;

- (b) The ability to generate receipts is greater than it has been for some time. However, pressures on the revenue budget mean the availability of General Fund revenue monies to support the capital programme will severely diminish in the coming years.
- 2.5 In this programme, the opportunity is being taken (whilst it is still possible) to change the basis on which capital resources are managed. Instead of forecasting capital receipts and spending money in anticipation of receiving them, capital receipts will be saved and spent when they are realised. Thus, no capital receipts are being assumed in this programme (other than right to buy receipts, which are predictable). Capital receipts generated will be used to support the forthcoming multi-year programme from 2016/17. In this way, we avoid the risk of having to make mid-year cuts to a future capital programme in the event of a market downturn (given that we will not have the revenue monies to plug the gap).
- 2.6 To maintain a reasonable level of capital spending in 2015/16 without using receipts, a one-off contribution of £6m is being made from revenue. Provision for this has been included in the draft General Fund revenue budget.
- 2.7 The capital programme submitted for approval contains schemes to the value of £50m, and includes HRA schemes which have previously been approved separately. As in 2014/15, the capital programme complements the Economic Action Plan: whilst the focus of the latter is economic regeneration, which inevitably has a bias towards the city centre, the capital programme consists almost entirely of investment in the city's neighbourhoods.
- 2.8 The capital programme is split into 2 parts:-
- (a) "Immediate starts", being schemes which have authority to commence once the Council has approved the programme. These are fully described in this report;
 - (b) "Policy provisions", where the purpose of the funding is defined but money will not be released until specific spending proposals have been approved by the Executive. Clearly, there is less detail about these schemes than there is about immediate starts.
- 2.9 This report makes proposals for new spending. Some capital expenditure will, however, be incurred in 2015/16 or later years arising from earlier capital approvals; the most significant of these is an estimated £17m to be incurred

on the second phase of building works to create new primary places; and £7m for the development of a new intermediate care facility.

3. **Recommendations**

3.1 The Council is asked to:-

- (a) Approve the capital programme described in this report and summarised at Appendix 2, subject to any amendments proposed by the City Mayor;
- (b) For those schemes designated immediate starts, delegate authority to the lead director to commit expenditure, subject to the normal requirements of contract procedure rules and finance procedure rules;
- (c) Delegate authority to the City Mayor to determine a plan of spending for each policy provision; and to commit expenditure up to the maximum available;
- (d) For the purposes of finance procedure rules:
 - Determine that service resources shall consist of service revenue contributions; HRA revenue contributions; and government grants/third party contributions ringfenced for specific purposes (which, for the avoidance of doubt, includes grants for which we are the accountable body);
 - Designate the transport maintenance programme as a programme area, within which the director can reallocate resources to meet operational requirements;
 - Designate the transport improvement programme as a programme area;
 - Designate the following HRA schemes as 3 discrete programme areas: investment in council owned housing, business and technological investment, and environmental improvements.
- (e) Determine that the City Mayor may increase any scheme in the programme, or add a new scheme to the programme, subject to a maximum of £10m corporate resources;
- (f) Determine that the City Mayor may reduce or delete any capital programme provision, subject to a maximum of 20% of scheme value for “immediate starts”; and may transfer any “policy provision” to the “immediate starts” category;

- (g) Delegate to directors, in consultation with the relevant assistant mayor, authority to incur expenditure in respect of policy provisions on design and other professional fees and preparatory studies, but not any other type of expenditure.

4. **Key Policy Issues**

- 4.1 The key concern of capital planning is to deliver strategic objectives and meet (as far as is achievable) a level of need which considerably exceeds available resources.
- 4.2 The capital programme contained in this report is almost exclusively focussed on neighbourhood works, including £22m to improve tenants' homes and environments; £10m for investment to support children's services, including new primary school places; £2m for highways maintenance and £2m for disabled facilities grants.
- 4.3 Economic regeneration is a key Council priority, and the capital programme complements the Council's Economic Action Plan. The EAP has been approved in 2 phases. A programme was approved in November, 2012, providing funding of £13.5m for projects in the first phase. Funding of £38m has subsequently been made available for the second phase, which includes the proceeds of a major land sale in 2012/13. Schemes in the EAP have generated substantial external funding: for schemes already approved, £25m of external funding has been generated. A major source of this funding is ERDF grant.
- 4.4 A major policy issue is the need to plan additional school places, which are required because of the rising birth rate. A programme of works to create 2,600 school places was approved on 2nd April, 2013 and is currently being delivered. A further £17m provision was approved as part of the 2014/15 capital programme. Additionally, Forest Lodge School is being rebuilt by the Department for Education under the Priority School Building Programme; additional grant of £3.9m has been received to expand the existing Kestrel Fields Primary School; and a new free school (Falcons Primary) has now opened. Taken together with the current capital programme, it is anticipated that over 5,000 new places will be created when compared to 2013. The need for new places, however, is kept under continual review as population projections fluctuate. In particular, a time will come when the population bulge reaches secondary age, creating additional demand at this level.
- 4.5 Investment in adult care is essential to maximise the independence of vulnerable people, to address the historic over-reliance on residential care, and to prevent unnecessary admission and re-admission to hospital. £0.9m

per annum of funding previously received to support this is now being paid to the Better Care Fund, and work is taking place with partners to secure funds for projects which maintain independence (such as assistive technology, and improving access to community facilities for people with profound disabilities); and to contribute to a new dementia residential care home which will be operated by a partner organisation. Notwithstanding the change in Government policy, a sum £1.8m has been retained in the programme for works which support this direction of travel; this sum will be used to complement monies committed by the BCF. Members are reminded that a provision of £8m remains in the current capital programme, principally for the development of a new intermediate care facility.

- 4.6 A key objective of transport planning is to address the accessibility of the city centre to public transport, which is also connected to the rising population. A £13.5m scheme to redevelop the Haymarket Bus Station is in progress. A key focus of the new capital programme is to facilitate long-term plans to improve access from the north west and north east of the city. The city's overall transport needs also include the development of strategic and local cycle routes, measures to improve the flow of buses, additional 20 mile per hour schemes, and schemes to maintain and improve the condition and efficiency of the roads network. All these objectives are addressed in the proposed capital programme.
- 4.7 A key policy objective is to maintain and improve the standard of tenants' homes, and maintain all our properties at the "decent homes standard".
- 4.8 Investment will be required to support the Council's spending review programme, and any future action required to reduce revenue spending as a consequence of Government grant cuts. A fund of £6m was set up as part of the 2013/14 budget strategy, to which £2m was added as part of the 2014/15 budget strategy. Consequently, such schemes are not included in the capital programme. At the time of writing, £3.6m of this £8m is uncommitted.

5. **Resources**

- 5.1 The resources available to fund the capital programme consist primarily of Government grant and HRA revenue. Most grant is unringfenced, and the Council can spend it on any purpose it sees fit. HRA revenue can only be used to support HRA schemes.
- 5.2 For control purposes, the Council has split resources into corporate and service resources.

- 5.3 Directors have authority to add schemes to the programme, provided they are funded by service resources, up to an amount of £250,000. This provides flexibility for small schemes to be added to the programme without a report to the Executive. In this programme, most resources are designated as corporate resources, the chief exception being revenue monies provided from the Housing Revenue Account.
- 5.4 The rest of this section describes the resources available to the Council. A full schedule of resources is shown at Appendix 1.
- 5.5 As stated in the summary to this report, it is proposed to plan on the basis that any capital receipts received will be used to fund the 2016/17 programme. Receipts received between April 2014 and December 2015 will be set aside for this purpose. This enables us to plan future programmes on the strength of receipts received rather than receipts anticipated, and reduces our exposure to the risk of non-achievement. This is important given that revenue resources will be increasingly constrained, and seeks to avoid putting the Council in a position whereby crisis cuts might need to be made midway through a capital programme as a consequence of economic shocks. The option of finding revenue monies to compensate is unlikely to be available. The new policy may also strengthen our hand when negotiating disposals. Initial receipts from sales of land at Ashton Green, however, will be earmarked for the costs of infrastructure.
- 5.6 The exception to the above is receipts expected from the sale of Council housing, where tenants exercise their right to buy. RTB receipts are now layered, with different layers being available for different purposes. A sum of £0.6m will be available for general purposes. (This is highly predictable, and will arise almost regardless of the actual value of RTB sales in 2015/16). A further tranche is available, but must be used for new affordable housing.
- 5.7 In order to bridge the temporary shortfall in resources arising from applying capital receipts retrospectively rather than prospectively, a revenue contribution of £6m is being made as part of the 2015/16 General Fund revenue budget.
- 5.8 The capital programme includes £26m of works in respect of the Housing Revenue Account. Since recent Government changes to the financing of housing revenue accounts, no grant is made available for these works, which are funded almost entirely from HRA revenue income. Provision of £24m has been made available in the HRA budget for 2015/16.
- 5.9 £15m of Government grant has been included in the resources schedule. The table below shows the grant notified for 2015/16 and compares this with

2014/15 (disregarding one-off sums provided in 2014/15 for free school meals). The subsequent paragraphs provide some commentary:-

	2014/15	2015/16
	£000	£000
Basic Need	7,338	6,603
Education – Maintenance*	3,659	3,000
Integrated Transport	4,271	2,556
Highways Capital Maintenance	2,136	2,613
Adult Social Care	863	N/A
Disabled Facilities Grant	867	N/A
Total	19,134	14,772

*The sum shown for 2015/16 is estimated.

5.10 Education grants are provided by the DfE and calculated with reference to (but are not ringfenced to):-

- (a) The need for new school places in areas of growing population (“basic need”);
- (b) Maintenance of existing premises.

5.11 The Council also has an allocation of £6.9m for basic need in 2016/17, which has already been announced.

5.12 The allocation for integrated transport is significantly below that for 2013/14, because the amount available nationally has been topsliced by £200m, and added to the Local Growth Fund. The Local Growth Fund totals £2bn and is allocated to local enterprise partnerships, not local authorities. Money is made available on the basis of competitive bids. Leicester and Leicestershire have been provisionally awarded £77m for schemes due to start in 2015/16, which includes support to two major transport schemes (amounting to £25m over 5 years between them). The sum of £2.6m allocated to the City Council for integrated transport is not wholly available (despite being lower than last year), as £1.4m is required in practice to match fund Local Growth Fund allocations for these two schemes. A further £5m of match funding will be required between 2016/17 and 2019/20.

5.13 In addition to transport schemes, £20m of LGF has provisionally been made available to the City Council for development of the Waterside over 5 years, and money has been made available for development of broadband. Match funding of £5m will be provided from the EAP.

- 5.14 The Council also has an allocation of £2.6m for integrated transport in each of 2016/17 and 2017/18, which has already been announced.
- 5.15 The allocation for highways maintenance is also £2.6m. The amount available in 2014/15 was boosted by £200,000 of one-off additional money. Transport allocations (whether for integrated transport or for maintenance) are not ringfenced; but, as will be seen above, the impact of recent policy changes means large elements are in fact pre-committed.
- 5.16 In previous years, the Government has allocated grant for adult social care, which was not ringfenced. From 2015/16, this money will be paid to the Better Care Fund, and consequent decisions on its allocation will fall to the Health and Wellbeing Board. £0.9m has been allocated in this way. It is understood that the Government proposes to add conditions to the use of the grant, but has not yet done so.
- 5.17 In past years, the Council has spent considerably more on adult social care than has been provided as grant. In order to support the process of transformation, a sum has been set aside for this purpose in 2015/16; it remains to be seen whether any such support can be afforded in future years.
- 5.18 Disabled Facilities Grant is ringfenced, and is provided to support the making of grants to householders in the private sector requiring disabled adaptations. Like the grant for social care, this money is being paid to the Better Care Fund with effect from 2015/16 instead of to housing authorities. Nonetheless, the statutory duty on local authorities to make grant available remains (and it is noted that in two tier areas, this means housing authorities who are not part of Health and Wellbeing Boards). It is understood that HWB's will be required to pass sums received directly to housing authorities, and grant has been included in the programme on that basis.
- 5.19 Additionally, the programme includes £99,000 of funding specifically for DFG's. These reflect estimates of grant applicants' contributions, and repayments arising when properties are disposed of.
- 5.20 A departmental contribution of £77,000 will contribute to the cost of flood defence, and is funded by Local Services Support Grant (the amount of LSSG will be confirmed in February).
- 5.21 The capital programme is also supplemented by up to £1.6m of borrowing to pay for infrastructure at Ashton Green. This will be repaid from the proceeds of future disposals.

6. **Proposed Programme – Immediate Starts**

- 6.1 This section of the report describes those schemes which can commence without any further approval. The whole programme is summarised at Appendix 2.
- 6.2 £2.0m is provided for **private sector disabled facilities grants**. These grants fund adaptation work to the homes of disabled people to meet their needs, as identified through a community care assessment. The majority of grants fund showers and/or stair lifts, and money is sufficient to fund around 300 payments (the average grant is some £6,500). Grants are means tested, though the majority of applicants are “passport” to full grant as they receive qualifying benefits or the work is for a child.
- 6.3 £50,000 is being made available for **compulsory purchase of empty homes**. This enables the Council to purchase properties that have been vacant for more than 18 months, which owners are not willing or able to bring back into use. Once purchased, empty homes are sold to purchasers on condition that they are improved and reoccupied. The sale proceeds are generally sufficient to meet the Council’s cost of purchase; the £50,000 funds additional incidental costs. Compulsory purchase is a last resort, and £50,000 would generally be sufficient to cover four transactions.
- 6.4 £50,000 is provided for the **Leicester Energy Efficiency Fund**. This scheme provides grants to landlords to improve the energy efficiency of privately let homes. Grants are paid on a 50:50 basis, with a maximum grant amount of £2,000. Private tenants have no practical way of getting help to install insulation, and they (not the landlords) are responsible for the utility bills. £50,000 will fund around 40 grants, and help maintain this popular scheme.
- 6.5 £0.2m is provided for the **repayable home repair grants scheme**. This provides funding for a programme of discretionary grants to homeowners on low income. Priority is given to adult social care clients who need work to their homes in order to continue to live independently. Eligible works include those to deal with health hazards, and to improve properties towards the “decent homes” standard applied to the maintenance of council housing. £200,000 would assist some 25 households. Grants are fully repayable on sale or transfer of ownership, but this is often many years after the initial grant.
- 6.6 Provision of £50,000 is made for **street scene improvements**. This provides funding for a programme of work delivered in conjunction with street wardens, at the request of environmental health officers and others. It is used to tackle “grot spots” where costs cannot be made the responsibility of other parties or owners, and is used to make improvements to alleyways in conjunction with

other action (such as gating). The type of works funded also include repairing walls and fences, re-bedding coping stones, and replacing dislodged bricks. The extent of work will depend on what is needed on individual streets.

6.7 £16.2m is provided for **investment in council owned housing**. This continues a programme of improvement to council housing, and aims to ensure that all homes are in a reasonable state of repair, have reasonably modern facilities, and provide a reasonable degree of thermal comfort (the “decent homes standard”). The need for works is assessed based on the condition and life of the individual components. Of the £16.2m:-

- (a) £6m will be spent on kitchens and bathrooms across the estates. Work on refurbishing kitchens and bathrooms started in 2002, with tenants being given the option of a bathroom or kitchen (most chose a kitchen). The decent homes standard was met in 2010 and the current aim is for all homes to have a new kitchen and bathroom by 2030;
- (b) £4.5m will be spent on 1800 central heating boiler replacements. Investment will target 600 energy inefficient back boilers in the next 3 years;
- (c) £2.6m will be spent on rewiring: investment will ensure that all homes have wiring that is safe and adequate;
- (d) £1.3m will be spent on continuing the programme of refurbishment at Saint Peters Tower block;
- (e) The balance will be spent on other works.

6.8 £0.1m is provided for **business and technological investment** in support of the housing repairs service. This will fund investment in software and hand held devices to enable repair and maintenance jobs to be efficiently allocated to operatives.

6.9 Provision of £5.5m is made for **environmental improvements on housing estates**. This provision includes:-

- (a) £1.2m for environmental improvements on estates such as landscaping, new security measures, pocket parks and fencing across the whole city. The money will be spent following consultation with tenant group representatives and ward councillors;
- (b) £1.2m for disabled adaptations to tenants’ homes (the £2m provision elsewhere in the programme is for works to private homes). This

enables tenants to stay in their homes for longer and to be discharged from hospital sooner than would otherwise have been the case;

- (c) £1.0m for fire safety works;
- (d) £0.6m to tackle the 2,370 “hard to heat” homes that have SAP energy ratings of less than 75;
- (e) £0.3m for balcony repairs to flats on Aikman Avenue;
- (f) Monies for way-lighting replacements, replacement of elevated walkways and renewal of concrete paths.

6.10 Provision of £70,000 is made for **heritage interpretation panels**. 50 heritage interpretation panels have been created in the city centre as part of phase 1 of this scheme. It is planned to provide a further 40 panels, which will include provision based in neighbourhood areas (e.g. historic villages).

6.11 Provision of £2.5m is made for **transport improvement schemes**. Of this, £1.4m is effectively pre-committed to match fund Local Growth Fund contributions to 2 major schemes: The North West Major Transport Scheme is a £19m scheme: £16m will be met by the LGF, and the scheme is due to complete in 2017/18. £0.5m per annum will be required from the Council. The North City Centre Access Scheme is a £14m scheme due to complete in 2019/20, which will require a £0.9m contribution from the Council in 2015/16 and £4m in later years. These schemes are both major transport corridor improvement schemes, which will make substantial improvements to the accessibility of the city centre and to the quality of the public realm. They are both fundamental to the economic success of the city and county; the north west scheme is also essential to support major urban extensions to the north and west of the city.

6.12 It should be noted that, at the time of writing, we await formal confirmation of our LGF allocations

6.13 The balance of the transport improvement programme (£1.1m) will fund a programme of highway and transport improvement schemes such as:-

- (a) Strategic and local neighbourhood cycling routes, with up to £500,000 planned for the next phases of the Welford Road cycleway;
- (b) £50,000 for road signing and lining on gateways to the city;

- (c) £60,000 for performance improvements to the urban traffic control system network;
 - (d) Up to £300,000 to implement 20 mile per hour schemes, bus pinch-points, and road safety schemes;
 - (e) £280,000 for support staffing and project development costs.
- 6.14 Provision of £2.0m is made for the **transport maintenance programme**. This is an annual planned programme of major highway maintenance works and improvements to the city's highway infrastructure; including roads, footways, bridges, street lighting and traffic signals. A detailed programme of works is provided at Appendix 3, which has been prepared following consultation with ward councillors.
- 6.15 Provision of £0.3m is made for **flood defence and watercourse improvements**. Leicester is a national flood risk area, and the proposed programme supports the delivery of our statutory role to manage and reduce flood risk. An outline programme is provided at Appendix 4 to this report.
- 6.16 This part of the programme includes £0.2m for **replacement of Unix servers**. The current Unix database platform hosts the Council's critical business applications, and is now at the end of its life. A new platform is required to support the Council's finance, benefits, local tax, education and planning systems.
- 6.17 £0.4m is provided for **ICT data storage replacement**. The ICT equipment used to store the Council's data is at the end of its life. The equipment was procured in 2008/9, and would usually have a lifespan of 5 years.
- 6.18 £0.1m has been provided to **replace the current ICT firewall**, which protects the Council's data from malicious attack. The current equipment is at the end of its life.

7. **Policy Provisions**

- 7.1 This section of the report describes the policy provisions, being those parts of the capital programme for which plans will be developed and approved by the City Mayor. They are included on the spending summary at Appendix 2.
- 7.2 The programme makes an additional £10m available for **children's services**. It is expected that this funding will be spent on a combination of works to provide new primary places; maintenance of schools and other establishments providing services to children; IT in support of these services

(including a new portal to access information relevant to children with SEN or disabilities, which will meet new statutory responsibilities); and other capital works which complement these developments or which otherwise improve and facilitate services to the city's children. These funds will not be committed until a detailed schedule of works has been submitted to the Executive.

- 7.3 A provision of £1.8m has been set aside for **adult social care transformation**. As stated above, funding for social care capital is now part of the Better Care Fund. This provision will enable the Council to complement any BCF allocations for projects which do not meet the Government's criteria.
- 7.4 Provision of £1.3m is made available for **new Housing Revenue Account schemes**, funded from the HRA. It is envisaged that the funds will be used to support a programme of investment in shops, playground equipment, and IT developments. It may also be used to take advantage of any future match funding opportunities which avail themselves to improve the thermal efficiency of our houses.
- 7.5 £3.0m has been made available for **new affordable housing**, which will be funded from a combination of ringfenced RTB receipts (£2.2m) and HRA revenue (£0.8m). It is planned to fund extra care, conversion of former hostels, and contributions to housing association schemes.
- 7.6 Provision of £0.5m has been made available for **new public toilets**. Provision of £0.4m already exists in the 2014/15 capital programme for works at Evington Park and Watermead Park. This money will enable further provision at Belgrave and Abbey Park. Money will not be released until firm plans have been presented to the Executive.
- 7.7 Provision of £0.5m has been made for **local environmental works**. This is an annual programme which addresses local neighbourhood issues related to residential parking, local safety, cycle-ways, shopping precincts, community lighting and landscaping. Works will directly contribute towards addressing priorities identified through ward member consultations. Additionally, it is proposed to address landscaping issues at key gateways to the city. A programme of works will be submitted to the Executive for approval.
- 7.8 Provision of £50,000 has been made to replace the current **Christmas decorations**. The condition and appearance of the decorations has been subject to criticism in recent years by businesses and members of the public, and it is intended to commence a programme of replacement.
- 7.9 Provision of £1.6m has been made for **Ashton Green infrastructure**. This is an indicative sum, which will be supported by borrowing, to deliver

infrastructure necessary to enable the first housing development parcels to be brought forward as part of a long term plan. The borrowing will be repaid by capital receipts and statutory contributions from sale of land at Ashton Green.

- 7.10 A provision of £1.7m is provided for a continuing programme of **property maintenance**. This is an annual programme, and has been used in previous years to make significant reductions in asbestos and water hygiene related needs, and fire risk reduction works. The money will not be spent until a programme is submitted to the Executive.

8. **Equality Assessment (Irene Kszyk)**

- 8.1 People across all protected characteristics will benefit from the improved public good arising from the proposed 2015/16 capital programme. Some of the schemes focus on meeting specific areas of need for a protected characteristic: additional school places for primary school age children (age); disabled adaptations within homes, council as well as private sector (disability); and home repair grants and other future capital works that enable older people to stay in their homes and remain independent as long as possible (age). Other schemes target much larger groups of people (council tenants, car drivers and cyclists) who have a range of protected characteristics reflective of the diverse population within the city. Some schemes are place specific and address environmental issues that also benefit diverse groups of people.

- 8.2 The delivery of the capital programme contributes to the Council fulfilling our Public Sector Equality Duty (PSED). For example, schemes which support people in being able to stay in their homes to continue to lead independent lives and participate in community life help promote equality of opportunity, one of the aims of the PSED. Other schemes such as provision of additional primary school places ensure that this growing population cohort continues to have its educational needs met. Schemes which improve the fabric of the city's environment contribute to overall improvement of quality of life by addressing environmental issues within specific areas. By doing so, the capital programme promotes another PSED aim, fostering good relations between different groups of people by ensuring that no area is disadvantaged compared to other areas.

9. **Sustainability Assessment (Mark Jeffcote, Environment Team)**

- 9.1 There are a number of existing processes in place to assess the sustainability implications of council projects.

9.2 The council's standard project management methodology must be followed by all medium & major projects. The planning stage of the methodology requires a sustainability impact assessment. The Environment Team must be consulted directly on the assessment where the project includes:

- a substantial amount of construction;
- a substantial use of transport;
- the generation of energy;
- the significant procurement of energy intensive equipment (eg. ICT); and
- a major focus on food, catering or textiles.

9.3 Also, all executive reports require authors to contact the Environment Team for an assessment and statement of the climate change and carbon reduction implications.

9.4 The individual projects that result from the 2015-16 Capital Programme expenditure will therefore each receive an appropriate sustainability assessment through the above. However, provided below is a RAG overview based on currently available information.

	RAG	Comment
Immediate Starts		
Private sector disabled facilities grants		There are no significant negative environmental impacts associated with the proposed adaptation works to the homes of disabled people.
Empty homes acquisition		Bringing homes back into use could result in improvements in energy efficiency through improved insulation, heating and lighting systems.
Leicester Energy Efficiency Fund		The project will improve the energy efficiency of properties rented to private tenants.
Repayable home repair grants		The grants contribute to the provision of "decent homes" for home owners on low incomes.
Street scene improvements		This programme of work improves the environment/street scene in local neighbourhoods.
Investment in council owned housing		The investment will contribute to the provision of "decent homes" and improve the energy efficiency of properties. For example, it will fund 1,800 central heating boiler replacements.
Business and technological investment (HRA)		The investment will result in a more efficient repair and maintenance service.
Environmental improvements		The work will improve the environment/street scene on housing estates, improve the

(housing estates)		energy ratings of homes through energy efficiency measures and way-lighting improvements.
Heritage interpretation panels		There are no significant negative environmental impacts associated with providing interpretation panels.
Transport improvement schemes		The major transport schemes will improve car access to the city centre; however, the overall aim of the local transport plan is to promote more sustainable forms of transport and reduce congestion. Some of the balance of the transport improvement programme will fund cycle routes, improvements in traffic control and 20 mile per hour schemes.
Transport maintenance programme		A properly maintained highway will help reduce congestion, increase fuel efficiency and reduce emissions.
Flood defence and watercourse improvements		Flood defence and watercourse improvements are necessary to ensure that the City adapts to the increased risk of flooding which is one of the predicted impacts of climate change.
Unix server replacement		The replacement for the existing Unix platform will be more energy efficient.
ICT data storage replacement		The new ICT equipment to store the Council's data will be more energy efficient.
ICT firewall		The new equipment to replace the current ICT firewall will be more energy efficient.
Policy Provisions		
Children's Services capital provision		Potentially the capital maintenance provision could be used to fund new insulation, heating, water and electrical systems. This will improve the energy efficiency of schools.
Adult Social Care Transformation		This funding will be provided to complement the Better Care Fund provision so the likely environmental impact is currently unknown.
Housing Revenue Account – New Schemes		This funding may be used to match fund energy efficiency improvements in housing.
New Affordable Housing		Building work should be done to a high environmental standard.
New public toilet provision		Additional toilet provision will increase energy and water use so efficient technologies should be considered in these projects.
Local		This programme of work will improve the

environmental works		local environment/street scene and possibly provide cycle routes and better, more energy-efficient lighting.
Festive decorations replacement		The replacement Christmas decorations will be more energy efficient.
Ashton Green infrastructure		The Ashton Green development will increase the overall environmental impact of the City; however the infrastructure will include provision for cycle routes, energy efficient street lighting and other initiatives to reduce the environmental impact.
Property maintenance provision		Further detail will be required but the provision should result in environmental improvements to buildings as in previous years.

9.5 In conclusion, none of the provisions in the programme are considered to be particularly detrimental. However, it should be noted that it is always possible to identify ways of reducing the sustainability impact of a project when the nature of the project and the delivery are considered in detail. This even applies to many of those projects that have been rated “green” above.

10. **Financial Implications (Mark Noble)**

10.1 This report is exclusively concerned with financial matters.

10.2 The revenue implications of the proposed programme as a whole are insignificant. Some savings will accrue from investment in ICT, but this will not be significant as most proposals are for replacement of equipment at the end of its life. There will be revenue costs associated with new toilet blocks, but this will be reduced to the extent that existing facilities are replaced.

10.3 There is only one potential use of borrowing in the programme. Borrowing results in a revenue cost arising from debt and interest repayment. This is the proposal to fund infrastructure works at Ashton Green, which will be repaid from future sales. Spending of £1.6m would cost the Council £9,000 per year in lost interest until such time as receipts are received. It is considered that borrowing is affordable, sustainable and prudent.

11. **Legal Implications (Beena Adatia)**

11.1 As the report is exclusively concerned with financial matters, there are no direct legal implications arising from the report. There will be procurement and legal implications in respect of individual schemes and client officers should take early legal advice. In accordance with the constitution, the capital programme is a matter that requires approval of full Council.

12. **Other Implications**

Equal Opportunities	Yes	Paragraph 8.
Policy	Yes	The capital programme is part of the Council's overall budget and policy framework, and makes a substantial contribution to the delivery of Council policy.
Sustainable and Environmental	Yes	Paragraph 9.
Crime and Disorder	Yes	Street scene improvements can contribute directly to the reduction of anti-social behaviour.
Human Rights Act	No	
Elderly/People on Low Income	Yes	A number of schemes will benefit elderly people and those on low income.

Mark Noble (mark.noble@leicester.gov.uk)
5th January 2015

Capital Programme 2015/16 - Resources		Appendix One
	{£000}	{£000}
Receipts		
Council Housing Right to Buy - Generally Available	600	
Council Housing Right to Buy - Ringfenced	2,200	2,800
Revenue Contributions		
From General Fund budget	6,000	
From Housing Revenue Account	23,930	29,930
Capital Grant - Unringfenced		
Basic Need	6,603	
Education Maintenance	3,000	
Integrated Transport Programme	2,556	
Highways Capital Maintenance	2,613	14,772
Capital Grant - Ringfenced		
Disabled Facilities Grant		1,001
Other		
Grant contributions (DFG)	50	
Grant repayments (DFG)	49	
Departmental contributions	77	176
Prudential borrowing (self funding)		
Ashton Green Infrastructure		1,640
TOTAL RESOURCES		50,319
TOTAL EXPENDITURE		50,179
Surplus		140

Capital Programme 2015/16 - Spending				Appendix Two
	15/16	16/17	Total	Responsible
	<i>{£000}</i>	<i>{£000}</i>	<i>{£000}</i>	Director
<u>Immediate Starts</u>				
Private Sector Disabled Facilities Grants	2,000		2,000	Housing
Empty Homes Acquisition	50		50	Housing
Leicester Energy Efficiency Fund	50		50	Housing
Repayable Home Repair Grants	200		200	Housing
Street Scene Improvements	50		50	Housing
Investment in Council Owned Housing	16,170		16,170	Housing
Business and Technological Investment (HRA)	130		130	Housing
Environmental Improvements (Housing Estates)	5,490		5,490	Housing
Heritage Interpretation Panels	70		70	City Development
Transport Improvement Schemes	2,500		2,500	City Development
Transport Maintenance Programme	2,000		2,000	City Development
Flood Defence and Watercourse Improvements	300		300	City Development
Unix Server Replacement	197		197	IT
ICT Data Storage Replacement	390		390	IT
ICT Firewall	102		102	IT
Sub-Total	29,699	-	29,699	
<u>Policy Provisions</u>				
Children's Services Capital Provision			10,000	
Adult Social Care Transformation			1,800	
Housing Revenue Account - New Schemes			1,300	
New Affordable Housing			3,040	
New Public Toilet Provision			500	
Local Environmental Works			450	
Festive Decorations Replacement			50	
Ashton Green Infrastructure			1,640	
Property Maintenance Provision			1,700	
Sub-Total			20,480	
TOTAL SPENDING			50,179	

Appendix Three

Transport Maintenance Programme

<u>Description</u>	<u>Amount £000's</u>	<u>Notes/Schemes</u>
Principal Roads	200	Welford Road and Red Hill Way/Thurcaston Rd Roundabout
Classified Non-Principal Roads	115	Saffron Lane; Coleman Road junction with The Portwey; and Abbey Park Road (reserve scheme)
Unclassified Neighbourhood Roads	150	Greenland Drive and Ravensbridge Drive (including Service Rd)
HRA Carriageway Patching & Resurfacing	80	Loughborough Rd or Raw Dykes Road; and 5 ward priority sites (patching works)
Carriageway Surface Dressing Programme	200	Surface treatment to seal road surfaces following patching works in 2014/15 (approximately 30 streets)
Carriageway Joint Sealing Programme	25	Prevents water ingress and onset of potholes (approximately 8 streets)
Footway Slurry Sealing Programme	35	Footway slurry sealing to sites previously patched in 2014/15
Concrete Carriageway Repairs	75	Reconstruction/replacement of failed and dangerous concrete bays: Pindar Road & Parker Drive (worst bays only)
Road Hump Replacements	50	Reconstruction/replacement of failed block paved road humps and speed cushions: Harrison Road & Imperial Avenue

<u>Description</u>	<u>Amount £000's</u>	<u>Notes/Schemes</u>
Footway Relays and Reconstructions	100	Focus on local neighbourhood priorities, e.g. footways in Stoneygate (Evington Park Road & Holmfield Road which is currently a reserve site for 2014/15)
Strategic Bridge Deck Maintenance & Replacement Works	400	Middleton Street river and canal bridges, or Highway Road bridge
Strategic Bridge Maintenance Feasibility Works	100	Major bridge maintenance scheme feasibility; options appraisals and design linked to Leicester North-West major transport schemes
Bridge Improvement & Maintenance Works	200	Parapet replacements, structural maintenance works & technical assessment review project
Traffic Signal Installations Renewals	150	London Road/Evington Road; Narborough Road/Westcotes Drive; Wakerley Road/Ethel Road; Aylestone Road/Lothair Road; Gipsy Lane/Tomlin Road; Dominion Road/Charnor Road; Hastings Road/Brighton Street
Lighting Column Replacements	40	Replace 50 dangerous columns
Vehicle Activated Signs	10	Ward priorities
Management & Support	70	Strategic asset management development, data analysis and reporting
TOTAL	2,000	

Appendix Four

Flood Defence and Watercourse Improvements

<u>Description</u>	<u>Amount £000's</u>
Support to integrated flood risk management strategy with the Environment Agency	40
Surface water flood risk areas and gully replacement programme	50
Highway ponding alleviation e.g. Melton Road junctions	20
Holbrook flood alleviation	30
Gilroes Brook/Bonchurch Street flood alleviation scheme	40
Northfield flood alleviation scheme	30
Local flood risk management strategy implementation, including approval and adoption of Sustainable Drainage Systems (SuDs) for new developments.	30
Community engagement programme – printing costs, display and promotional material	10
Watercourse improvements & repairs – programmed and reactive	50
TOTAL	300

TREASURY STRATEGY 2015/16

Report of the Acting Director of Finance

1. **Purpose of Report**

1.1 This report establishes the strategy for the Council's borrowing and investments during 2015/16.

2. **Summary**

2.1 Treasury management is the process that ensures that the Council always has enough cash to make the payments that are necessary for its operations, and this involves both borrowing and investment. The Council's borrowing totals some £240 million; and its investments vary from below £180 million to over £230 million depending on circumstances.

2.2 The strategy described in this report differs significantly from the previous one, to reflect changing circumstance. The changes are:-

- (a) Current government policy is to fund capital projects by grant, instead of a "borrowing allocation". This means that borrowing is only required when we are funding the costs ourselves (which is rare, given the revenue budget outlook); or when borrowing pays for itself. If government policy continues, we do not believe we will need to borrow money for the foreseeable future, if at all;
- (b) Investment balances are high, and (at current interest rates) do not attract enough income. They continue to build up because of the lack of any borrowing requirement and the requirement to set money aside to repay debt as part of the revenue budget;
- (c) Ideally we would use balances to repay existing debt, but rule changes mean there is a financial disincentive to do this;
- (d) Since the financial crash of 2008, our investments have been restricted to the UK government, other local authorities and the strongest UK banks. Changes to rules on bank liquidity mean that the Government will no longer bear the full cost of "bailing out" a failing bank. Banks which require capital must first look to commercial depositors (including local authorities). This is known as "bail in".

2.3 The consequence of the above for our strategy is:

- (a) the focus becomes very much about what we do with our investments;
- (b) at the very least we need to widen the parties with whom we invest, in order to spread risk;
- (c) where we can do so, we will use investments to repay debt, but the rationale for doing so will be risk reduction rather than savings (as in the past);
- (d) we have an opportunity to think laterally about what we do with investments we believe we will not spend at any point in the medium term. The point here is that the marginal costs of using these investments is low at least until interest rates rise.

2.4 We need to be mindful that the position may change:-

- (a) our high level of investments is backed to some extent by reserves (although also by grants received in advance of spend and money set aside for debt repayments). These reserves are expected to fall over the next four years;
- (b) a new government may introduce supported borrowing again (or provide opportunities to borrow, backed up by new income sources, for example as part of a growth deal).

2.5 The strategy therefore includes a mixture of options for using investment balances which are not used to repay debt:

- (a) in part, as a source of finance for medium term local infrastructure projects which are expected to make a return. Such projects may be identified in conjunction with the LLEP;
- (b) the option of securing a longer term financial investment which will pay a higher return. Such investments will need to be with high quality public sector institutions. We will consider Government gilts, loans to the new local authority bond agency and bodies such as Transport for London.

2.6 For funds which we may require we will need to restrict exposure to UK banks to enable us to respond rapidly to any “bail in” risks. This will mean shortening the periods of deposit. New counterparties are proposed, including money market funds which pool investment risk over a wider portfolio.

2.7 Additionally, the opportunity now exists to invest limited amounts in the highest rated building societies.

3. **Recommendations**

3.1 The Council is recommended to approve this treasury strategy, and the authorised borrowing limit in paragraph 6.3. Other than limits which apply specifically to 2015/16, the Council is asked to give this strategy immediate effect.

4.0 **Treasury Strategy**

4.1 This document is the treasury strategy for 2015/16. At the beginning of each year the Council receives this report which identifies how it is proposed to borrow and invest in the light of capital spending requirements, interest rate forecasts and economic conditions.

4.2 The strategy covers the matters listed below:

- i. the Council's current debt and investments;
- ii. prospects for interest rates;
- iii. capital borrowing required;
- iv. investment strategy;
- v. the balance between holding investments and using them to repay debt (or as a substitute for new borrowing);
- vi. debt rescheduling opportunities;

4.3 The key factors to consider are:

- i. How much new borrowing will cost. Members are asked to note that interest rates for borrowing over a long period of time are different from rates for borrowing over a short period.
- ii. How much interest the Council can get on its investments.
- iii. Ensuring the security of investments.
- iv. When loans are due to be repaid and how much it is likely to cost to refinance them at that time.
- v. Government initiatives which impact on borrowing and investment decisions.

5. **Current Portfolio Position**

5.1 The Council's current debt and investment position is shown in the table below. Members are asked to note that the figures shown represent a snapshot at a single moment in time. The table excludes £30M of debt managed by the County Council on behalf of the City Council and also excludes debt instruments held by contractors for PFI schemes.

Treasury Position As At 28th November 2014	Amount
Fixed Rate Funding	
Public Works Loan Board	£134m
Stock	£9m
Market Loans	£96m
Total Debt	£239m
Investments	£172m
Net Debt	£67m

5.2 The debt is long dated, with repayments mainly due from 38 years to 67 years. Average interest paid is 4.45%, which represents rates which were low when they were taken out.

6. Treasury Limits For 2015/2016

6.1 The treasury strategy includes a number of prudential indicators required by CIPFA's Prudential Code for capital finance, the purpose of which is to ensure that treasury management decisions are affordable and prudent. The recommended indicators and limits are shown below. One of these indicators, the "authorised limit" (para 6.3 below) is a statutory limit under the Local Government Act 2003.

6.2 The first indicator is that over the medium-term net borrowing will only be for capital purposes – i.e. net borrowing should not, except in the short-term, exceed the underlying need to borrow for capital purposes (the "capital financing requirement"). We do not anticipate any difficulties in complying with this requirement.

6.3 The Council is required to set an "authorised limit" on borrowing which cannot be exceeded. The approved limits recommended for 2015/16 are:

	£m
Borrowing	290
Other forms of liability	145
Total	435

6.4 "Other forms of liability" relates to loan instruments in respect of PFI schemes and to pre-unitary status debt managed by the County Council (and charged to the Council). The remainder, "borrowing", refers to conventional loans. In practice, the treasury strategy only manages the borrowing component.

- 6.5 The Council is also required to set an “operational boundary” on borrowing and other forms of long-term liability, which requires a subsequent report to scrutiny committee if exceeded. In practice, the treasury strategy only manages the borrowing component. The approved limits recommended for 2015/16 are:

	£m
Borrowing	280
Other forms of liability	145
Total	425

- 6.6 Recommended upper limits on fixed and variable rate debt exposures are shown in the table below. The figures shown are the principal sums outstanding on “borrowing”.

	£m
Fixed interest rate	240
Variable interest rate	60

- 6.7 The Council has also to set upper and lower limits for the remaining length of outstanding loans that are fixed rate as a percentage of the total of all loans. This table also excludes other forms of liability. Recommended limits are:

Upper Limit

	%
Under 12 months	30
12 months and within 24 months	40
24 months and within 5 years	60
5 years and within 10 years	60
10 years and within 25 years	100
25 years and over	100

We would not normally borrow for periods in excess of 50 years.

Lower Limit

	%
Less than 5 years	0
Over 5 years	60

Borrowing and Investment Levels

- 7.1 It appears likely that the Council’s requirement to borrow is now at a peak and is likely to decline in future years. Until 2011, the Government provided support for capital expenditure by a combination of capital grants and “supported borrowing” allocations. Supported borrowing allocations enabled the Council to borrow

money, with the costs of financing the debt being met by Revenue Support Grant. Since then Government support has been wholly grant funded.

- 7.2 The law and codes of practice require that money must be set aside in the budget each year to repay previous years' debt. These rules, very broadly, seek to ensure that the Council's borrowing is repaid over the life of the projects which have been financed. Hence, in the absence of new borrowing, the Council's net borrowing will decline.
- 7.3 The Council undertakes a number of projects which are not Government supported and can borrow for these – this is known as “unsupported” or “prudential” borrowing. In practice, it has not been necessary to undertake fresh borrowing for several years. We have instead used money set aside to repay debt or other available cash.
- 7.4 Beyond 2015/16 the money set aside to repay debt will not be used for planned capital spending as Government grant will be used. This does not necessarily mean that we shall immediately repay debt, unless it is beneficial to do so - as noted above for a number of years we have not borrowed but have instead used cash balances as an alternative to borrowing.
- 7.5 The cumulative impact of these policies is that we have anticipated the need to repay debt and a cumulative total £220m of balances have been used as an alternative to external borrowing. Currently this saves the Council approximately £7m per year in interest.
- 7.6 Even after using balances as an alternative to borrowing large cash balances remain. Much of these are temporary in nature and held against commitments - for example grants received in advance of expenditure, and funds earmarked for committed capital projects. The level of such balances is expected to decline over 2015/16 and later years. However, it is estimated that over the medium term we will have around £50m of investments which we will never spend (unless Government policy changes).

Interest Rates

- 7.7 Interest rates, both long term and short term are very low by historical standards. Our treasury advisors, Arlingclose, forecast that short term rates will rise from 2015 but that the rate of increase will be slow. By the end of 2017 they see short term rates of 1.75% and beyond that, over the medium term they do not see short term rates rising beyond 3% to 3.5%, and such rates are lower than the historical long term average. If our current position continued we would have a high level of investments earning very little in the short term with only a modest improvement over the medium term.
- 7.8 At the time of writing this report the interest rate on fixed rate borrowing from the PWLB for 50 year loans is 3.4% and our advisors see this rising to 4.2% by the end of 2017. This is historically extremely cheap, but we have no need to take it.

Investment Risks

- 7.9 Within the Eurozone economic growth is forecast by many commentators to stagnate whilst government debts continue to rise, and the direct and indirect impacts of these factors increase the credit risk of many investments.
- 7.10 At the same time changes have been made to reduce the need for taxpayer bailouts when banks run into trouble. Measures to strengthen bank's balance sheets serve to reduce the risk to investors. However other changes increase the risk to large investors - the deposits of small investors now take priority over the deposits of larger investors such as the Council and formal mechanisms now require that large investors are "bailed in" to any bank restructuring (i.e. a proportion of their investments will be converted into bank equity, which may have little or no value) before any taxpayer bailout takes place.
- 7.11 Within an environment of low interest rates and increasing risks our treasury strategy should emphasise risk reduction, and an increase in investment return whilst striking a cautious balance between risk and reward.
- 7.12 Our advisors provide tools to help us monitor the credit risk of bank and building society investment. Existing tools look at such factors as credit ratings and share prices. The analysis of building societies is new, and enables us to include some societies on our approved investment list.
- 7.13 A new tool helps us assess the risk of "bail ins" when we deposit money with a bank or building society, and the various "failure thresholds" which would result in loss.
- 7.14 Whilst the increasing risk of "bail ins" present a challenge to investors the clarification of how this will be implemented is helpful as it helps investors to understand, and hence manage, these risks.

Investments up to One Year

- 7.15 Some of our investments are primarily held to manage the Council's cashflow for periods of up to one year.
- 7.16 Deposits with banks and building societies are now less attractive because of the low interest rates paid. Also because of 'bail in' risk the maximum period that we will invest for has been reduced for many banks. Within the new shorter maximum (one year, less for weaker banks) bank deposits remain useful for managing the Council's cashflow.
- 7.17 We will continue to place deposits with other local authorities and with the Government through its Debt Management Office. Such investments are highly secure, although interest rates are also very low.
- 7.18 We are proposing to make use of money market funds. These are pools of highly credit rated investments such as deposits and short dated bonds which reduce risk by diversification. The funds include the strongest international banks and are actively managed preventing us having to monitor the underlying

investments. Cash is repayable on demand making these useful tools for managing the Council's short-term cashflow (particularly if we make the medium term investments described below).

- 7.19 We are also proposing to make use of funds similar to money market funds, often described as money market plus funds. These still pool highly credit rated investments but have a longer average maturity than money market funds. These are useful for managing cash over periods from one month ahead to up three months ahead and offer higher returns than money market funds. There is a risk, however, that funds underperform if market interest rates rise faster than the fund managers expect.
- 7.20 It is proposed that unrated building societies be added to our lending list. The maximum exposure to any one building society proposed is £1m and the maximum exposure to unrated building societies is £10m.
- 7.21 Building societies will only be added to our lending list on the recommendation of our treasury advisors. This guidance takes into account both the financial strength of each building society and the potential exposure to "bail in".
- 7.22 The unrated building societies under consideration are: Leeds, Cumberland, Scottish, Vernon, Darlington, Furness, Harpenden, Hinckley and Rugby, Leek United, Loughborough, Mansfield, Market Harborough, Marsden, Melton Mowbray, National Counties, Newbury and Tipton & Coseley.
- 7.23 Unrated building societies do not publish financial information as frequently as publically quoted banks and the main publically available information on their financial strength comes from their annual accounts. However the underlying business model of building societies is conservative and the sector as a whole has a track record of being well regulated.

Longer Term Investments

- 7.24 Historically, our investments represent money received in advance of need and monies set aside to repay debt or reserves. Consequentially, they are a short term resource. However, the changes described in this report suggest around £50m is now best seen as a longer term resource.
- 7.25 As has been identified above we estimate that we hold £50m of cash on investments that we will never spend and our expectation, therefore, is that cash balances will decline from the current high levels over the next few years down to £50m.
- 7.26 Conventional bank deposits with a maturity in excess of one year are not considered appropriate, even for the strongest banks. Whilst the risk of being "bailed in" is considered to be low it is real and the interest rates are not considered to be adequate to reflect this risk. We shall continue to deposit money with other local authorities for periods up to two years.

- 7.27 Investments via “covered bonds” are another option. Here money is loaned to a bank for period of between one to five years and is secured on bank assets, such as the bank’s mortgage portfolio. This security is recognised within the new “bail in” arrangements, although only to the extent that the realisation value of the security covers the value of the investment.
- 7.28 In theory, we would like to use investments to repay debt. This has always required a premium to be paid (i.e. why would a lender accept repayment of a loan paying 4% which it cannot reinvest at the same rate?). This does not necessarily make the deal uneconomic – it simply ensures debt is repaid at fair value. However rules recently imposed have increased the premium payable. Whilst we can, and should, use investments to repay some debt we will need to be selective about the loans to repay, and recognise we are primarily doing it to reduce investment risk rather than to make savings for the revenue budget. This strategy permits us to do so.
- 7.29 We may be able to repay debt managed by the County on our behalf (dating from reorganisation), as long as the County still has some borrowing need (we will tell them we would like to do this). The recharging arrangements for this debt are quite complex and we would have to be able to agree mutually agreeable changes to these with the County.
- 7.30 Some investments can be set aside for an investment fund. We can support capital projects, at a marginal cost to us of 0.5% in the short-term (i.e. what we lose on the investments), and not much more in the medium term. We would be able to fund schemes with a short life (say up to 10 years) at rates matching what we get on our investments. The fund would be less suitable for funding longer term projects, as rates beyond 10 years’ time are not knowable; however, schemes with secure longer term income streams may be viable. Use of this fund could be considered as a means of investing in commercial property to generate future revenue income and capital growth. Some schemes may be identified in conjunction with the LLEP.
- 7.31 A report will be prepared for the Executive setting out the parameters of such a fund, the maximum, and the minimum and the assessment criteria. Such schemes will result in additions to the capital programme, to which normal approval rules will apply.
- 7.32 Other options for our long-term investments include:-
- (a) Using some of them to buy a government gilt, or a number of gilts, over a period of time. This can lock us into longer term interest rates of around 3%, at negligible risk and would give us revenue savings;
 - (b) We can lend to the new Local Authority Bond Agency, which is being set up to lend to other local authorities following an initiative of the LGA. Rates payable are likely to be good. However, we remain unconvinced that many authorities are actually going to borrow from the agency and there may therefore not be any need for our cash (many authorities are in the same position we are);

(d) We can look to lend long-term to a high quality institution (such as the European Investment Bank, Transport for London or another local authority).

7.33 No further approval shall be required from the Executive in respect of the investments described in the Annual Investment Strategy appended to this report which lays down detailed controls over the credit worthiness requirements and other controls over money market funds, deposits and similar investments. Further executive approval is required in respect of the investment fund.

8. **Debt Rescheduling & Premature Repayment of Debt**

8.1 This report proposes the premature repayment of debt using cash that is currently invested.

8.2 Rescheduling is also an option that may be considered. The only difference is that instead of using existing cash balances to fund the repayment we would fund it by borrowing a new loan on more attractive terms than the old loan.

8.3 The raising of the new replacement loan need not take place at the same time as the old loan is repaid - it may be beneficial to borrow it at a later stage. This is relevant in the current situation where the Council has a high level of cash balances which it expects to decline over the next few years, especially given the current low rate of interest paid on investments.

8.4 If, for example, we repay an existing loan on which we pay interest at a rate of 4% and replace it with a new loan also paying 4% then there will no revenue savings. If, however, we defer taking the new loan then for each year that we delay raising a new loan the interest saving will be 3.5% (4% interest saved less, say, 0.5% interest foregone on investments).

8.5 In practice the premature repayment of debt will incur a premium, in which case the financial calculations become more complex, however, the principle remains the same.

8.6 In practice, debt rescheduling will be unlikely unless we successfully run down investment balances first.

9. **Managing Credit Risk and Other Risk**

9.1 This report outlines the investment strategy. Further details are given in the appendix, which sets the criteria that we apply to ensure that we only invest with borrowers of high credit worthiness. It also deals with measures to manage other key issues, for example ensuring access to liquid funds.

9.2 Investments will always comply with the minimum credit ratings specified in this strategy but other factors will be taken into account as contra-indicators and these will include share price, the cost to investors of buying insurance against

default and political and economic developments (especially those to do with the Eurozone).

- 9.3 At the time of writing this report the Council is in the process of moving its bank accounts from the Co-op bank to Barclays following the completion of a tendering exercise in 2014. This will address the concerns over the credit worthiness of the Co-op Bank. Members may recall also that the Co-operative Bank is withdrawing from the provision of banking service to local authorities and other large public sector organisations.
- 9.4 Any concerns around the credit worthiness of investments will continue to be reported via six-monthly reports to the Overview Select Committee and, if such concerns exist, via monthly briefing reports to the City Mayor.
- 9.5 This investment strategy is based on the advice of Arlingclose, our Treasury Advisors and they have consistently taken a cautious approach (for example they advised against investing in Icelandic banks).

10. **Sensitivity of This Strategy and Risk Management**

- 10.1 This strategy is based on the view that the economic outlook for 2015/2016 and later years carries a number of significant risks.
- 10.2 Short-term interest rates are expected to rise slowly over the medium term and the main risk is that they rise faster and/or sooner than expected. If this happens some individual investments may perform worse than expected, but overall the impact on the Council is likely to be that its investment income increases because most of its investments pay interest at short or variable rates.
- 10.3 There is a related risk that long-term rates rise faster than expected. If this happens some of the investments proposed in this report would decline in value. At the same time debt repayment and debt rescheduling options may become more financially beneficial.
- 10.4 If long term interest rates decrease, or rise slower than expected then some of the medium term investments proposed in this report would increase in value. However, future debt repayment/debt rescheduling opportunities will become less favourable. Overall the short-term impact on the Council would be limited.
- 10.5 The main concern around lower than expected interest rates would be the underlying reason. Most likely it would indicate a deteriorating economic situation which could feed into increased credit risk.
- 10.6 The future level of cash balances is a material consideration. If these are higher than forecast (or decline more slowly than expected) then the Council's investments will increase, and so will investment income. The converse will be true if they are less than forecast or decline more slowly. These impacts will be limited by the low level of interest rates.

- 10.7 The Council has £96 million of market loans at favourable interest rates on which the lender has the right to periodically propose an interest rate increase. We have the option to refuse and to repay the loans, but would then have to borrow new loans at the prevailing interest rates. In the current interest rate environment the financial risk is believed to be low - it's unlikely that lenders will exercise their option and if they did (which we would probably welcome) the cost of replacement loans (if needed) could be kept low by borrowing short to medium term loans. We would give serious consideration to rescheduling or repaying these loans so as to reduce this risk, even if this did not generate a financial saving or came at a small cost.
- 10.8 Where, exceptionally, immediate action that does not comply with this strategy will benefit the Council such action will be taken, and will be reported to the City Mayor and the Overview Select Committee.

11. **Housing Revenue Account**

- 11.1 The Housing Revenue Account (HRA) operates under a self-financing regime in which it has earmarked debts separate from those of the General Fund. Where appropriate, a separate loans strategy should be operated for each pool. However, the requirements of the HRA for 2015/16 are straightforward in that no new borrowing is required and the strategy described in this report is appropriate for the HRA.

12. **Treasury Management Advisors**

- 12.1 Since January 2008 the Council has employed Arlingclose as treasury advisors. The service provides advice on our borrowing and investment policies and strategies. The annual fee for this service is £21,000 and is currently being retendered.
- 12.2 There have been many challenges in 2014/15 and Arlingclose's performance has been good.

13. **Leasing**

- 13.1 The Council is likely to acquire equipment, principally vehicles, to the value of approximately £1 million that would be suitable for leasing.
- 13.2 Before leasing is pursued consideration will be given to the options of finance leasing, operational leasing, and prudential borrowing. At present prudential borrowing is more cost effective. This judgement takes into account the costs of the two forms of finance over the expected economic life of the asset. In addition, because of lease termination charges it is more expensive to dispose of a leased vehicle than an owned vehicle, and this is important because the Council is reviewing the utilisation of the existing fleet.
- 13.3 In practice, prudential borrowing will mean use of our cash balances.

14. **Financial and Legal Implications**

14.1 The proposals are in accordance with the Council's statutory duties under Local Government Act 2003 and statutory guidance, and comply with the CIPFA Code of Practice on Treasury Management. In accordance with the Council's Constitution the strategy requires full Council approval.

15. **Other Issues**

OTHER IMPLICATIONS	YES/NO	Paragraph Within Supporting information	References
Equal Opportunities	No		
Policy	No		
Sustainable and Environmental	No		
Crime and Disorder	No		
Human Rights Act	No		
Elderly/People on Low Income	No		
Corporate Parenting	No		
Health Inequalities Impact	No		

16. **Background Papers**

16.1 Background information is available on the files of the Director of Finance.

17. **Consultation**

17.1 Arlingclose Ltd.

18. **Author**

18.1 The author of this report is David Janes of the Financial Services Division on extension 7490

Alison Greenhill
Director of Finance.

Appendix to Treasury Strategy 2015/16

ANNUAL INVESTMENT STRATEGY 2015/2016

1. Introduction

- 1.1 This investment strategy complies with the DCLG's Guidance on Local Government Investments and CIPFA's Code of Practice.
- 1.2 The Investment Strategy states which investments the Council may use for the prudent management of its treasury balances. It also identifies other measures to ensure the prudent management of investments.
- 1.3 It does not cover the use of investments for infrastructure projects for which a separate policy will be created.

2. Investment Objectives & Authorised Investments

- 2.1 All investments will be in sterling.
- 2.2 The overriding policy objective for the Council is the prudent investment of its balances. The Council's investment priorities are
 - (a) the **security** of capital and
 - (b) **liquidity** of its investments.
- 2.3 The council will aim to achieve the **optimum return** on its investments commensurate with the proper levels of security and liquidity.
- 2.4 The Council will not borrow monies purely to invest or on-lend.
- 2.5 The list of authorised investments is as follows: -

Short Term Investments

- i. Deposits for periods up to one year with credit rated deposit takers (UK banks and building societies);
- ii. Deposits for periods up to one year with unrated UK building societies;
- iii. Deposits for periods up to one year with other local authorities;
- iv. Money Market Funds, Money Market Plus funds and similar pooled funds where funds can be returned on notice of less than one year;
- v. Any deposit, bond, note, bill or other loan instrument with a residual maturity of up to one year which has the same economic characteristics as (i), (ii) or (iii).

Longer Term Investments

- vi. Deposits for periods up to two years with UK local authorities;
- vii. Deposits of any duration which are issued by or explicitly guaranteed by the UK Government;

- viii. Deposits of up to five years with UK banks and building societies whose security is provided through a covered bond;
 - ix. Bonds issued by the Government, other UK local authorities and quasi-Government bodies such as Transport for London (TFL); and the European Investment Bank (EIB) and other similar bonds issued by international development banks with the backing of the Governments of one or more “G7” countries. Such bonds will not be purchased without the approval of the Director of Finance in consultation with the City Mayor;
- 2.6 The Council will impose upper limits on the total amount of money to be invested in individual organisations and in each sector according to the following criteria: -
- i. UK banks and building societies:
 - a. £80m in the sector as a whole, of which no more than £10m may be invested in unrated building societies;
 - b. £1m per individual unrated building society;
 - c. £10m per individual bank (or rated building society) if unsecured;
 - d. £20m per individual bank or building society if secured (e.g. covered bonds).
 - ii. Investments issued or guaranteed by HM Government – unlimited.
 - iii. Investments in the UK public sector other than the UK Government:
 - a. £80m in the sector as a whole;
 - b. £20m per individual local authority;
 - c. £10m per body for other public sector bodies.
 - iv. Money Market Funds and Money Market Plus Funds:
 - a. £60m in the sector as a whole;
 - b. £20m in individual funds.
 - v. International Development Banks:
 - a. £40m in all such institutions;
 - b. £10m per individual institution.
 - vi. An 2% margin of error is permitted on these limits when these limits are breached simply because interest has been paid and has been added to the account balance.
- 2.7 The following factors apply to both short-term and longer-term deposits.
- i. Deposits may be for fixed terms or may be repayable at the option of the borrower and/or the lender and may or may not be negotiable
 - ii. Deposits may be agreed in advance that run from an agreed future date.
 - iii. For the purposes of applying the credit rating criteria laid down in this AIS, deposits agreed in advance shall be treated as running from the date they are agreed. However, where a deposit is agreed 10 or fewer working days in advance it shall be treated as running from the date the cash is deposited.

- iv. Interest rates may be fixed at the outset or may be varied by agreement. They may also be varied by reference to market rates or benchmarks (eg LIBOR), provided that such rates or benchmarks are capable of independent verification.
- v. A deposit to an organisation with an unconditional financial guarantee from a parent organisation shall be treated as if it were as a deposit with that parent organisation.
- vi. Where an institution is part of a group then limits shall be set both at group level and at the level of the individual institution.

3. Security of Capital

- 3.1 The Director of Finance will only invest with the most secure counterparties. This section of the AIS describes how these are identified.

Banks and Rated Building Societies

- 3.2 The Director of Finance will maintain a list of approved counterparties.
- 3.3 The Council utilises credit ratings published by Fitch Ratings. Investments are also permitted on the basis of equivalent ratings issued by Moody's Investors Services or Standard and Poor's. In the absence of good reasons to the contrary, decisions will be based on the lowest rating. When applying credit rating criteria it shall be assumed that investments shall be held to maturity. Where, however, the Council has an unqualified option to require the investment to be fully repaid at an earlier date, then for the purposes of applying these criteria it shall be assumed that the investment shall run until the earliest repayment date.
- 3.4 Minimum credit ratings for UK banks and rated building societies are:
- i. 6 months or less: a long-term rating of A- and a short term rating of F2;
 - ii. 6 months to 1 year: a long-term rating of A and a short term rating of F1;
 - iii. Over 1 year: only permitted when secured by means of covered bonds and a long-term rating of AA.
- 3.5 Credit ratings will be monitored:
- i. All credit ratings for investments being actively used will be monitored monthly and credit rating alerts will be acted on as soon as practicable (the next working day or sooner);
 - ii. If a body is downgraded with the result that it no longer meets the Council's minimum criteria, the further use of that body will cease;
 - iii. A deterioration in credit ratings will not automatically lead to a decision to terminate the investment prematurely (and in many cases there will be no contractual provision to permit this).
 - iv. If a counterparty is upgraded so that it fulfils the Council's criteria, its inclusion will be considered and put to the Director of Finance for approval;

- v. If other market intelligence suggests that credit ratings give an over-optimistic view of credit-worthiness, this will be taken into account.

Unrated Building Societies

- 3.6 For unrated building societies the Director of Finance will maintain a list of approved counterparties. The credit worthiness of unrated building societies will be assessed using advice from the Council's treasury advisors. This advice shall consider the risk of financial stress by reference to the most recently published accounts and by reference to any other publically available market information. In particular regard shall be had to the capital held to absorb financial shocks, liquidity and profitability. The advice shall also consider the extent of the financial loss in the event of a "bail in".

Other Investments

- 3.7 Investments issued by or subject to an explicit guarantee from the UK government and in other UK local authorities may be made without further evidence of credit worthiness
- 3.8 The Director of Finance will maintain an approved list of money market funds and money market plus funds. This will be based on an assessment which judges the suitability of the fund manager's management of credit risk (taking into account the credit rating criteria for banks laid down in this AIS), and the advice of Arlingclose.
- 3.9 Other investments in the UK public sector will be made subject to a business case to be signed off by the Director of Finance in consultation with the City Mayor.
- 3.10 Investments in International Development banks will be made subject to a business case to be signed off by the Director of Finance in consultation with the City Mayor.
- 3.11 For all investments regard shall be had to the prospect of support from a parent institution or a strong government, though the role of the latter is now limited by "bail in" rules. In addition for all categories of investments regard will be had to other sources of information including (where applicable) the price of Credit Default Swaps, share prices, developments, news, economic data and market sentiment. Regard shall be had to the likely impact of any "bail in".

4. Investment balances / Liquidity of investments

- 4.1 The minimum percentage of its overall investments that the Council will hold in short-term investments is 40% and the Council will maintain liquidity by having a minimum of £30m of deposits maturing within 2 months (subject to the availability of funds to invest). There is a regular monthly cycle to the Council's cashflow and these limits apply to the peak cash balance just ahead of the payday. These liquidity targets are guidelines and occasional and temporary

deviations from these limits will be permitted on a planned basis where there are good reasons.

4.2 No more than £100m will be held in investments in excess of 366 days.

5. Investment Reports

5.1 Reports will be prepared twice yearly as part of the reports on treasury management activity, and a monthly note is prepared for the Director of Finance and the City Mayor.

Executive Decision Report

City Council Golf Courses

Decision to be taken by: City Mayor

Decision to be taken on: 11 December 2014

Lead Director: Liz Blyth



City Mayor

Useful information

- Ward(s) affected: New Parks, Western Park, Humberstone and Hamilton
- Report author: Margaret Mernagh
- Author contact details: 0116 454 3511
- Report version number: Vs. Final

1. Purpose and Summary

- 1.1. The purpose of this report is to inform the City Mayor and the Executive of the results of the recent consultation on proposals relating to the Council's golf courses. The proposal consulted upon was to maintain and invest in Humberstone Heights Golf Course and to close Western Park Golf Course.
- 1.2. The report sets out the results of the two public consultation exercises and outlines the rationale for the proposal to close Western Park Golf Course.
- 1.3. In addition, this report provides a breakdown of costs, legal implications and equality implications associated with the proposal.
- 1.4. In March 2014 the first public consultation began, asking the public whether they thought Leicester City Council should continue to subsidise the two Council owned golf courses in the City; Humberstone Heights and Western Park. The Council received a total of 2,773 responses. 90% of responses supported the continuation of the subsidy for golf, which in the year 2013/14 cost the Council in excess of £185,000.
- 1.5. The first consultation revealed that there was sizable support for the continuation of Council's golf provision. Thus, a number of possible options were carefully considered – including the closure of one or both municipal golf courses. (The results of the first consultation are attached as Appendix A).
- 1.6. In July 2014 the Council began consulting the public on a proposal to close one golf course (Western Park) and to invest into the other (Humberstone Heights). The proposal would enable the Council to continue providing a municipal golf course of high quality while delivering budget savings (required as part the council's budget strategy). This second consultation closed on 24th October 2014.
- 1.7. The Council received a total of 755 consultation responses on this proposal. 38% of consultation participants supported the proposal to close Western Park Golf Course and to invest in Humberstone Heights Golf Course, while 62% did not. 50% of consultation responses were from residents of the city of Leicester. When separated from non-city residents, 48% of city resident responses supported the Council's proposal, while 52% of city resident responses opposed it. (A full analysis of the results is set out in Appendix B).

2. Recommendations

- 2.1. The City Mayor and Executive are asked to consider and assess the results of both consultation exercises and in particular the recent public consultation which proposed to close Western Park Golf Course and to invest in Humberstone Heights Golf Course.
- 2.2. In light of the results of the second consultation as well as the various other supporting and background information provided, the City Mayor and Executive are asked to make a decision on the future of the City Council golf provision. The officer recommendation is to support the proposal to maintain and to invest in the golf course at Humberstone Heights and to close the golf course at Western Park.

3. Supporting information including options considered:

3.1. Background

- 3.1.1 Leicester City Council has had to make substantial budget reductions now and will do in the future owing to very sizeable cuts in government funding.
- 3.1.2 Leicester is not unique in reviewing its golf courses. Other Councils across the country have also reviewed their golf provision in an attempt to focus on core services and make necessary savings. For example, in January 2014 Tamworth Borough Council made the decision to close its only municipal golf course. The golf course closed on 1st October 2014. Leeds City Council has also recently been consulting on the closure of two of its municipal golf courses.
- 3.1.3 Golf receives the highest subsidy per visit of all the sports facilities provided by Leicester City Council (subsidy per visit costing approximately twice that of the average subsidy per visit to a sports centre). There are on average 215,000 usages to each of the City Council sports centres per year, while there are on average 28,000 usages of each of the City Council golf courses.
- 3.1.4 In 2013/14 the two courses cost the Council £186,000 (direct costs less income). In May 2014 the golf courses had a joint membership of 560 people – of whom 28 were juniors and 17 were female.
- 3.1.5 There are 32 golf courses in Leicestershire and Rutland, 15 of which are in a 14 mile radius of Western Park Golf Course. These courses offer both annual memberships and a non member 'pay and play' facility.
- 3.1.6 Of the 560 people who are members of the Council golf courses, approximately 63% are residents of the city and 37% are residents of the county.

3.2. The First Consultation Process

- 3.2.1. On 11th March 2014, a consultation process began, to gain insight into both the public and users views on whether the Council should continue to subsidise Humberstone Heights and Western Park Golf Courses. The consultation closed on 8th April 2014.
- 3.2.2. The public were asked to respond either through the council's consultation hub on the council website or to fill in a short questionnaire, which was available at both golf courses, in all of the Council's leisure centres and at the customer services centre. In total 2,773 responses were received.
- 3.2.3. 90% of consultation responses expressed support for keeping the golf courses open. However, there was a disparity between the responses received at different locations. For example, more than 99% of responses through the golf courses were in favour of the Council continuing the subsidy, compared to 60% of responses through the customer service centre. Moreover, of the total number of consultation participants, 25% were users of Humberstone Heights and 22% were users of Western Park while 37% of respondents were users of both golf courses.

3.3. Other forms of Public Engagement (e.g. letters and representations)

- 3.3.1. Three petitions were received as set out in Appendix A.
- 3.3.2. The Council received 115 letters from members of the public who had concerns and comments about the future of the golf courses and the impact which a decision to close one or both courses would have on their local neighbourhood. The common concerns and comments highlighted in these letters were; loss of green space and the effect this would have on the environment, the cost of playing golf at an alternative club, along with comments highlighting the health benefits which come with playing golf.
- 3.3.3. Teams from both Humberstone Heights Golf Course and Western Park Golf Course were invited to meet with the City Mayor and Assistant Mayor, to discuss the future of the golf clubs. The City Mayor wrote to the clubs following this meeting and requested that they produce a business plan or a vision document defining their ideas for a more sustainable future. While both clubs took the opportunity to present some ideas to improve the financial position of their respective Golf Courses, Humberstone Heights also presented an outline business plan for consideration.

3.4. Golf in and around Leicester

- 3.4.1. There are other golf courses in and around the city which offer a competitively priced non member 'pay and play' and membership facility within a 14 mile radius of Western Park Golf Course. Golf courses such as Beedles Lake, Birstall, Forest Hill, Scraftoft and Whetstone all provide 'pay and play' services at very similar prices to Western Park and Humberstone Heights.
- 3.4.2. All of the golf courses also provide discounted membership prices for juniors and many have weekend clubs for junior players. Nearby Kirby Muxloe Golf

Club offers junior membership at a price of £116 per annum, compared to Western Park's £110. Kirby Muxloe is the closest golf course to Western Park (2.3 miles), it runs a juniors golf club every Sunday and also has around 40 junior members. In comparison, the Council golf courses currently have a total of 28 junior members, of which 25 are members at Humberstone Heights and 3 are members at Western Park. Humberstone Heights also has a juniors' golf club at weekends.

- 3.4.3. The Council golf courses have 245 members/season ticket holders aged 60 and over, including 25 members who are aged 80 and over. These members would be able to find competitively priced alternative golf courses. For example the membership price for people aged 80 and over at Birstall Golf Course is £344.75 – over £100 cheaper than the Council golf course price of £450. In addition, Blaby and Enderby Golf Courses offer annual senior memberships for £280 and £199, while Whetstone Golf Course is priced at £530.
- 3.4.4. There are various 'pay and play' promotions at golf courses around Leicester, such as 2 for 1, discounted prices if you play with a member or if you play at off-peak times. For example, Birstall Golf Course offers a 2 for 1 discount which would bring the cost of a round of golf to £15 per person, cheaper than either of the City Council golf courses. The majority of golf courses in Leicester and Leicestershire offer a 2 for 1 'pay and play' option in some capacity. Furthermore, a 'County Card' for golf offers discounted 'pay and play' prices at a number of golf courses around the county. Most of these golf courses also offer a lower price if booked through 'Tee Time', an online booking system.
- 3.4.5. Some golf courses may need to be booked in advance to guarantee a 'pay and play' time and it may be more difficult to play at peak times. However, Beedles, Enderby and Blaby golf courses use very similar booking systems to the Council golf courses.
- 3.4.6. Golf courses such as Blaby, Enderby, Beedles and Scraptoft also hire out golf clubs for the main course, enabling people to come and play golf without owning their own equipment.
- 3.4.7. People who generally play golf on a main course have either had past golfing experience or have previously undertaken lessons. The Council golf courses would not encourage beginners to play on the main course without any prior experience of playing golf – a policy which is similarly followed at other golf courses. All golf courses welcome beginners and offer lessons or pitch and putt courses, which would allow first time players to gain vital experience to progress in to the sport.
- 3.4.8. As well as the Council golf courses, neither Blaby nor Enderby Golf Courses have a dress code. The dress code at other golf courses may vary, but most courses will accept tailored shorts and polo shirts. Some clothing, such as trainers, are not suitable for golf due to the damage they could do to the course.

3.5. The Second Consultation Proposal

- 3.5.1. The proposal to close one Council golf course is based on the following

rationale:

- 3.5.2 The first consultation revealed that there was sizable support behind the City Council's golf provision. Thus, a number of possible options were carefully considered – including the closure of one or both municipal golf courses. The continuation of a financially viable and effective golf provision was the Council's primary focus.
- 3.5.3 This proposal takes into account the public concerns expressed from the first consultation, about maintaining a competitively priced, good quality municipal golf course, as it proposes continuing and investing into the golf provision at Humberstone Heights.
- 3.5.4 In the past, Councils have provided and subsidised golf provision to enable access to sport and leisure facilities to everyone, by taking away the barrier of cost or status traditionally present in many private clubs. However the changing nature of golf has allowed for greater availability of private courses for all. This has partly been due to a national decline in golf, which has resulted in existing golf clubs being more competitive and less exclusive – with most golf courses now regularly advertising promotional offers as well as welcoming non-members. This has resulted in greater accessibility to many courses around Leicestershire along with lower 'pay and play' and membership prices.
- 3.5.5 In addition the availability of leisure opportunities has increased with access to low cost gyms, sports provision on parks, increased popularity of cycling and walking for pleasure, jogging, and excellent facilities in many schools and colleges.
- 3.5.6 The closure of Western Park Golf Course, if decided, could save the Council in excess of £100,000 a year, making a significant contribution to the Council's revenue savings requirement, as result of national government cuts in public expenditure. This may also release the land for other beneficial purposes.
- 3.5.7 The Council would continue to provide a well-priced, good quality municipal golf course provision in Humberstone Heights Golf Course – with the opportunity to enhance the complex with further investment. This would maintain accessibility to golf for city residents with all the associated health and wellbeing benefits.
- 3.5.8 Following further consultation, if a decision is taken to close Western Park Golf Course, Humberstone Heights Golf Course (6.3 miles away) would expect to see an increase in both membership numbers as well as 'pay and play' users. This is likely to result in a reduced need for Council subsidy.
- 3.5.9 The proposal to close Western Park Golf Course rather than Humberstone Heights is based on the following rationale:
- 3.5.10 Western Park is generally less popular and has fewer members. Below are membership figures for the two Council golf courses:

Western Park

Total Membership: 253

Women: 3

Junior Boys: 3

Humberstone Heights

Total Membership: 307

Women: 14

Juniors: 25

- 3.5.11 Western Park costs more money each year to run. In the year 2013/14, the subsidy for Humberstone Heights was £63,000, whereas the subsidy for Western Park was £123,000. Consequently, closing Western Park Golf Course could save the City Council almost double the amount it would save were it to close Humberstone Heights.
- 3.5.12 Western Park Golf Course also costs the Council more in subsidy per visit. For example, in the year 2013/14 Humberstone Heights Golf Course cost the Council £2.17 per visit, while Western Park Golf Course cost £5.47 per visit.
- 3.5.13 Humberstone Heights Golf Course is a golf complex and generates more income than Western Park Golf Course. In the year 2013/14 Humberstone Heights Golf Course's income was £272,000, compared to Western Park Golf Course's income of £210,000 – a difference of over £60,000.
- 3.5.14 Based on a scenario of 50% of members and 20% of pay and play users switching golf courses, Humberstone Heights would become self-sufficient and would not require the Council subsidy if Western Park Golf Course were to close. Using the same scenario, the closure of Humberstone Heights would not make Western Park self-funding and the golf course would still require a Council subsidy.
- 3.5.15 Humberstone Heights, as a golf complex, has more facilities such as a golf course, driving range, practice area, 9 hole short course for beginners, putting green, pro-shop, function room, bar and catering facility.
- 3.5.16 In contrast, Western Park Golf Course has a golf course, practice area, pro-shop, bar and catering facility.
- 3.5.17 The undercover driving range at Humberstone Heights is a big advantage as it can be used all year round. It is regularly used by local schools.
- 3.5.18 The consultation responses also revealed that Humberstone Heights was slightly more popular than Western Park. 682 responses stated that they exclusively played golf at Humberstone Heights, compared to 601 responses for Western Park.
- 3.5.19 In addition, Humberstone Heights is more popular amongst young people – with 25 junior members, compared to Western Park's 3 junior members. Humberstone Heights also has a Junior Golf Club at weekends which is attended by around 20 young people each week.
- 3.5.20 There is not a leisure centre in the immediate Humberstone and Hamilton area which means that the closure of Humberstone Heights Golf Course could have a greater impact in that locality on reducing public access sport and leisure provision. On the other hand, the Western Park area is near to the Braunstone and New Parks leisure centres.

3.6. The Second Consultation Results

- 3.6.1. The second consultation on the City Council golf courses began on Monday 28th July and ended on Friday 24th October.
- 3.6.2. The second consultation proposal was to maintain and further invest in the golf course at Humberstone Heights and to close the golf course at Western Park.
- 3.6.3. The consultation also asked questions on gender, disability and ethnicity, allowing the Council to gain further knowledge of the range of people who use the golf courses.
- 3.6.4. Consultation questionnaires could be completed online on the Council's consultation hub as well as the Council's golf courses, leisure centres and customer service centre.
- 3.6.5. A total of 755 responses were received by the Council.
- 3.6.6. 38% of consultation responses supported the Council's proposal, while 62% opposed it.
- 3.6.7. 50% of consultation responses were by residents of the city of Leicester, with 48% being from the county and beyond. 2% of consultation participants did not answer this question.
- 3.6.8. When separated from non-city residents, 48% of city resident responses supported the Council's proposal, while 52% of city resident responses opposed it.
- 3.6.9 Two business proposals were received in relation to the Western Park Golf Course. One was to use part of the site for the development of the emerging sport of FootGolf, which is played with a soccer ball on a shortened golf course and uses 21 inch diameter cups (holes). This is a different proposition to golf and the proposal did not therefore envisage the continuation of golf at Western Park Golf Course. The second was a proposal from a private investor for the development of a 6 hole golf course on a much reduced parcel of land than that which is covered by the current 18 hole course at Western Park.
- 3.6.10 In November we invited both organisations to submit more detail including a business plan and further financial analysis. The responses were variable in the level of detail provided and neither offered comparable provision to the facilities at Western Park Golf Course nor were they sufficiently well advanced to regard as a feasible or a viable alternatives at this stage. Should the decision be made to close Western Park Golf Course other decisions will be required for the future use of the site. It is likely that any future options would be for a mixed use including retaining a large area of green space and therefore both of these proposals could be taken into account at a future stage along with any other interests, including from Glenfield Parish Council as set out below.
- 3.6.11 Glenfield Parish Council has nominated Western Park Golf Club as an Asset of Community Value. The Council have decided to proceed with the nomination.

This means that should the Council decide to sell the asset in the next 5 years then an initial 6 month moratorium period will apply in which community organisations can put bids together. This does not limit the Council's ability to select the most appropriate bidder once the moratorium period has ended. Glenfield Parish Council have also raised concerns on behalf of their residents about the ongoing future of the site, the importance of maintaining green space and wildlife corridor and a separation zone preserving the identities of the different residential communities. The City Mayor met with representatives from the Parish Council in October 2014 to listen to their concerns.

Throughout the consultation process numerous letters, representations and ideas for the future use of Western Park Golf Course have been received and considered accordingly.

3.6.12 A comprehensive analysis of the consultation results is set out in Appendix B.

4. Details of Scrutiny

A verbal update on the golf consultation was provided at the Culture, Heritage, Leisure and Sport Scrutiny Commission on 10 May 2014.

A visit to the Council Golf Courses at Western Park and Humberstone Heights was carried out by Culture, Heritage, Leisure and Sport Scrutiny Commission members on 2 September 2014.

A report on the golf proposal was considered and debated by the Culture, Heritage, Leisure and Sport Scrutiny Commission at their meeting on 9 October 2014, where representatives from the Clubs from both of the Council golf courses were invited to speak and make the case for their respective golf course.

5. Financial, legal and other implications

5.1 Financial implications

The proposal to close the Western Park Golf Course could be expected to save circa £100,000 p.a. (on the basis of income and expenditure over the last two financial years) and could release the land for other beneficial uses.

Colin Sharpe, Head of Finance, ext. 37 4081

5.2 Legal implications

Legal advice on consultation prior to decision making has been provided to the Culture and Neighbourhoods Division and the public consultation described has taken place following that advice to provide stakeholders with: sufficient reasons for the Council's

proposal, to allow their informed consideration and response; and a proportionate and realistic timeframe to allow them a sufficient period of time to respond. The product of the consultation should then be conscientiously taken into account before any decision is taken concerning the Recommendations set out in this Report.

Greg Surtees, Legal Services, ext. 37 1421

5.3 Climate Change and Carbon Reduction implications

There would be no climate change and carbon reduction implications with a decision to close a golf course.

5.4 Equalities Implications

The main equalities issues raised in the second consultation were the positive impacts on health of playing golf, and the potential negative impact of increased cost for use of alternative provision. The previous report to the Executive set out evidence supporting mitigating actions to address these equalities impacts arising: a number of alternative accessible sites available to play golf, and available existing provision at no additional financial cost. The main protected characteristics for those affected by proposals for Western Park Golf Course are gender and age.

Irene Kszyk, Corporate Equalities Lead, ext 374147

5.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

Local residents have expressed concerns about what would replace the golf course, were it to be closed. There have been letters received by the Council which oppose the construction of new housing. Both Western Park and Humberstone Heights are regularly used by walkers and joggers, who along with local residents would like the large green space to remain. There are also several animals which inhabit both golf courses, and any future plans would need to take into account their natural habitats and environment.

6. Background information and other papers:

None.

8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

No.

9. Is this a “key decision”?

Yes.

7. Summary of appendices:

Appendix A – Golf Courses: First Consultation Results

Appendix B – Public Consultation Golf Proposal Results

Appendix A

Leicester City Council

Golf Courses

First Consultation Results

Findings of the public consultation
July 2014

Prepared by Sports Services, Leicester City Council



CONSULTATION OVERVIEW

On 11 March 2014, the council began a consultation to gain insight into public and user views on continuing to subsidise Humberstone Heights and Western Park Golf Courses.

Consultation questionnaires were completed at:

- Humberstone Heights and Western Park Golf Courses
- City Council Sports and Leisure Centres
- City Council Customer Services Centre
- www.leicester.gov.uk/golf (online)

Background information was included in the online and paper questionnaires (see page 12). The consultation period ran from 11 March until 18 April 2014. In total 2,773 responses were received by the City Council. The majority of responses were completed at the two council golf courses.

A petition to 'Save Humberstone Heights Golf Course and to show your support of keeping Humberstone Heights open' has been submitted with 1,071 valid signatures. An e-petition submitted at the same time to 'Save Humberstone Heights Golf Course and stop the closure of Humberstone Heights Golf Course' had a total of 43 signatures as at 20th May 2014.

A petition to 'Save Western Park Golf Course' stating that 'We are sad to find out you are considering closing the Western Golf Course' and providing names of 'people who use and need our facilities for various reasons' has been submitted with 1,611 valid signatures. An online petition to 'Save Western Park Golf Course' currently has 541 signatures as of 29th October 2014 (<http://brad.epetitions.net/>).

CONSULTATION QUESTIONS

The consultation asked three questions:

- 1. Do you think the council should continue subsidising golf courses?**
Yes/No
- 2. Are you a user of one or both of the council owned golf courses?**
Humberstone Heights/Western Park/Both/None
- 3. Do you live in the city of Leicester?**
Yes/No

Note: Questionnaire participants were warned that answering 'no' to question 1 may result in the council no longer providing either one or both golf courses.

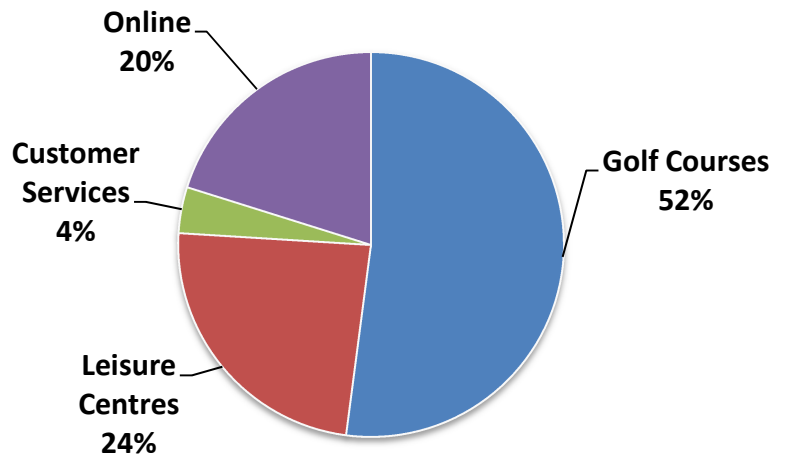
PUBLIC RESPONSE AND VIEWS EXPRESSED

The Consultation

Total Number of Responses: **2773**

Location	Responses
Golf Courses	1444
Leisure Centres	663
Customer Services	107
Online	559

Location Breakdown of All Responses

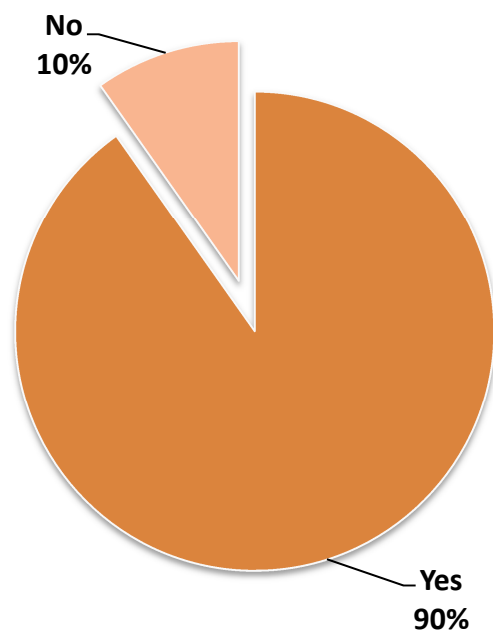


Q1: Do you think the council should continue subsidising golf courses?

All Responses

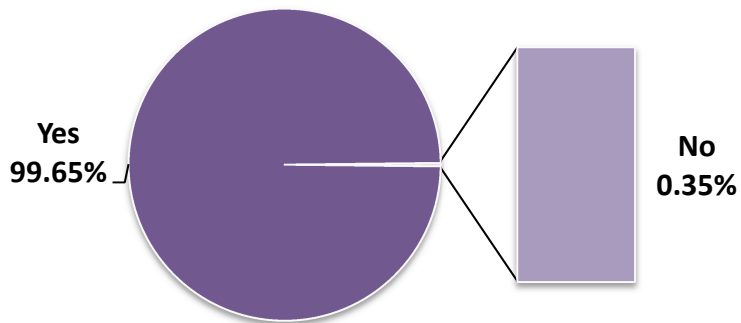
Answer	Responses
Yes	2500
No	272*

**1 'No Answer' was also received*



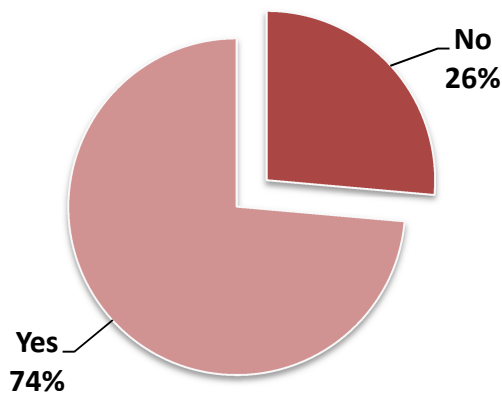
Location breakdown: Do you think the council should continue subsidising golf courses?

Responses from Golf Courses



Answer	Responses
Yes	1439
No	5

Responses from Leisure Centres



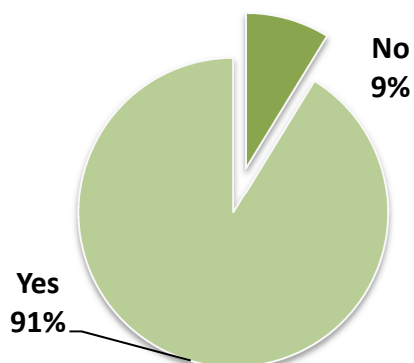
Answer	Responses
Yes	488
No	175

Responses from Customer Services



Answer	Responses
Yes	64
No	43

Responses from Leicester.gov.uk/golf (online)



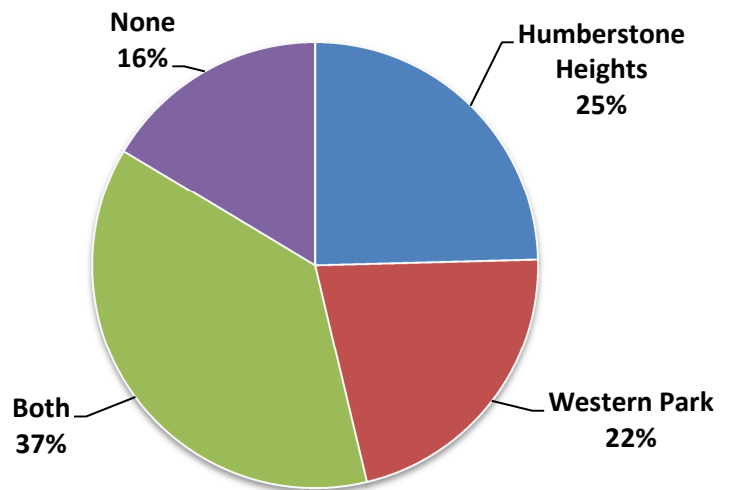
Answer	Responses
Yes	509
No	49*

*1 'No Answer'

Q2: Are you a user of one or both of the council owned golf courses?

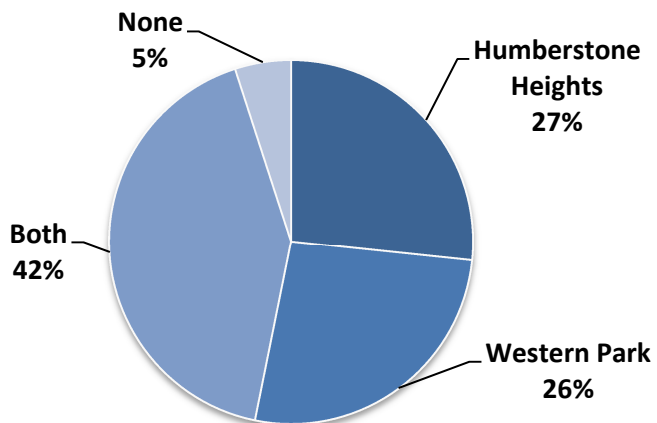
All responses

Answer	Responses
Humberstone Heights	682
Western Park	601
Both	1034
None	456



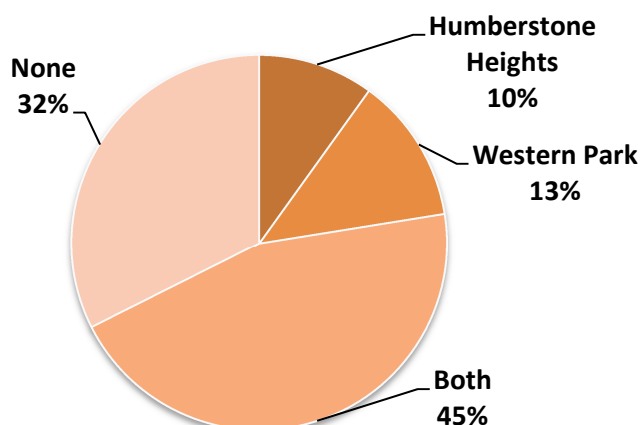
Location breakdown: Are you a user of one or both of the council owned golf courses?

Responses from Golf Courses



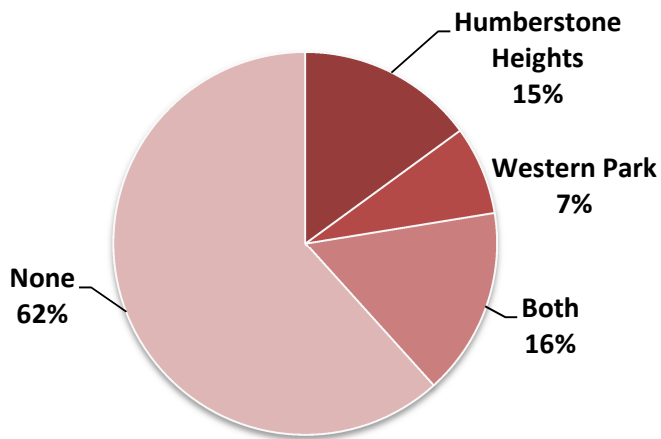
Answer	Responses
Humberstone Heights	385
Western Park	383
Both	604
None	72

Responses from Leisure Centres



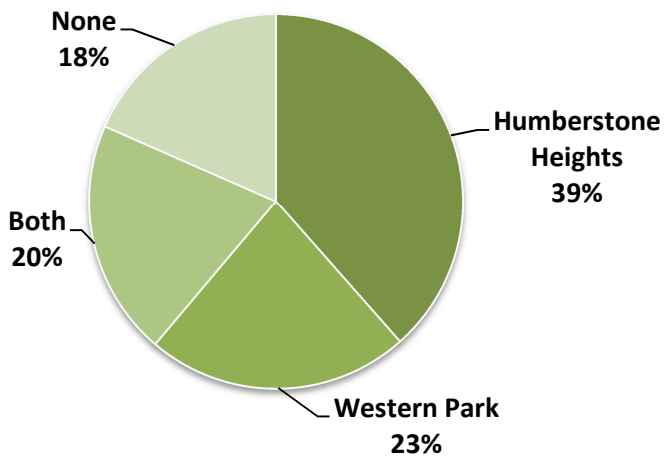
Answer	Responses
Humberstone Heights	66
Western Park	83
Both	299
None	215

Responses from Customer Services



Answer	Responses
Humberstone Heights	16
Western Park	8
Both	17
None	66

Responses from Leicester.gov.uk/golf (online)

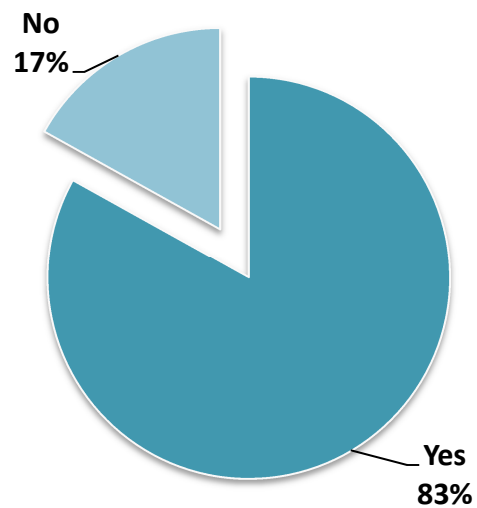


Answer	Responses
Humberstone Heights	215
Western Park	127
Both	114
None	103

Q3: Do you live in the city of Leicester?

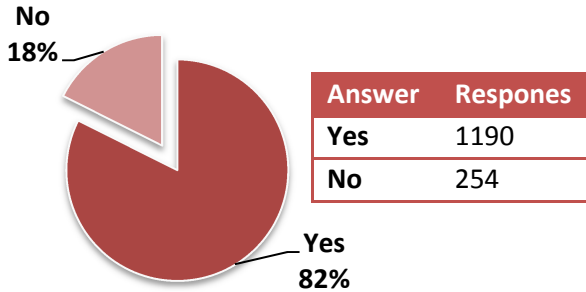
All responses

Answer	Responses
Yes	2302
No	469

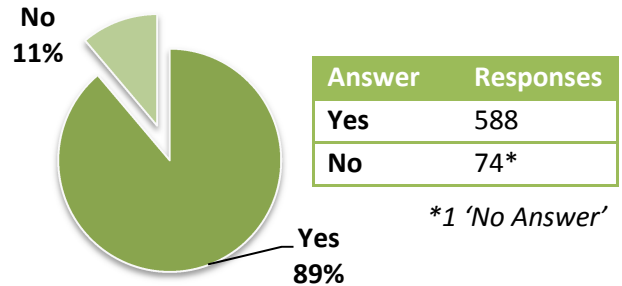


Location Breakdown: Do you live in the city of Leicester?

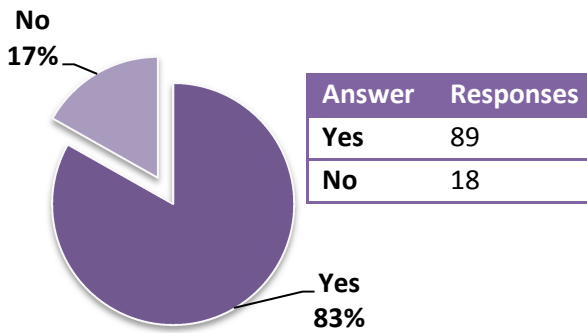
Responses from Golf Courses



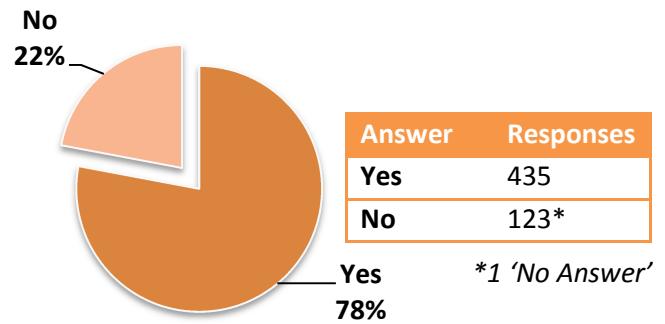
Responses from Leisure Centres



Responses from Customer Services

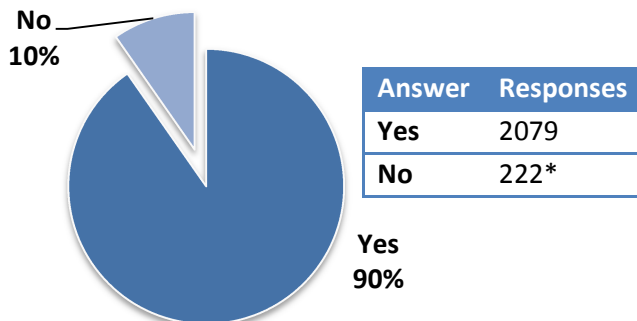


Responses from Leicester.gov.uk/golf (online)

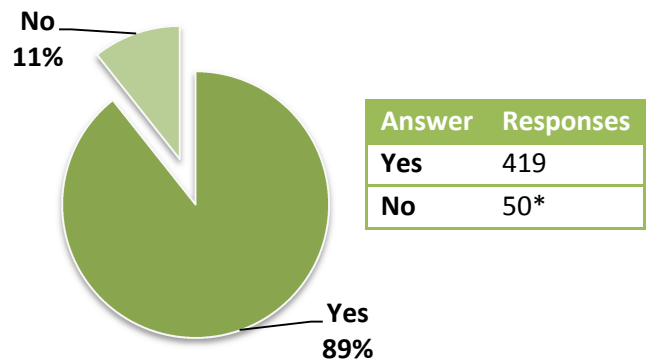


Qs 1 & 3: Do you think the council should continue subsidising golf courses – Leicester versus non-Leicester residents

Leicester Residents



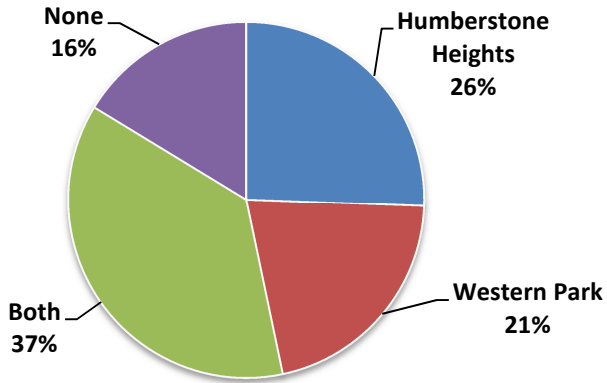
Non-Leicester Residents



*Residency is unknown for 2 responses

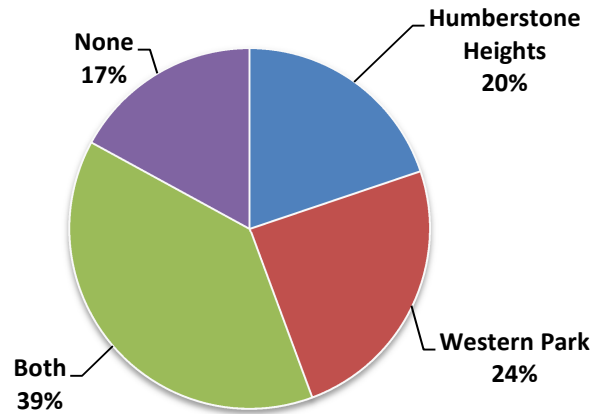
Qs 2 & 3: Are you a user of one or both of the council owned golf courses – Leicester versus non-Leicester residents

Leicester Residents



Answer	Responses
Humberstone Heights	589
Western Park	486
Both	852
None	375

Non-Leicester Residents



Answer	Responses
Humberstone Heights	93
Western Park	115
Both	181
None	80

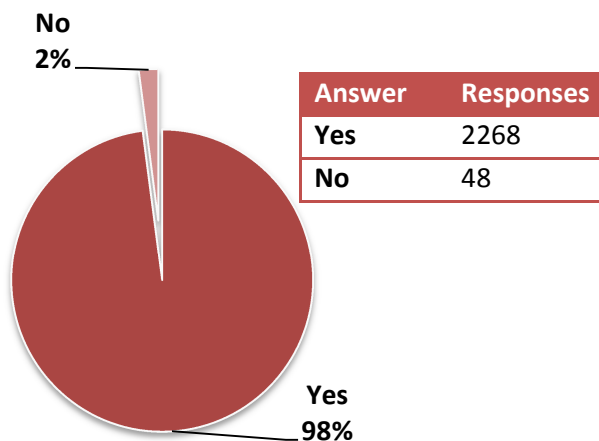
**Residency is unknown for 2 responses*

Qs 1 & 2: Do you think the council should continue subsidising golf courses – golf club users versus non-golf club users

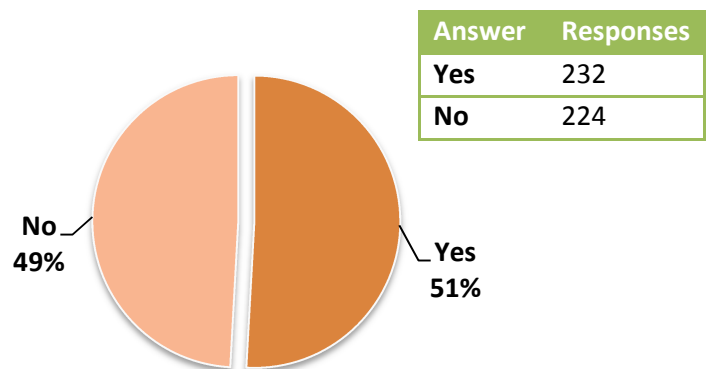
Number of consultation participants who use either or both Humberstone Heights Golf Course and Western Park Golf Course: **2,317 (84%)**.

Number of consultation participants who use neither: **456 (16%)**

Golf Club Users



Non-Golf Club Users



Golf Consultation

Overview

Leicester City Council is interested in your views. We would like to know if you think the council should continue to financially support the two council-owned golf courses in the city, Humberstone Heights and Western Park. Please read the following information and complete the questions on the back of this leaflet.

Background

Leicester City Council owns and manages eight sport centres, an athletics stadium and two golf courses.

Sports services, including leisure centres, sports development and sport on parks, cost the council approximately £2.9 million each year in public subsidy.

However, large cuts in government funding mean the council is no longer able to continue running all these current services in the same way.

The council will be asking your opinion about specific elements of sports services.

In this consultation – which runs between 11 March and 18 April – we would like to know if you think the council should continue to

financially support the two council owned golf courses – Humberstone Heights and Western Park.

Golf

Per user, golf is by far the most expensive sports facility provided by the council and one of the least used.

On average, sports centres cost the council £1.68 per visit. Golf subsidy has been on average £3.60 per visit – over £150,000 per year. Last year, due to poor weather, the subsidy for Western Golf Course was £6.95 per visit.

On average 215,000 people participated in activities at each of the council sports centres per year - on average only 28,800 used each of the golf sites.

18% of the council's sports centre members do not live in Leicester.
30% of the council's golf course members do not live in Leicester.

The council's sports centres have direct debit membership numbers of approximately 5000 people while the golf courses have a membership of 596 people – of whom about 45 are juniors and 30 are women.

Today, there are 16 other golf clubs across the city and county, most of which offer a member and non-member "pay and play" facility at competitive or lower costs than the council courses.

Why We Are Consulting

We would like to know if you think the council should continue subsidising the two council-owned golf courses in the city.

Please note: If you do not think the council should continue to fund golf that this may result in the council no longer providing either one or both golf courses.

The consultation closes on Friday 18 April 2014

You can complete these questions online at:

www.leicester.gov.uk/golf

Please answer the questions on the back of this leaflet and return the completed questionnaire to our leisure centres, golf courses or to Customer Services, 91 Granby Street, Leicester, LE1 6FB

Questions

- [1] **Do you think the council should continue subsidising golf courses?** Please tick ✓ one box only

Yes No

- [2] **Are you a user of one or both of the council owned golf courses? (Humberstone Heights or Western Park)**

Please tick ✓ one box only

Humberstone Heights Golf Course
 Western Park Golf Course
 Both
 None

- [3] **Do you live in the City of Leicester?** Please tick ✓ one box only

Yes No

Thank you

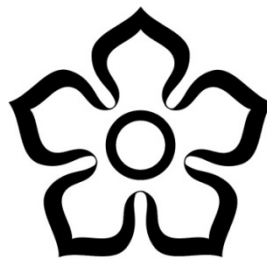
for completing the questionnaire



Public Consultation: Golf Proposal

Results

Prepared by Sports Services, Leicester City Council



Leicester
City Council

Background

The second consultation on the City Council Golf Courses began on Monday 28th July and ended on Friday 24th October. The proposal in this second consultation was to maintain and further invest in the golf course at Humberstone Heights and close the golf course at Western Park. The consultation also asked questions on gender, disability and ethnicity, allowing the Council to gain further knowledge of the range of people who use the golf courses. The consultation questionnaires could be completed online on the Council's consultation hub as well as the Council's Golf Courses, leisure centres and customer service centre. A copy of the consultation questionnaire is attached at the end of this document.

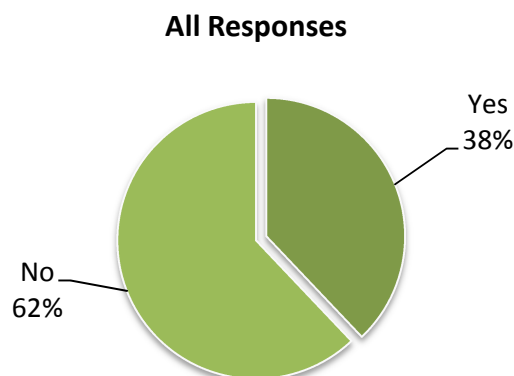
The Results

The Council received a total of 755 completed golf consultation questionnaires. Results are given for each individual question as well as a combination of Question 1 responses and the information gained from other questions.

1. Do you support the proposal to close Western Park Golf Course and further invest in Humberstone Heights Golf Course?

Below is the overall result of Question 1, which asked consultation participants whether they support or oppose the Council's proposal for the future of the Golf Courses.

Answer	Number
Yes	286
No	468
No Answer	1
TOTAL	755



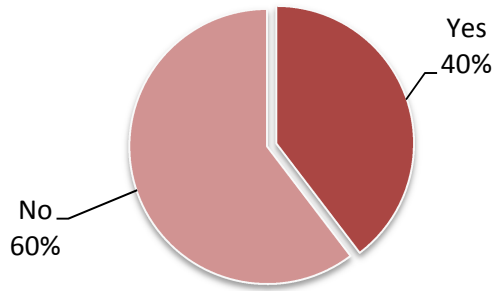
1.1. Responses by location

Although consultation participants were able to complete the questionnaires at a number of locations, some were more popular than others. The table below shows the number of completed questionnaires received at each type of location, with a breakdown of how people at different locations answered Question 1 on the following page.

Location	Number
Golf Courses	454
Leisure Centres	65
Customer Service Centre	5
Online	231
TOTAL	755

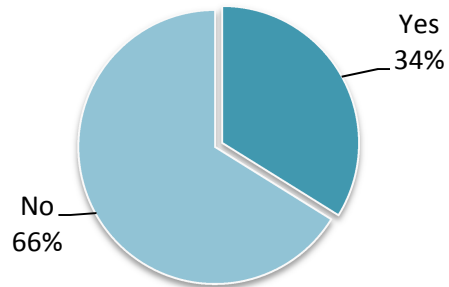
Responses from Council Golf Courses

Responses from Golf Course	Number
Yes	180
No	274
TOTAL	454



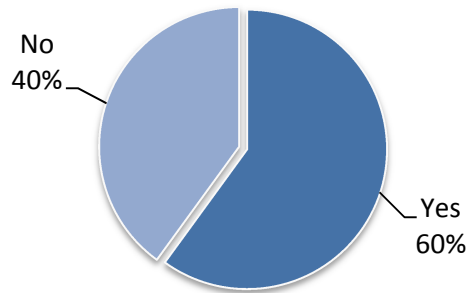
Responses from Council Leisure Centres

Responses from Leisure Centres	Number
Yes	22
No	43
TOTAL	65



Responses from Council Customer Services Centre

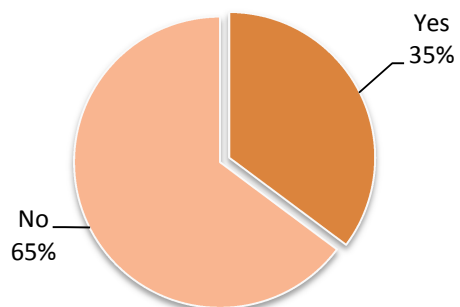
Responses from Customer Services	Number
Yes	3
No	2
TOTAL	5



Responses from Online Consultation Hub

Online Responses	Number
Yes	81
No	149
TOTAL*	231

*1 No Answer

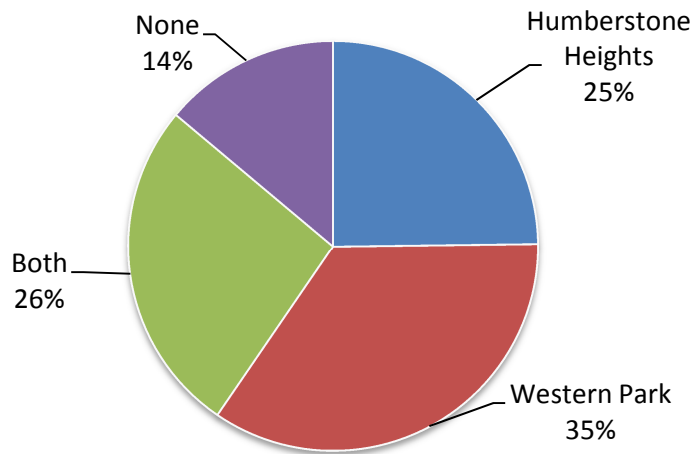


2. Are you a user of one or both of the Council owned Golf Courses?

The results of Question 2 show that a larger proportion of consultation participants were users of Western Park Golf Course.

Golf Course	Number
Humberstone Heights Golf Course	187
Western Park Golf Course	262
Both	200
None	105
TOTAL*	755

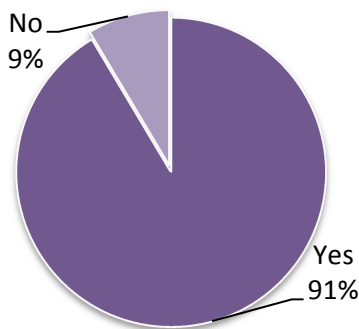
*1 No Answer



2.1. Users of Humberstone Heights Golf Course or Western Park Golf Course Only – Do you support the proposal to close Western Park Golf Course and further invest in Humberstone Heights Golf Course?

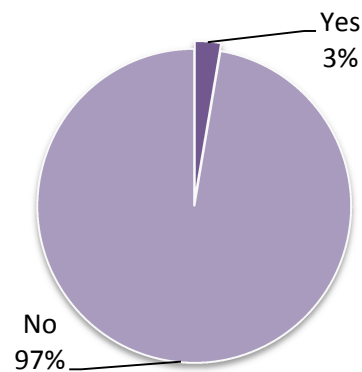
The information below combines Question 2 (above) with Question 1 (the proposal). The pie chart on the left shows responses to Question 1 by users of Humberstone Heights only, while the chart on the right shows responses to Question 1 by users of Western Park Golf Course.

Users of Humberstone Heights Golf Course Only



Humberstone Heights Users Only	Number
Yes	171
No	16
TOTAL	187

Users of Western Park Golf Course Only

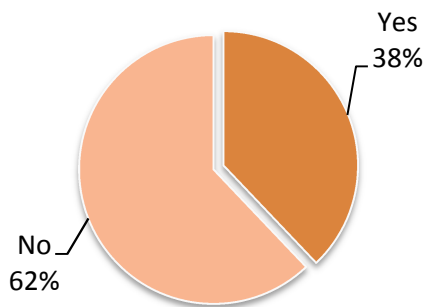


Western Park Users Only	Number
Yes	7
No	255
TOTAL	262

2.2. Council Golf Course Users / Non-Users – Do you support the proposal to close Western Park Golf Course and further invest in Humberstone Heights Golf Course?

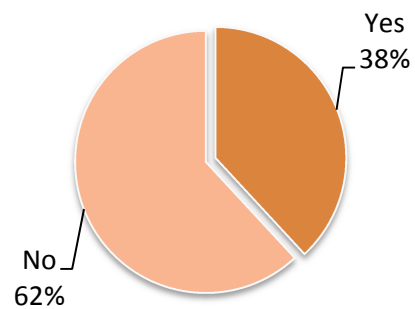
As above, the information below combines the data extracted from Question 2 and Question 1. The chart on the left shows responses to Question 1 by users of either or both of the Council Golf Courses. Meanwhile, the chart on the right is the response to Question 1 by consultation participants who do not use either of the Council’s Golf Courses. In this case, there is little difference in the percentage of people who support or oppose the consultation proposal.

Use one or both Council Golf Courses



Users of one or both Council Golf Courses	Number
Yes	246
No	403
TOTAL	649

Do not use Council Golf Courses

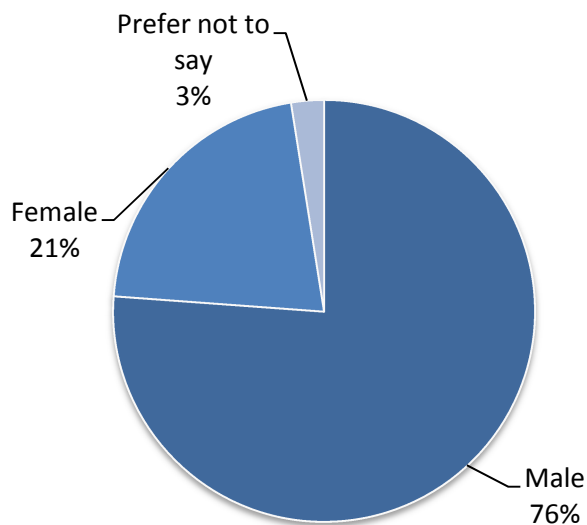


Non-Users of Council Courses	Number
Yes	40
No	65
TOTAL	105

3. What is your gender?

This question asks consultation participants about their gender, with a large proportion being male.

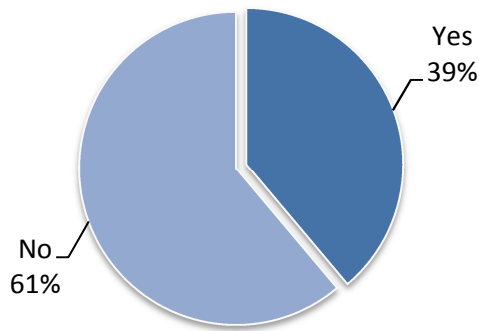
Gender	Number
Male	575
Female	161
Prefer not to say	19
TOTAL	755



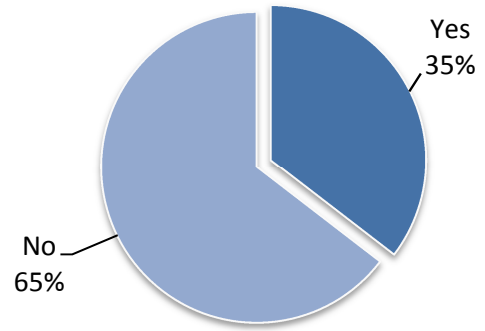
3.1. Male / Female Responders - Do you support the proposal to close Western Park Golf Course and further invest in Humberstone Heights Golf Course?

The charts below compare responses from males with responses from females on the Council's proposal (Question 1).

Male Responses



Female Responses



Male Participants Only	Number
Yes	223
No	351
TOTAL*	575

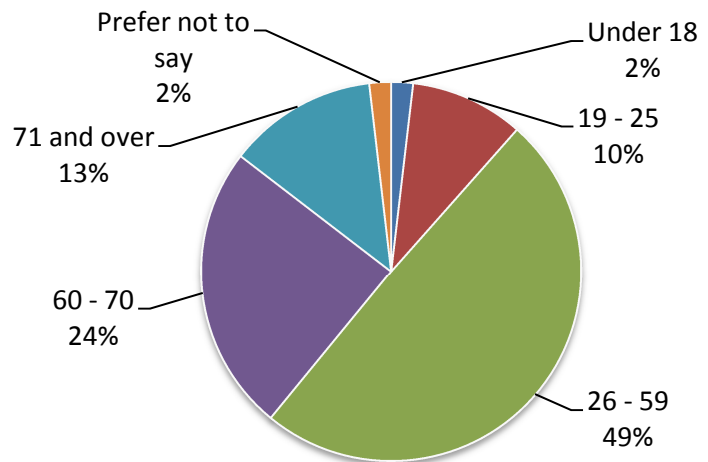
Female Participants Only	Number
Yes	57
No	104
TOTAL	161

*1 No Answer

4. Age Group

This question asks people about what age group they are in.

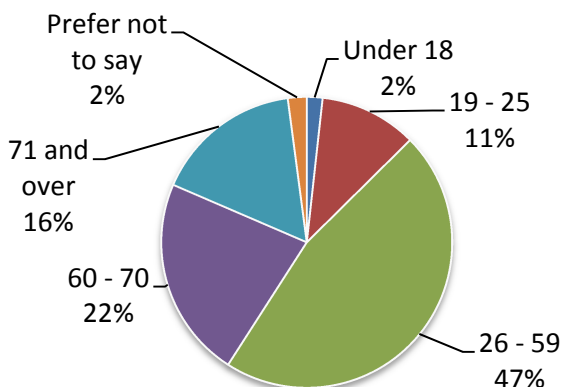
Age Group	Number
Under 18	14
19 - 25	73
26 - 59	373
60 - 70	185
71 and over	96
Prefer not to say	14
TOTAL	755



4.1. Age group – Do you support the proposal to close Western Park Golf Course and further invest in Humberstone Heights Golf Course?

The information below combines the findings of Question 4 with the responses to Question 1. The chart on the left displays the age group of consultation participants who support the Council’s proposal in Question 1, while the chart on the right shows the age group of those who oppose the proposal.

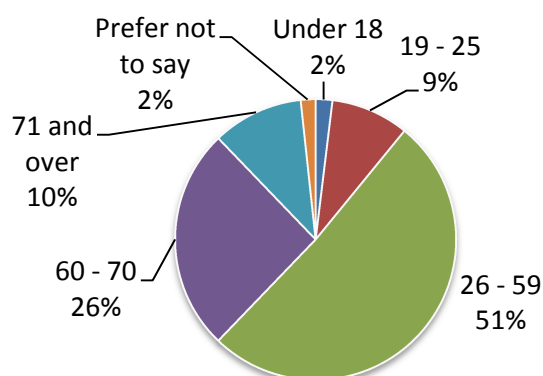
Age group of participants who support the proposal



Age Group of Proposal Supporters	Number
Under 18	5
19 - 25	31
26 - 59	133
60 - 70	64
71 and over	47
Prefer not to say	6
TOTAL	286

*1 No Answer

Age group of participants who do not support the proposal



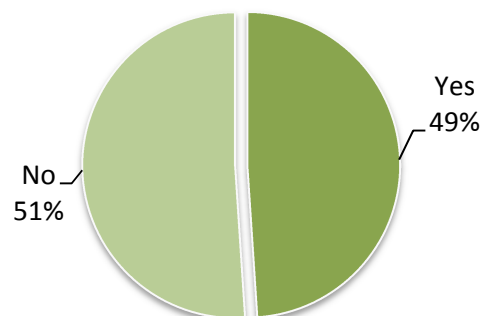
Age Group of Proposal Opposers	Number
Under 18	9
19 - 25	42
26 - 59	240
60 - 70	120
71 and over	49
Prefer not to say	8
TOTAL	468

4.2. Age group ‘71 and overs’ only - Do you support the proposal to close Western Park Golf Course and further invest in Humberstone Heights Golf Course?

The age group of ‘71 and overs’ has been picked out here as it contrasted with other age groups. Unlike the overall Question 1 results, a larger percentage of consultation participants aged 71 and over support the council’s proposal.

71 and over	Number
Yes	47
No	49
TOTAL	96

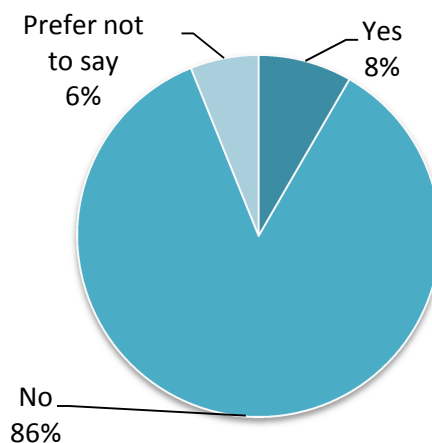
Participants aged 71 and over only



5. Do you consider yourself to be a disabled person?

This question asked consultation participants on whether they considered themselves to be disabled. The Equalities Act 2010 defines a person as disabled if they have a physical or mental impairment which has a substantial and long term effect on their ability to carry out normal day-to-day activities.

Disability	Number
Yes	63
No	646
Prefer not to say	46
TOTAL	755

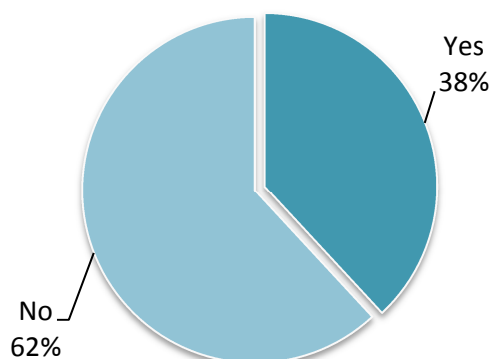


5.1. Disabled consultation participants only - Do you support the proposal to close Western Park Golf Course and further invest in Humberstone Heights Golf Course?

The information below shows the responses to Question 1 by consultation participants who considered themselves to be disabled. The percentages are identical to the overall Question 1 results.

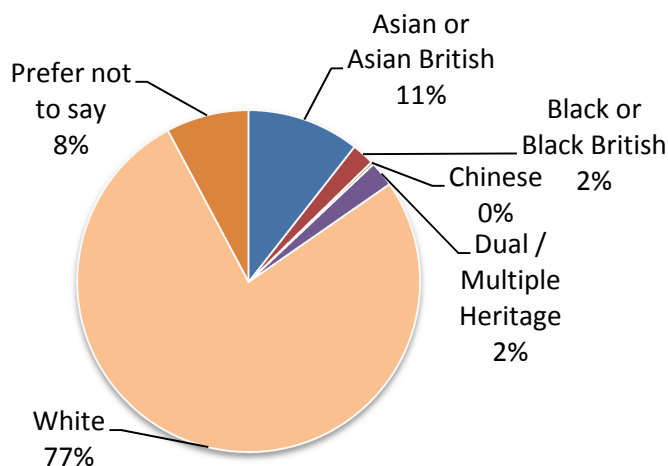
Disabled Participants	Number
Yes	24
No	39
TOTAL	46

Disabled consultation participants only



6. What is your ethnic group or background?

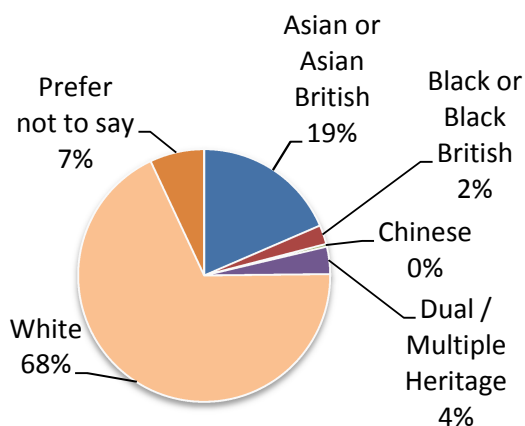
Ethnic Background	Number
Asian or Asian British	80
Black or Black British	16
Chinese	2
Dual / Multiple Heritage	18
White	580
Prefer not to say	59
TOTAL	755



6.1. Ethnic Background Breakdown – Do you support the proposal to close Western Park Golf Course and further invest in Humberstone Heights Golf Course?

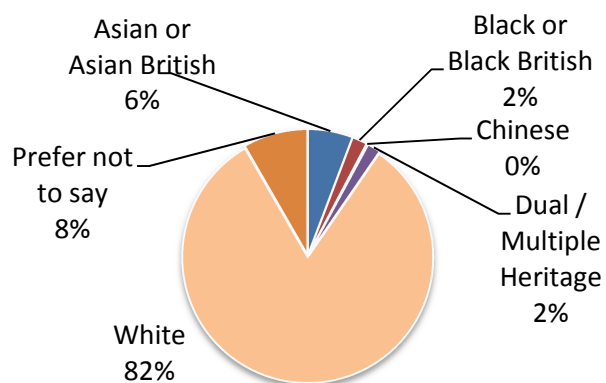
The information below combines the data from Question 6 with the data from Question 1. The chart on the left shows the ethnic backgrounds of consultation participants who support the consultation proposal, while the chart on the right shows the ethnic background of those who oppose it.

Ethnic backgrounds of participants who support the Proposal



Ethnic Background of Proposal Supporters	Number
Asian or Asian British	53
Black or Black British	7
Chinese	1
Dual / Multiple Heritage	10
White	195
Prefer not to say	20
TOTAL	286

Ethnic backgrounds of participants who do not support the Proposal

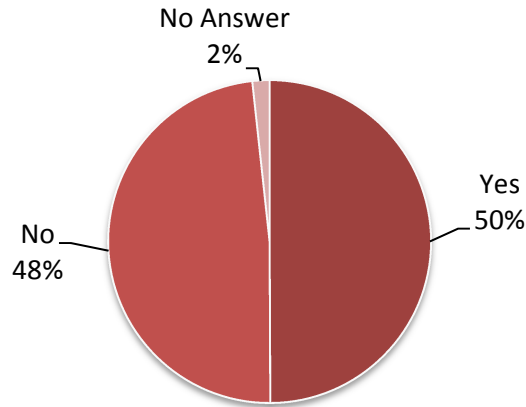


Ethnic Background of Proposal Opposers	Number
Asian or Asian British	27
Black or Black British	9
Chinese	1
Dual / Multiple Heritage	8
White	384
Prefer not to say	39
TOTAL	468

7. What is your postcode? Are you a resident of the City of Leicester?

The final question asks consultation participants about their postcodes, which were then sorted to determine whether the postcodes belonged to the City of Leicester (Unitary Authority) or another authority. 50% of consultation participants lived at postcodes belonging to the City of Leicester, while 48% lived in postcodes belonging to Leicestershire County or beyond. 2% of participants did not answer this question.

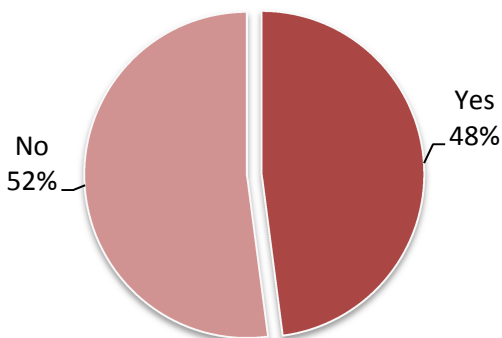
Postcode	Number
Resident of the City	377
Non-City Resident	365
No Answer	13
TOTAL	755



7.1. City Resident / Non-city Resident - Do you support the proposal to close Western Park Golf Course and further invest in Humberstone Heights Golf Course?

The information below separates city postcodes from other postcodes. The chart on the left displays the response to the Council's proposal (Question 1) from city residents only, while the chart on the right shows the responses to Question 1 by non-city residents. There is a clear contrast between the two results below, although this may be due to the higher proportion of non-city visitors at Western Park Golf Course. The results contrast with the overall results on the consultation proposal, which showed that 38% of all consultation participants supported the Council's proposal, while 62% opposed it. Furthermore, most of the consultation participants who opposed the Council's proposal were not residents of the city – 265 from a total of 468 'no' responses.

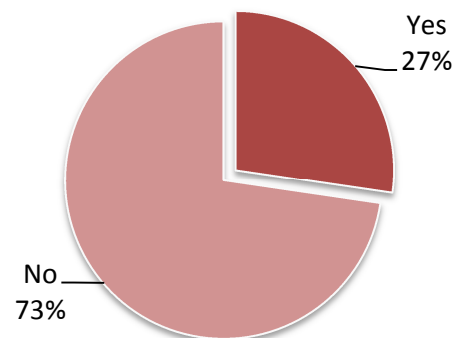
City Residents Only



City Residents	Number
Yes	182
No	194
TOTAL*	377

*1 No Answer

Non-City Residents Only



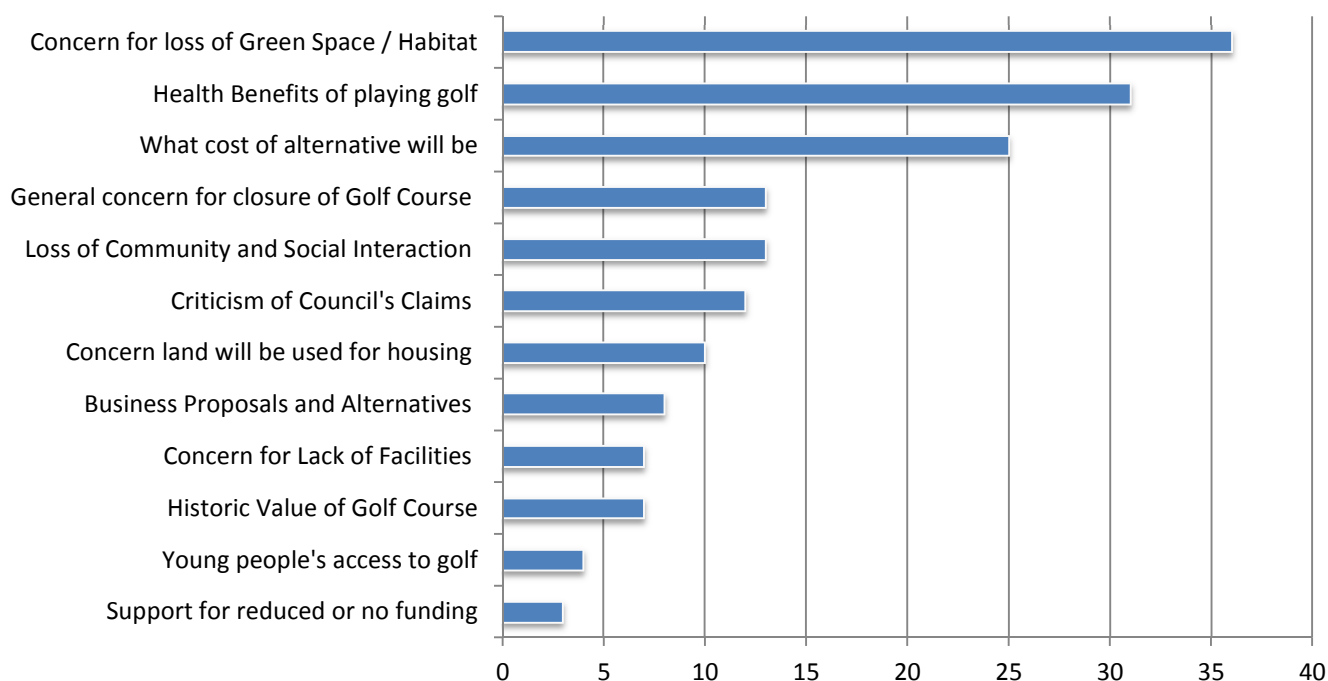
Non-City Resident	Number
Yes	100
No	265
TOTAL	365

Discrepancies

There were a small number of cases from both online and paper consultation submissions which meant that a few consultation participants may have filled out more than one form. However, when a total of 25 multiple responses were associated so that they were counted only once, the overall result (percentage) of those who were in favour or against the consultation proposal did not change.

Letters and complaints received by the Council

The council also received 115 letters and complaints as a result of the consultation on this proposal. The letters highlighted a range of issues which could arise if a decision were taken to close one or both golf courses. A total of 169 concerns and opinions were raised in the 115 letters, with the majority of responses raising more than one issue. The table below shows the concerns of people who wrote into the Council on this issue.



The letters show that the public is most concerned about the environmental impact of losing the golf courses, while the health benefits to golf and what the alternative would cost were also frequently mentioned. All letters which criticised the council's claims on golf, such as the cost of the subsidy or usage, have been reviewed and this criticism was judged to be unfounded. 3 letters expressed support for reduced or no funding to golf.

Golf Consultation



Overview

Sports services, including leisure centres, sports development and sport on parks, cost the council approximately £2.9 million each year in public subsidy. However, large cuts in government funding mean that we cannot continue to run services as we do now. Golf receives the highest subsidy per visit of all the sports facilities provided by the council and has far fewer usages per year compared to leisure centres.

Earlier this year we asked for your views on whether the council should continue to subsidise the two council-owned golf courses; Western Park and Humberstone Heights. You can read a summary of the results online at consultations.leicester.gov.uk/we_asked_you_said or pick up a copy from Customer Services, 91 Granby Street, Leicester, LE1 6FB.

Why We Are Consulting

The first consultation revealed that there was sizable support behind the city council's golf provision. We have listened to all views that were put forward and considered a number of possible options – including the closure of one or both municipal golf courses. The continuation of a financially viable and effective golf provision was the council's primary focus.

As a result, the proposal we would like to consult on is to close one golf course and further invest into the other one. This would enable the council to continue providing a quality municipal golf course while also making the necessary budget savings.

The Proposal

We propose that the council continues to run, maintain and further invest in the golf course at Humberstone Heights and close the golf course at Western Park.

We will look to invest substantial capital into Humberstone Heights, providing the course with a refurbishment programme – enhancing the course's quality along with improvements to existing club, bar and changing facilities.

Background Information

In the year 2013/14, the council subsidy for Western Park Golf Course was £123,000 and for Humberstone Heights Golf Course was £63,000.

Humberstone Heights offers golfers a greater range of facilities than Western Park. There are more members, season ticket holders and more casual users at Humberstone Heights than there are at Western Park, as well as more female members and more juniors. This enables Humberstone Heights to consistently generate more income, costing the council less money to maintain and operate.

Leicester City Council would like to hear from you on this new proposal. We will consider all ideas that are put forward before taking our next steps.

Please only complete the survey once. Multiple submissions may not be counted.

The consultation closes on 24th October 2014

You can complete these questions online at:

www.leicester.gov.uk/golf-proposal

Alternatively please return the completed questionnaire to one of our leisure centres, golf courses or to Customer Services, 91 Granby Street, Leicester, LE1 6FB

[1] **Do you support the proposal to close Western Park Golf Course and further invest in Humberstone Heights Golf Course?** Please tick ✓ one box only

Yes No

[2] **Are you a user of one or both of the council owned golf courses? (Humberstone Heights or Western Park)**

Please tick ✓ one box only

Humberstone Heights Golf Course
 Western Park Golf Course
 Both
 None

[3] **What is your gender?** Please tick ✓ one box only

Male Female Prefer not to say

[4] **Age group** Please tick ✓ one box only

Under 18 19 – 25
 26 – 59 60 – 70
 71 and over Prefer not to say

[5] **The Equalities Act 2010 defines a person as disabled if they have a physical or mental impairment which has a substantial and long term effect on their ability to carry out normal day-to-day activities.**

Do you consider yourself to be a disabled person?

Please tick ✓ one box only

Yes No Prefer not to say

[6] **What is your ethnic group or background?**

Choose one option that best describes your ethnic group or background. Please tick ✓ one box or describe if required.

Asian or Asian British
 Black or Black British
 Chinese
 Dual / Multiple Heritage
 White
 Other ethnic group (please write in)
 Prefer not to say

[7] **What is your postcode?**

.....

To make any further comments or suggestions please email the city council sports service on sports.services@leicester.gov.uk

Thank you
for completing the questionnaire



Equality Impact Assessment for service changes / budget proposals



Name of service	Sports Services
Lead officer and Contact details	Edwin James , Town Hall
List of other(s) involved	Equality officer: Irene Kszyk Finance officer: N/a

What is this EIA about?

(Please tick✓)

Budget proposal for existing service or service contract to achieve savings	<input type="checkbox"/>
Budget proposal for new or additional service expenditure	<input type="checkbox"/>
Commissioning a new service or service contract	<input type="checkbox"/>
Changing or removing an existing service or service contract	<input checked="" type="checkbox"/>

Step 1: The proposal (how you propose to change the service)

Question 1:

What is the proposal/proposed change?
<p>The closure of Western Park Golf Course, if decided, could save the Council in excess of £100,000 a year, making a significant contribution to the Council's revenue savings requirements, as result of national government cuts to public expenditure. The sale of some of the land currently used by the Golf Course could potentially generate a capital receipt while still maintaining large element of green space.</p> <p>In March 2013 the first public consultation began, asking the public whether they think Leicester City Council should continue to subsidise the two council owned municipal golf courses in the City: Humberstone Heights and Western Park. The Council received a total of 2,773 responses. 90%of the responses supported the continuation of the subsidy for Golf Courses, which in the year 2013/14 cost the council in excess of £185,000.</p>
Who will it affect and how will they likely be affected?
<p>Western Park Golf Course users, golf members, residents locally. Loss of amenities will raise concerns from local residents as to what will replace golf. For users, closure will/could mean dispersal of friends and social aspects attached to playing golf. A large percentage of users are 60+ which may raise issues into the health benefits for those individuals.</p>

NB Any Actions you identify through completing this EIA, you must add to the Action Plan at the end.

Question 2:

What is the equality profile of current service users?

Western Park Golf Club is generally less popular and has fewer members than Humberstone Heights Golf Course. Below is a breakdown of Golf membership.

Across Humberstone Heights and Western Park Golf Clubs there are 560 members, of these members 28 were junior members and 17 were female members.

Humberstone Heights Golf Club has 307 members

Western Park Golf Club has 253 members

Golf membership by postcodes:

63 % golf course members are city residents

37% golf course members are country residents

Casual Golf usages average

Western Park Golf Course average usage = 22,795 per annum

Humberstone Heights Golf Course average usage = 28,823 per annum

Do you anticipate any changes to your service user profile as a result of your proposal/proposed change? If yes, how will it change?

Loss of facility could see no golf provision by the City Council for the west side of the city, although there is provision across the county border in the west. The reduction could/would see a decline in junior development and opportunities generally to play social golf. However there is alternative provision outside the city available which is readily accessible by public transport. There are other golf courses in and around the City which offer a competitively priced non-member 'pay and play' and membership facilities within a 14 mile radius of Western Park Golf Course. Golf Courses such as Beedles Lakes, Birstall, Forest Hill, Scraftoft and Whetstone all provide 'pay and play' services at very similar prices to WesternPark and Humberstone Heights.

Question 3:

Potential equality Impact					
<p>Based on any evidence and findings, use the table below to identify if any individuals or community groups who identify with any of the 'protected characteristics' are likely to be positively or negatively affected by the proposed project or programme, describe what the impact is likely to be, how significant that impact is for individual or group well-being, and for negative impacts, what mitigating actions can be taken to reduce or remove negative impacts?</p> <p>a) include any relevant research and consultations findings which highlight the best way in which to minimise negative impact or discrimination</p> <p>b) consider what barriers you can remove, whether reasonable adjustments may be necessary, and how any unmet needs that you have identified can be addressed</p> <p>c) if you are not addressing any negative impacts (including human rights) or potential barriers identified for a particular group, please explain why</p>					
	Positive impact	Negative impact	Describe the likely impact of the project or programme on people with this protected characteristic.	How likely is it that people with this protected characteristic will be affected? What are the key factors that determine who will be affected?	For negative impacts, what mitigating actions can be taken? This needs to be included in the action plan.
Age		<input checked="" type="checkbox"/>	Older people and juniors would not play golf and get the social and health benefits.	Because of alternative provision they would be able to continue playing golf. May lose contacts with relationships formed. May find travelling or costs of alternatives a barrier.	Encouraging members to join or play at Humberstone Heights Golf Course. To help identify other options where they can play golf in and around the city. Please see attached document.

Disability		<input checked="" type="checkbox"/>	Disabled access to the golf range, changing rooms, toilets, pro shop, 9 hole and 18 hole courses are not a problem. However there is no lift to give access to the 1 st floor at Humberstone Heights where the bar and club house is situated.	Wheelchair users may not be able to use the bar area or have meals in the club house or be involved in social events.	When investment is made into Humberstone Heights Golf Course, a lift must be considered from the outset.
Gender Reassignment			Impact not known regarding this question as no one highlighted this as an issue		
Marriage and Civil Partnership			Impact not known regarding this question as no one highlighted this as an issue		
Pregnancy and Maternity			Impact not known regarding this question as no one highlighted this as an issue		
Race			Impact not known regarding this question as no one highlighted this as an issue		

Religion or Belief			Impact not known regarding this question as no one highlighted this as an issue		
Sex		<input checked="" type="checkbox"/>	There are 245 members who are 60 and over including 25 who are 80 and over which is liable to have key impact on the health of older users. Of the 245 members only around 15 are women.	May lose contacts with relationships formed. May find travelling or cost of alternatives a barrier.	Encouraging members to join or play at Humberstone Heights Golf Course. To help identify other options where they can play golf in and around the city. There are cheaper options available Please see attached document.
Sexual Orientation			Impact not known regarding this question as no one highlighted this as an issue		

Question 4:

Will any particular area of the city be more affected by the proposal than other parts of the city? What area and why?

There is not a leisure centre in the immediate Humberstone and Hamilton area which means that the closure of Humberstone Heights Golf Course could have a greater impact locally on reducing public access to sport and leisure provision. Alternatively Western Park area is near to the Braunstone and New Parks leisure centres. Consultation responses revealed that Humberstone Heights Golf Course was slightly more popular than Western Park. 682 responses stated that they exclusively played golf at Humberstone Heights, compared with 601 responses for Western Park. Golf club members and users will be encouraged to attend the city council's alternative course at Humberstone Heights or any of the other county available courses identified. Following The Closure of Western Golf Course we would expect to see an increase in both membership numbers as well as 'pay and play' users. This is likely to result in a reduced Council subsidy.

For example, Government policies, proposals or other types of changes to current provision by public agencies; external economic impacts such as the recession continuing and the economic down turn increasing.

Question 5:

Is it likely that there may be other sources of negative impacts affecting service users over the next three years that need to be considered? What might compound the negative effects of this proposal? Describe any additional negative impacts over time that could realistically occur.

None identified at this time.

Question 6:

Will staff providing the service be affected by the proposal/proposed changes? If yes, which posts and in what way?

There is 1 x part time cleaner post, it is likely that those hours can be transferred to an alternative vacant position.

There are 4 x green staff identified at Western Park in a pool of 7 across the two courses, and these are managed by Parks Services. HR advice has been taken about the implications should the decision be made to close a course.

Step 2: First consultation on the proposal

Consulting potential service users on the proposal will provide you with an opportunity to collect information from them on the equality impacts they think may occur as a result of the proposed change, positive as well as negative. For negative impacts, this is an opportunity for them to identify how best to mitigate any negative impacts on them that they think may occur.

Question 1:

**What consultation on the original proposal has taken place?
When, where and who with?**

On the 11th March, a consultation process began, to gain insight into both public and users views on whether the council should continue to subsidise Humberstone Heights and Western Park Golf Courses. The consultation closed on 8th April 2014. The public were asked to respond either through the Council's consultation hub on the council website or fill in a short questionnaire, which was available at both golf courses, in all the Council leisure centres and at the Customer Services Centre. In total 2,773 responses were received.

Teams from both Humberstone Heights and Western Park Golf Courses were invited to meet with the City Mayor and Assistant Mayor, to discuss the future of the golf clubs. The City Mayor wrote to the clubs following this meeting requesting a business plan or a vision document defining some ideas for a more sustainable future. Whilst both clubs took the opportunity to present some ideas to improve the financial position of their representative Golf Courses, Humberstone Heights also presented an online business plan for consideration.

Question 2:

What potential impacts did consultation stakeholders identify?

The Council received 115 letters from members of the public who had concerns and comments about the future of the golf courses and the impact a decision to close one or both courses would have on their local neighbourhood. The common concerns and comments highlighted in these letters were; loss of green space and the affect this would have on the environment, the cost of playing golf at an alternative club along with comments highlighting the health benefits which come with playing golf.

What positive equality impacts were identified? For people with which protected characteristics?

Benefits of golf to health and wellbeing as well as the social benefits for people with which protected characteristics: Please see Question 3 Potential Equality Impact.

What negative equality impacts were identified? For people with which protected characteristics?

Loss of health benefits social interaction, potential cost of alternatives for people with which protected characteristics: Please see Question 3 Potential Equality Impact.

Question 3:

Did stakeholders indicate how positive impacts could be further promoted? How?

None put forward.

Did stakeholders indicate how negative impacts could be reduced or removed? How?

Stakeholders feedback indicated that Western Golf Course should not be closed.

Date completed ...18TH April 2014

NB Any Actions you identify through completing this EIA, you must add to the Action Plan at the end.

Step 2: The second consultation on the proposal

Consulting potential service users on the proposal will provide you with an opportunity to collect information from them on the equality impacts they think may occur as a result of the proposed change, positive as well as negative. For negative impacts, this is an opportunity for them to identify how best to mitigate any negative impacts on them that they think may occur.

Question 1:

What consultation on the final proposal has taken place? When, where and who with?
Following the first consultation the consultation on a 2nd proposal commenced: to continue to run, maintain and further invest in the golf course at Humberstone Heights and close the golf course at Western Park.
The second round of consultation took place between the 28th July and 24th October 2014 via the council's consultation hub, as well as the Council's golf courses, leisure centres and customer services. Members and casual golf users were able to fill out questionnaires and individual meetings took place with both clubs committees.
The proposal to close one Council Golf Course is based on the following rationale: The first consultation revealed that there was sizable support behind the City Council golf provision. Thus, a number of possible options put forward by officers were carefully considered by The City Mayor – including the closure of one or both municipal golf courses. The continuation of a financially viable and effective golf provision was the Council's primary focus.

Question 2:

What potential impacts did consultation stakeholders identify?
Members of the public who had concerns and comments about the future of the golf courses and the impact a decision to close one or both courses would have on their local neighbourhood. The common concerns and comments highlighted in these letters were; loss of green space and the effect this would have on the environment, the cost of playing golf at an alternative club along with comments highlighting the health benefits which come with playing golf.
What positive equality impacts were identified? For people with which protected characteristics?
Benefits of golf to health and wellbeing as well as the social benefits.
What negative equality impacts were identified? For people with which protected characteristics?
Loss of health benefits social interaction, potential cost of alternatives.

Question 3:

Did stakeholders indicate how positive impacts could be further promoted? How?
No.
Did stakeholders indicate how negative impacts could be reduced or removed? How?
Only as stated in Question 2.

Date completed ...24TH October 2014

NB Any Actions you identify through completing this EIA, you must add to the Action Plan at the end.

Step 3: The recommendation (the recommended decision on how to change the service)

Question 1:

Has your recommended proposal changed from the proposal in Step 1 as a result of consultation and further consideration?

Yes ✓ No If 'no', go to Question 2.

If yes, describe the revised proposal and how it will affect current service users?
It is proposed that the Council continues to run, maintain and further invest in the golf course at Humberstone Heights and close the golf course at Western Park.
What are the equality implications of these changes? Identify the likely positive and negative impacts of the final proposal and the protected characteristic affected.
<div style="border: 1px solid black; border-radius: 15px; padding: 10px;"><p>Go back to the initial exercise you carried out at the beginning, on understanding your equality profile. Re-visit each characteristic and what has changed as a result of amending your recommendation. Revise potential positive and negative equality impacts accordingly.</p></div>
See question 3 – Potential Equality Impact
How can any negative impacts be reduced or removed?
There are various 'pay and play' promotions at golf courses around Leicester, such as 2 for 1, discount prices to play with a member or play at off-peak times. For example, Birstall Golf Course offers a 2 for 1 discount which would bring the cost of a round of golf to £15 per person, cheaper than either of the City Council Golf Courses. The majority of golf courses in Leicestershire offer 2 for 1 'pay and play' option in some capacity. Furthermore, a 'County Card' for golf offers discounted 'pay and play' prices at a number of golf courses around the county. Most of these golf courses also offer a lower price if booked through 'Tee Time', an online booking system. Attached is an appendix setting out Golf provision in and around Leicester, describing the type of golf courses, how many miles they are from Western Golf Course, price and membership information as well as bus transportation from Western Park Golf Course.

Question 2:

Are there any actions¹ required as a result of this EIA?

Yes No

If yes, complete the action plan on the next page.

Date completed ...11/11/14.....

¹ Actions could include improving equality information collected or identifying the actions required to mitigate adverse impacts identified in the EIA.

NB Any Actions you identify through completing this EIA, you must add to the Action Plan at the end.

Step 4: Sign-off

This EIA completed by	Name	Signature	Date
Lead officer	Edwin James	Edwin James	11/11/14
Countersigned by Equalities Officer	Irene Kszyk	Irene Kszyk	11/11/14
Signed off by Divisional Director	Liz Blyth	Liz Blyth	13/11/14

Completion - Keep a copy for your records, and **send an electronic copy** of the completed and signed form to the [Corporate Equalities Lead](#) for audit purposes

NB Any Actions you identify through completing this EIA, you must add to the Action Plan at the end.

EIA Action Plan

Please list all the equality objectives, actions and targets that result from the Equality Impact Assessment. These should be included in the relevant service plan for performance management purposes.

Equality Objective	Action required	Target	Officer responsible	By when?
Example: To know equality profile of all service users.	Example: collect monitoring data on disabled users (currently not being provided)	Example: To have data for first performance review	Example: Joe Smith	Example: Start collection of data in April 2013
Monitor golf usage at Humberstone Heights Golf Course	Engage with Western Park Golf Club members encourage and support their transition to HHGC	6 Months following the closure of WPGC	Area Sports Services Manager	6 months after date is set for course to close.
Monitor over time increase take up of users and members at HHCC	Carry out a survey of users and members at HHGC as to the impact of closing WPGC	As above	Area Sports Services Manager	6 months after date is set for course to close.

What to do next?

If this EIA has identified any issues that need to be addressed (such as plugging a data gap, or carrying out a specific action that reduces or removes any negative impacts identified), complete the attached EIA Action Plan to set out what action is required, who will carry it out, and when it will be carried out/completed.

Once your EIA has been completed, (countersigned by the equalities officer/finance officer **and signed off by your Director**) the equality officer will work with you to monitor this action plan.

NB Any Actions you identify through completing this EIA, you must add to the Action Plan at the end.

Appendix B - Golf in and around the City

Golf Course	Location	Distance from Western Park	Pay and Play (wkday)	Play and Play (wkend)	Annual Member 5 day	Annual Member 7 day	Annual Junior / U-18 Member	Other Junior Member discount	Senior / over 60s Member	Over 80s Member	Easily Accessible by public transport from Western Park?
Western Park	Leicester	n/a	£17.50	£21	£415	£550	£110	n/a	£450	No discount	n/a
Beedles Lake golf Course	East Gosgote near Syston	11.5 miles	£19	£24	£500	£650	£145	£90 for U14s	No discount	No discount	Bus 12/14 to City Centre and Bus 5 to East Gostcote (1 change)
Birstall Golf Club	Leicester	5.5 miles	£30 <i>(£15 during 2 for 1)</i>	£40 <i>(£20 during 2 for 1)</i>	£717.6 1	£974.75	£206.75	£110.75 for U14s & £62.75 for U10s	No discount	£344.75	Bus 40 from Liberty Road to Red Hill Way (Direct) OR Bus 14/12 to City Centre and Bus 2/126/127 (1 change)
Blaby Golf Course (9 hole)	Blaby	6.5 miles	£10 <i>(£7 for 9 holes)</i>	£10 <i>(£7 for 9 holes)</i>	£305	£330	No U18 discount	£165 for U14s	£280	No discount	Bus 12/14 to City Centre and Bus 84/84A (1 change)
Charnwood Forest Golf Club (9 hole)	Charnwood	10.9 miles	£28 <i>(£17 for 9 holes)</i>	£38 <i>(£20 for 9 holes)</i>	n/a	£710	£142	n/a	No discount	No discount	Bus 12/14 to City Centre and Bus 154 to Woodhouse Eves (1 change)
Cosby Golf Course	Cosby	8.3 miles	£35	n/a	£636	£859	£140	n/a	No discount	No discount	Bus 14 to near St. Margaret's Bus Station and 84/X44 to Cosby Chapel Lane (1 change)
Enderby Golf Course (9 hole)	Enderby	5.1 miles	£10.50 <i>(£8.99 for 9 holes)</i>	£13.50 <i>(£10.50 for 9 holes)</i>	£199	£249	£199	n/a	£199	No discount	Bus 12/14 to City Centre and Bus 50 to Enderby (1 change)
Forest Hill Golf Course	Botcheston off the M1	5.6 miles	£20	£25	n/a	£675	£80	n/a	No discount	No discount	Bus 14 to frog island Slater Street and Bus 26 to Merrylees Road (1 change)
Glen Gorse Golf Club	Near Oadby and Wigston	8.4 miles	£35	£45	£804	£945	£165	n/a	No discount	No discount	Bus 12/14 to City Centre and Bus 31 to Beaufort Way (1 change)

Humberstone Heights	Leicester	6.3 miles	£17.50	£21	£415	£560	£110	n/a	£450	No discount	Bus 40 from Liberty Road to Sandhills Av. (Direct) OR Bus 12/14 to City Centre and Bus 56 to Humberstone (1 change)
Kibworth Golf Course	Kibworth	13.6 miles	£32	£40	£715	£950	£160	£110 for U14s & £80 for U10s	No discount	£755	Bus 14 to near St. Margaret's Bus Station and Bus X7 to Kibworth (1 change)
Kirby Muxloe Golf Club	Kirby	2.3 miles	£35	£35	£987 + £500 joining fee	£705 + £500 joining fee	£116	n/a	£705	No discount	Walkable distance or 153 along Hinkley Road
Rothley Park Golf Club	Rothley	6.9 miles	£50	£60	n/a	£1,150 + £500 joining fee	£176	n/a	No discount	No discount	Bus 14 to near St. Margaret's Bus Station and Bus 126/127 to Rothley (1 change)
Scraptoft Golf Club	Thurnby	8.4 miles	£20	£25	£736	£906	£147	£120 for U16s, £94 for U14s & £68 for U10s	No discount	£474	Bus 12/14 to Leicester City Centre and Bus 38/53 to Thurnby Lodge (1 change)
The Leicestershire Golf Course	Leicester	5.6 miles	£50	£60	£915	£1,250	£175	n/a	No discount	No discount	Bus 40 from Liberty Road to Stoughton Drive (Direct) OR Bus 12/14 to City and Bus 22/22A to Evington (1 change)
Whetstone Golf Course	Blaby	6.8 miles	£14	£16	£450	£630	£145	n/a	£530	No discount	Bus 14 to near St. Margaret's Bus Station and 84 to Cosby Chapel Lane (1 change)

Summary: The table above outlines 15 golf courses in and around Leicester, all within reasonable distance from Western Park Golf Course. Accessibility to these golf course by public transport are also highlighted.

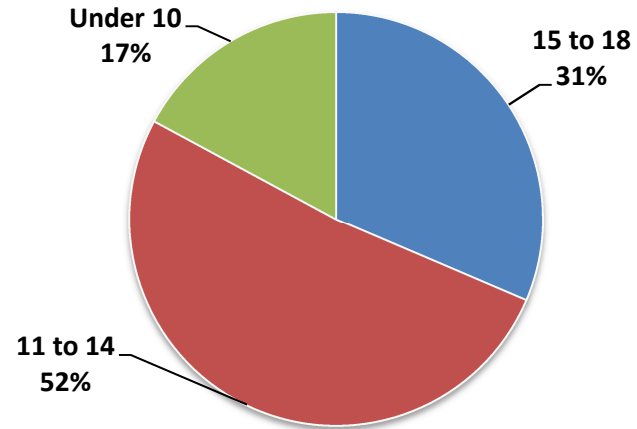
U18s = Under 18 year old, U14s = Under 14 year old etc.

The prices above are subject to change and were recorded on 20/05/2014.

Junior membership comparison

Golf Course	Price of U18s	Price of U14s	Price of U10s
Western Park and Humberstone Heights	£110	£110	£110
Beedles Lake Golf Course	£145	£90	£90
Birstall Golf Club	£206.75	£110.75	£62.75
Cosby Golf Course	£140	£140	£140
Forest Hill Golf Course	£80	£80	£80
Kibworth Golf Course	£160	£110	£80
Kirby Muxloe Golf Club	£116	£116	£116
Scraptoft Golf Club	£147 (£120 for U16s)	£94	£68

Age Breakdown of Junior Members at City Council Golf Courses

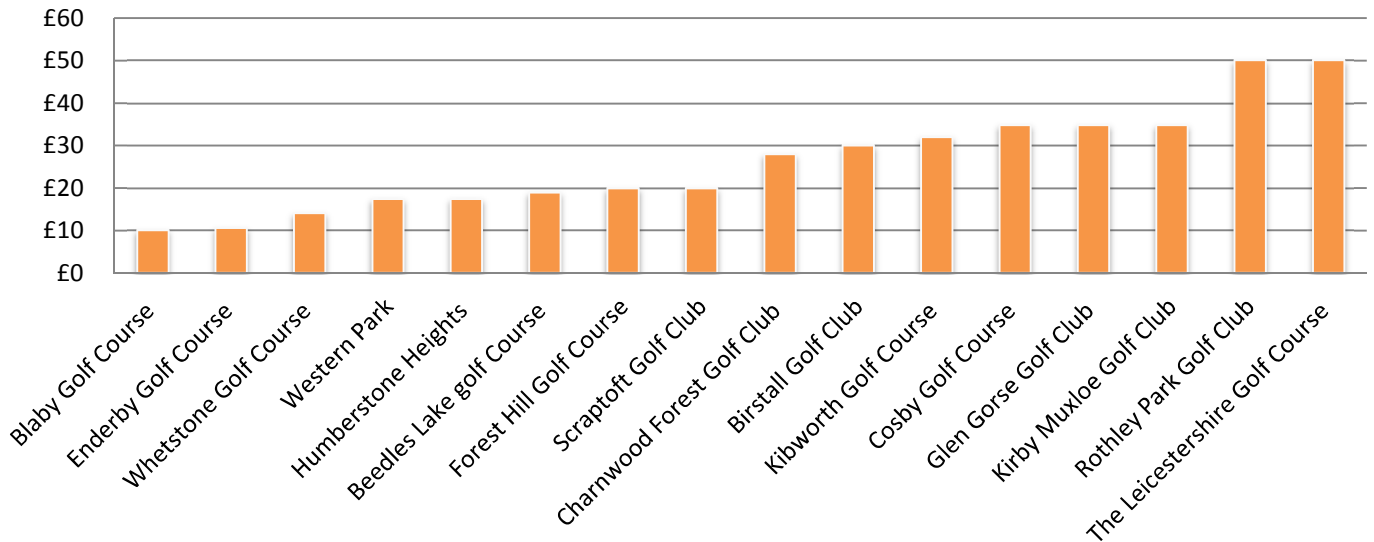


	15 to 18	11 to 14	Under 10
City Council Golf – Junior members	11	18	6

Summary: The table above shows that all of our junior members would be able to find cheaper membership prices elsewhere. Most of our junior members, aged 14 and unde, will find very competitive prices at other excellent golf courses such as Scraptoft, Kibworth, Birstall and Beedles Lake. Kirby Muxloe Golf Club, which is the closes golf course to Western Park, also offers a very competitive junior membership price.

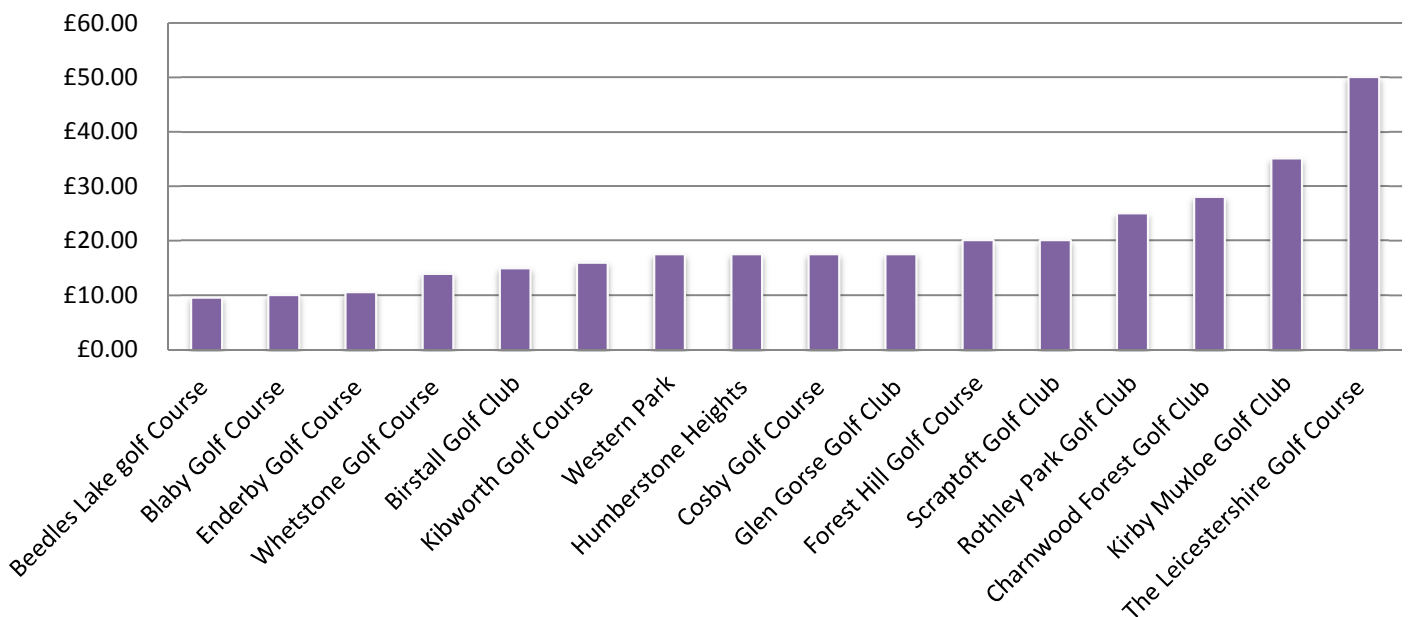
Pay and Play Comparison

Pay and Play Weekday Prices



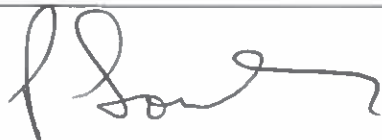
Summary: The chart above shows the price of ‘play and pay’ services at other golf courses. There are 6 other golf courses in and around the city which are either as competitively priced as or even cheaper than the two City Council Golf Courses, Humberstone Heights and Western Park. Other golf courses also offer special promotions. For example, Birstall Golf Course are currently offering a 2 for 1 promotion during weekdays, and therefore visitors would only be expected to pay £15 each – lower than the price at the City Council Golf Courses. The £20 per round cost for Scraptoft Golf Course is also a current promotional offer, but is added in the chart above as single players would also pay £20 for a round of golf. The chart below shows the price comparison of a ‘pay and play’ round of golf across the same courses, but this time taking into account the 2-for-1 discounts which are available at each course.

Price of Golf - Taking into account 2-for-1 promotions



Summary: The availability of these promotions may vary – and may not be purchasable on weekends. Nonetheless, when the promotional offers at other golf courses are considered, there are 8 other golf courses around Leicester which offer a ‘pay and play’ option at the same price or lower price than the City Council Golf Courses – with 2 other golf courses offering very competitive prices as well. Please note that prices above are weekday prices only.

RECORD OF DECISION BY CITY MAYOR OR INDIVIDUAL EXECUTIVE MEMBER

1.	DECISION TITLE	City Council Golf Courses
2.	DECLARATIONS OF INTEREST	None
3.	DATE OF DECISION	11 December 2014
4.	DECISION MAKER	City Mayor
5.	DECISION TAKEN	<p>To support the proposal to maintain and to invest in the Council's golf course at Humberstone Heights and to close the Council's golf course at Western Park, taking into account the assessment and mitigation of equality impacts and the results of the two consultation processes.</p> <p>To note that the Heritage, Culture Leisure and Sport Scrutiny Commission have received reports on the proposal, heard representations from the two Golf Clubs and visited the sites, and that the Scrutiny Commission's findings have been taken into account.</p>
6.	REASON FOR DECISION	<p>Leicester City Council has had to make substantial budget reductions now and will do so in the future as a result of very sizeable cuts in government funding.</p> <p>As a result the Council has had to review the way in which it runs services and to focus on core services in order to make the necessary savings. The Council has two municipal Golf Courses in Leicester and as a result of this review has decided to focus efforts and investment in the golf provision at Humberstone Heights.</p>
7.	<p>a) KEY DECISION Y/N?</p> <p>b) If yes, was it published 5 clear days in advance? y/n</p>	<p>Yes.</p> <p>Yes.</p>
8.	OPTIONS CONSIDERED	Further details with regards to the options and the consultation proposals are set out in paragraph 3 of the report.
9.	<p>DEADLINE FOR CALL-IN</p> <ul style="list-style-type: none"> • 5 Members of a Scrutiny Commission or any 5 Councillors can ask for the decision to be called-in. • Notification of Call-In with reasons must be made to the Monitoring Officer 	18 December 2014
10.	<p>SIGNATURE OF DECISION MAKER (City Mayor or where delegated by the City Mayor, name of Executive Member)</p>	



REPORT OF THE MONITORING OFFICER

7.1 Revision to the Constitution

The Monitoring Officer submits a report that seeks approval to suggested amendments to the Council's Constitution, specifically; new Contract Procedure Rules and associated Finance Procedure Rules; and a revision to Article 6 (Part 2, Key Decisions) relating to the Council's role as accountable body.

A copy of the report and the revised Contract Procedure Rules is attached.

Full Council is asked to approve the new Contract Procedure Rules, associated amendments to the Finance Procedure Rules and the revision to Article 6 (Part 2, Key Decisions).

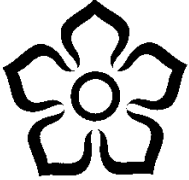
7.2 Access to Information Procedure Rule 17 – Monitoring Report

The Monitoring Officer submits a report which meets the Constitutional requirement to report to Council on the use of the special urgency provisions whereby Key Decisions are taken without the due notice required by Rule 13 of the Access to Information Procedure Rules.

The report is attached.

Council is asked to note that the Special Urgency provisions were used once in the preceding quarter, in the circumstances set out at 3.5 of the report.

**Kamal Adatia,
Monitoring Officer**



Leicester
City Council

WARDS AFFECTED
All

Council

22 January 2015

REVISION TO THE CONSTITUTION

Joint report of the Monitoring Officer and Director of Finance

1. PURPOSE OF REPORT

- 1.1 To agree revisions to the Council's Constitution
- 1.2 Article 16 of the Constitution imposes a duty to monitor and review of the operation of the Constitution. This report proposes suggested amendments reflecting the on-going work to meet this duty and further suggests amendments arising from changes to Government Regulations.

2. RECOMMENDATIONS (OR OPTIONS)

- 2.1. To agree the new Contract Procedures Rules (CPR) and Finance Procedure Rules (FPR) appended to this report (to take effect from 1 March 2015) and transitional arrangements set out in the Appendix.
- 2.2. To agree a revision to Article 6 (Part 2, Key Decisions) as per paragraph 4.7 below

3. SUMMARY

Contract Procedure Rules

- 3.1. The CPR are a legal requirement for the Council and set out the rules and processes which must be followed when entering into contracts for the purchase/hire of goods, disposal of assets and purchase of works and services.
- 3.2. Over the past year, a number of changes to council policy, procurement legislation and the Council's procurement structure have taken place which mean the rules need to be updated. Additionally a general need to update the CPR to address issues and improve procurement processes has been identified.
- 3.3. New CPR have been drafted with consultation with senior management and relevant service areas across the Council, including Finance, Legal and Internal Audit. These

are attached as Appendix 1. A draft was presented to Audit & Risk Committee in September 2014.

- 3.4. As part of this process it was identified that there was some cross-over between the CPR and FPR and therefore changes to the section 3 of the FPR would be needed to ensure there was no contradiction between the two sets of Rules. It is also proposed to amend the rule which effectively prevents payment in advance to contractors, as this is often justified, particularly when working with SMEs and VCOs. These proposed changes are set out at Appendix 2.

Key Decisions

- 3.5. The current definition of Key Decisions fails to distinguish between Decisions that require the exercise of judgement on the part of a decision-maker within the Council and those where the Council's role in "deciding them" is confined to agreeing to release monies. Specifically, the City acts as "accountable body" for the disbursement of Regional monies on schemes which are approved in substance by another decision-maker (such as the LLEP). In such cases the Council exercises no judgement whatsoever. In those circumstances the rigorous procedural requirements around Key Decisions ought to be dis-applied. See paragraphs 4.4 to 4.9 for further explanation.

4. Report

Contract Procedure Rules

- 4.1. The key changes from the current rules:
- Requirement to source low value contracts locally where possible and ensure quotes are sought from local companies where the opportunity is not advertised
 - Change in processes to reflect the existing 'PAN' process ("Advertised Quotation");
 - Thresholds changed so current £2.5k threshold is changed to £10k; giving greater flexibility of process compared to current policy for contracts between £1k and £10k, whilst maintaining the recent strategy of advertising these contracts wherever possible;
 - The current requirement to follow a full tender procedure for contracts over £30k is lifted to £75k to make procurement easier, and allow greater flexibility in how procurement processes are customised to the supply market to ensure they are accessible for local SMEs and VCOs;
 - New higher thresholds for works contracts to align with the higher EU thresholds for works;
 - Removal of the network of Approved Procuring Officers which is replaced by reference to Specialist Procurement Teams and the new Procuring Officer, who will in most cases be somebody within one of those teams, as is already current policy;
 - To reflect this centralisation, a lot more of the approvals are required from the Head of Procurement/City Barrister rather than Divisional Directors; however a procurement process cannot start or be awarded without the approval of the service area;
 - Updated to reflect new legislation and remove some of the inconsistencies;
 - Greater flexibility in relation to clarifying/negotiating with bidders to encourage a more commercial approach;

- Rules focus on what must be done with guidance to be developed on what should be done; and
- Addition of Appendix 2 to allow the rules to be applied to schools more practically.

4.2. It is proposed that these new rules will come into force on 1st March 2015.

4.3. However, the new Public Contract Regulations 2015 are still to be passed by parliament, and are unlikely to be effective on 1st March 2015. The new CPR have been drafted based on the new legislation and until this comes into effect, there may be some inconsistencies in cross-referencing and procedural detail between the outgoing legislation and the new CPR. This is recognised and will be dealt with through the supervision of the City Barrister and Head of Procurement. Other inconsistencies can easily be dealt with through the approval processes established by the new rules.

Key Decisions

4.4. The current wording of Article 6 states that a matter will be regarded as a Key Decision where:

“In the case of one off or capital expenditure, spending of over £1m is to be committed on a scheme which has not been specifically authorized by Council”

4.5. Key Decisions are subject to a rigorous reporting regime which includes mapping them onto the appropriate Plan of Key Decisions at least 28 days before a decision is required, publication of notice of intention to make a Key Decision, and publication of reports five days in advance of the actual Decision. They are also subject to challenge on grounds that are broader in scope than those which apply to other Decisions.

4.6. However, where the Council acts as “Accountable Body” for certain schemes, it undertakes decision-making which often entails no financial impact for the Council and where it exercises no substantive decision-making role over the merits of a bid/scheme. Its role is merely to distribute monies provided by another body for schemes sanctioned by another body. It is these schemes which the proposed amendment aims to capture by altering the definition as follows:

“In the case of one off or capital expenditure, spending of over £1m is to be committed on a scheme except where:

(i) The scheme has been specifically approved by Council; or

(ii) The scheme is not a city council sponsored scheme, and constitutes city council expenditure solely by virtue of the council receiving and disbursing external grant (including accountable body arrangements).”

4.7. The only legal definition for Key Decisions comes from the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 which states:

Regulation 8: Key decisions

(1) In these Regulations a “key decision” means an executive decision, which is likely—

(a) to result in the relevant local authority incurring expenditure which is, or the making of savings which are, significant having regard to the relevant local authority's budget for the service or function to which the decision relates; or

(b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards or electoral divisions in the area of the relevant local authority.

4.8. It is submitted that accordingly the focus of the intention of Parliament was to capture as Key Decisions those decisions where the Council is exercising substantive decision-making authority, and that the amendment to Article 6 is justified as saving unnecessary expenditure of Council time and resources.

4.9. All Executive Decisions (Key or Non-Key) remain subject to the power of call-in, and the proposed amendment does not alter this.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1. Financial Implications

There are no significant direct financial implications from changing these rules. It is anticipated that the resource required to conduct the processes set out is already in place in the council's procurement teams. The rules are aimed at ensuring procurement activity derives best value and maximum economic benefit for Leicester. – Colin Sharpe, Head of Finance, ext. 37 4081

5.2. Legal Implications

Legal Services have been consulted in drafting the new Rules and have advised. The relevant applicable law derives from the Treaty on the Functioning of the European Union. The current law is in the Public Contracts Regulations 2006 (as amended) (the 2006 Regulations). This is being amended in line with new European legislation and will be contained in regulations which we are told, will be in force during the first half of 2015. The new regulations will be known as the Public Contracts Regulations 2015 (the 2015 Regulations).

As noted in the report, the Council should ensure that it applies the 2006 Regulations until the 2015 Regulations come into effect.

The legal implications of the proposed changes to Article 6 are dealt with at paragraphs 4.7 to 4.9 above.

Other Implications

OTHER IMPLICATIONS	YES/ NO	Paragraph/References within the Report
Equal Opportunities	Yes	Procurement has the potential to impact on all of these implications, and the
Policy	Yes	

Sustainable and Environmental	Yes	guidance which is being developed to accompany these Rules will detail how this should be done. The centralisation of procurement activity to a fewer number of professionals will help ensure this is done in a consistent and proportionate manner.
Crime and Disorder	Yes	
Human Rights Act	Yes	
Elderly/People on Low Income	Yes	
Corporate Parenting	Yes	
Health Inequalities Impact	Yes	
Risk Management	Yes	Risk Management and Internal Audit have been consulted when developing these new procedures which have been drafted to provide appropriate controls to risks that occur during all procurement processes. The Rules sit alongside the Council's Risk Management Strategy and Policy.

6. Consultations

6.1. See paragraph 3.3 above.

7. Report Authors

7.1.	Kamal Adatia City Barrister 0116 454 1401 kamal.adatia@leicester.gov.uk	Neil Bayliss Head of Procurement 0116 454 4021 neil.bayliss@leicester.gov.uk
------	---	--

Appendix 2

Proposed Changes to Financial Procedure Rules

3.0 FINANCIAL ADMINISTRATION

3.1 In the following sub-sections 3.2, 3.3, 3.4 and 3.6 references are made to the use of RMS. Where RMS is not used, alternative arrangements must be approved by the Director of Finance.

3.2 Authorised Officers

3.2.1 Divisional Directors shall authorise appropriate officers to undertake the following duties. No other officers may undertake the functions of an authorised officer:

- (a) Raising purchase requisitions, normally on RMS, for works, supplies or services;
- (b) Approving purchase requisitions or otherwise generating official orders;
- (c) Certifying, normally on RMS, the receipt of works, supplies or services;
- (d) Approving personnel variations, time sheets, officer expense claims, petty cash, imprest accounts, change floats, cash advance forms, debtors accounts, internal recharges and end of year stock certificates; and
- (e) Certification for cheques, BACS authorisation, CHAPS authorisation and grant claims;
- (f) Certifying payments for goods, works and services.

3.2.2 Divisional Directors shall ensure that authorised officers have appropriate seniority and expertise to ensure that they are able to discharge the functions assigned to them for the purposes of these rules. Authorised Officers are accountable to their Divisional Directors for the exercise of these functions.

3.2.3 Divisional Directors shall ensure that arrangements are made for effective separation of duties when designating authorised officers, in order to provide adequate internal check over all transactions, and comply with any guidance given by the Director of Finance. Divisional Directors shall ensure that the arrangements for authorised officers are consistent with the budgetary control framework for their division (see Section 4 of these Rules) and that in particular cost centre managers' ability to manage their budgets is safeguarded.

3.2.4 Divisional Directors shall maintain, in a single place, an up-to-date record of all authorised officers, together with specimen signatures where appropriate. Lists of authorised officers can be found on InterFace.

3.2.5 References to **Authorised Officers** in the rest of this section of Financial Procedure Rules shall be read in the context of the above.

3.3 Orders for Works, Supplies and Services

3.3.1 The Director of Finance is responsible for providing a corporate system for raising purchase requisitions and creating orders (RMS). This system shall be used for all orders, except in emergencies, or in accordance with other arrangements specifically approved by the Director of Finance. In giving such approval, the Director of Finance shall ensure the alternative arrangements provide for effective financial control, and shall have regard to the continuing viability of the corporate arrangements.

3.3.2 Official orders shall be issued for all purchases, excluding the following items:

- i. Purchases through petty cash and imprest accounts.
- ii. Recurring charges such as gas, electricity and telephone charges and other charges for which a payments register or other method of recording/monitoring payments is more appropriate than an order.

3.3.3 When raising or approving purchase requisitions or placing orders, authorised officers, shall ensure that contract procedure rules have been complied with (this will be satisfied by placing orders with approved suppliers).

3.3.4 In those exceptional circumstances in which the corporate system is not used, Divisional Directors shall only obtain official order forms in accordance with arrangements approved by the Director of Finance and shall be responsible for their control and use.

3.3.5 Where urgent orders are given orally, they shall be confirmed immediately by an official order.

3.3.6 Requisitions and orders should be specific, e.g. they should state quantity, weight, size, grade, quality, and where practicable, price. Where supplies are ordered under contract, it is particularly important that the order and contract have the same specification of supplies required.

3.4 Payments for Works, Supplies and Services

3.4.1 The Director of Finance is responsible for providing a corporate system for the payment of accounts (RMS). Divisional Directors shall use this system for all payments except in accordance with other arrangements specifically approved by the Director of Finance. In giving such approval, the Director of Finance shall ensure that the alternative arrangements provide for effective financial control, and shall have regard to the continuing viability of the corporate arrangements.

3.4.2 Authorised officers shall ensure that payments for works, supplies or services are not made unless:

(a) Works, supplies or services have been appropriately procured. In this context, this means:

(i) Works, supplies or services have been supplied in accordance with an official order, and the amount invoiced is correctly payable. The official order number should be quoted on the invoice; or

(ii) Payment is in respect of a service regularly supplied (e.g. gas and electricity), and the amount invoiced is properly payable; or

(iii) Payment is made for works, supplies or services under contract, and the amount is properly payable under the terms of that contract.

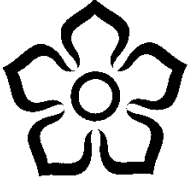
(b) Works, supplies or services have been evidenced as received. This means:

(i) The works, supplies or services have been certified as received by an authorised officer (normally done through RMS); or

(ii) They have been certified as received under specific alternative arrangements which have been approved by a divisional director.

(c) Appropriate payment documentation exists. This means an invoice or contract certificate which satisfies VAT regulations.

3.4.5 Notwithstanding the above, a payment can be made where the Council has a clearly established contractual obligation to make a payment. The Head of Procurement should be advised of the circumstances.



Leicester
City Council

WARDS AFFECTED
All

Council

22 January 2015

Access to Information Procedure Rule 17 – Monitoring Report

Report of the Monitoring Officer

1. PURPOSE OF REPORT

- 1.1 Rule 17(5) of Part 4B of the Constitution imposes a requirement to report to Council each quarter on the use of the special urgency provisions whereby Key Decisions are taken without the due notice required by Rule 13. This report fulfils that requirement.

2. RECOMMENDATIONS (OR OPTIONS)

- 2.1. To note that the Special Urgency provisions were used once in the preceding quarter, in the circumstances set out at 3.5 below

3. REPORT

- 3.1. Key Decisions are those Executive Decisions that meet the definition set out in Article 6 of the Council's Constitution. Broadly speaking, decisions are classed as key where either (i) their financial value triggers the threshold set by Council or (ii) their impact across the City is such that they are regarded as significant.
- 3.2. Key Decisions are subject to more rigour in terms of the procedure to be adopted before they are made. These procedural requirements are set out in Rule 13 of the Part 4B and can be summarised as follows:
- They must be identified on the corporate Plan of Key Decisions published at least 28 days before the decision is due
 - The report(s) on which the Key Decision are to be made are published 5 days prior to the making of the Key Decision
- 3.3. However the law recognises that the strictures imposed above will sometimes work against sensible decision-making and therefore it permits flexibility to Councils to

include “urgency” provisions which allow for Key Decisions to be made in circumstances where compliance with Rule 13 is not feasible. These exceptions are set out in Rules 15 and 16 of Part 4B and can be summarised as follows:

- Rule 15 (General Exception) permits a Key Decision to be taken (despite non-compliance with Rule 13) where, on 5 days notice, the Chair of the relevant scrutiny committee is informed of the intended exercise of the power and a public notice appears
- Rule 16 (Special Urgency) permits a Key Decision to be taken where Rule 15 cannot be fulfilled. This requires the Chair of the relevant Scrutiny Committee to agree that the decision cannot be reasonably deferred, and therefore that it should be taken urgently without notice.

3.4. Because the Rule 16 power does not otherwise involve any prior public notice of the decision, Rule 17(5) nonetheless demands that:

In any event the City Mayor will submit quarterly reports to the Council on the Executive decisions taken in the circumstances set out in Rule 15 (special urgency) in the preceding three months. The report will include the number of decisions so taken and a summary of the matters in respect of which those decisions were taken.

3.5. On 31st October 2014 Rule 16 was applied to the Key Decision entitled “Meynell’s Gorse Refurbishment Scheme”. The reason for special urgency related to the need to begin work on the site immediately in order to utilise a significant external grant (which would fund the vast majority of the refurbishment scheme) within a defined envelope of time.

4. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

4.1. Financial Implications

There are no significant direct financial implications arising from this monitoring report—Colin Sharpe, Head of Finance, ext. 37 4081

4.2. Legal Implications

The legal issues are set out within the main body of this report. It is important to bear in mind that the Rule 17(5) requirement fulfils a monitoring function and does not of itself expose the decisions which are reported-upon to be subject to substantive scrutiny or review – Kamal Adatia, City Barrister, ext 37 1401

Other Implications

OTHER IMPLICATIONS	YES/ NO	Paragraph/References within the Report
--------------------	------------	---

Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	No	
Corporate Parenting	No	
Health Inequalities Impact	No	
Risk Management	No	

5. Consultations

5.1. None.

6. Report Authors

6.1. Kamal Adatia
City Barrister
0116 454 1401
kamal.adataia@leicester.gov.uk

