



SPINNEY HILL WARD

WYCLIFFE WARD

SCRUTINY

15TH MAY 2001

CABINET

21ST MAY 2001

HIGHFIELDS SPORTS CENTRE LOTTERY BID

REPORT OF THE DIRECTOR OF EDUCATION

1. PURPOSE OF THE REPORT

- 1.1. This report sets out progress on the preparation of a viable scheme for a sports centre at Highfields Youth and Community Centre and provides a series of options and proposals for consideration by members in approving and progressing the scheme.

2. SUMMARY

- 2.1. Highfields Youth & Community Centre is a free standing centre in the lifelong learning and community development division with a community association that provides advice to the management of the centre. A lottery bid for a sports centre was submitted in 1996 through Leicestershire County Council which has been the subject of much work to prepare a viable and costed scheme.
- 2.2. Officers have worked closely with the centre's management and community association to prepare a full and a reduced capital scheme. The full scheme is dependent upon securing additional resources from EU objective 2 funds whilst the reduced scheme can be implemented with currently available resources. The full scheme costs £3.11 million and the reduced scheme £2.82 million. The council's contribution to the scheme is an additional £200K capital and £100K maintenance to deal with dilapidations. If members approve the scheme then a completion could be envisaged in the first quarter of 2003. The council will support the implementation of the project by the appointment of a part-time project officer funded from the deferred savings arising from the lifelong learning and community development review.

- 2.3. The income and expenditure projections have been tested by officers from the Arts & Leisure Department and placed in the context of the local Sport Development Strategy. Officers believe the income projections are realistic. Staffing costs are judged to be adequate but expenditure associated with the expanded centre will need to be reviewed as part of a wider review of the centre's purposes. This review will produce plans covering the strategic and business requirements of the centre.
- 2.4. The council will need to opt to tax elements of the centre's income in order to reduce its VAT liability. This will generate an additional income requirement for the centre in the order of £25K. This requirement will also need to be part of the review of the centre. Sport England have indicated their continued support for the project and are reassured by the clear commitment of the council to ensure this project is viable and sustainable. A submission to the lottery panel will be made in June to confirm the original offer.
- 2.5. The council will run this as a direct project with the involvement of Highfields Community Association. Officers will need to provide ongoing support and commitment to the project both to secure additional income streams and as part of ensuring HYCC is a fully integrated part of the cluster's community learning plan. A full review of the lay and professional management arrangements of the centre will be carried out alongside the building programme (if approved) to ensure there is appropriate involvement of the local community and there is efficient and effective leadership of the expanded provision.
- 2.6. The sports centre is a complex project and the next two years are critical if the council and community association is to secure a vibrant and sustainable lifelong learning and community development facility in a disadvantaged part of the city. A part time project manager post will be created to oversee the implementation of the scheme and the development of the strategic and business plans.

3. RECOMMENDATIONS

In relation to the capital project, Cabinet is :

- i) asked to decide whether to approve the reduced and full scheme

If members decide to approve the scheme then Cabinet is recommended to:

- ii) ask officers to prepare a detailed scheme for tender;
- iii) recommended to delegate the final decision about whether to pursue the full or reduced scheme to the Director of Education in consultation with the Cabinet lead for education and lifelong learning when the outcome of the bid for EU Objective 2 funding is known.

In relation to the business plan, Cabinet is recommended to:

- i) Confirm the decision of members last year to run the scheme as a council project;
- ii) Note the advice of officers in relation to the income projections for the sports centre;
- iii) Note the expenditure issues that will be resolved as part of the management review and finalisation of the business plan;
- iv) Note the support of Sport England for the scheme;
- v) Note the strategy adopted to reduce the council's VAT liability and its potential budget implications for the centre;
- vi) Note the risks associated with this project and the steps to be taken to reduce these risks through the further development of the business plan and the conduct of the management review of the centre.

In relation to the management of the centre, Cabinet is recommended to:

- i) Note the views of Highfields Community Association and their support for a review of lay and professional management arrangements;
- ii) Approve the establishment of a joint management review by HCA and officers of the council to prepare recommendations for the lay and professional management of the centre;
- iii) Request a report from the Director of Education, following the management review, setting out proposals for the strategic plan for the centre, the professional leadership of the expanded centre and the arrangements for engagement of the local community in the management of the Centre.

In relation to the management of the project, Cabinet is recommended to:

- i) Endorse a joint management approach between Highfields Community Association and the Education Department to the implementation of the project;
- i) Approve the appointment of a part time project officer to support the implementation of the sports centre build, the further development of the business plan and the securing of additional revenue streams for the expanded centre.

The Education and Life-Long Learning Scrutiny committee is recommended to:

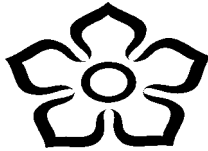
- i) Make any comments as they see fit on the proposals.

4. FINANCIAL AND LEGAL IMPLICATIONS

- 4.1. Both the reduced and full schemes require a contribution from the council to meet the shortfall between the original costing prepared by Leicestershire County Council and the revised costings prepared by City Consultants. Members decided to reserve £200,000 capital to make up some elements of the shortfall. A further £100,000 is required and available from the Central Maintenance Fund to make good the centre's dilapidations. A contribution of £21,000 will be made from the deferred savings in the Life-Long Learning and Community Development Division budget to support the appointment of a part-time project officer.
- 4.2. The decision to "opt to tax" VAT exempt elements of the Centre will generate an additional revenue requirement of the order of £25000 per year. The development of the business plan and the management review will need to ensure this income requirement is met as far as possible from either securing additional income or expenditure savings.
- 4.3. The extent of cross subsidy from the current centre's management will need to be clearly identified as part of the management review of the centre. Any costs will need to be clearly apportioned within the centre's budget.
- 4.4. Project manager costs of approximately £21000 will be found from deferred savings in arising from the lifelong learning and community development review.
- 4.5. The City Council has the statutory power to undertake this development subject to any development control issues. Continuing legal advice will be required as the scheme is developed further (Guy Goodman, Assistant Head of Legal Services – ext. 7054).

5. REPORT AUTHOR/OFFICER TO CONTACT

Steven Andrews, Director of Education 2527700



Leicester
City Council

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SUPPORTING INFORMATION

1. REPORT

Background to the project

- 1.1. Highfields Youth & Community Centre (HYCC) is a lifelong learning and community development facility which was inherited from the County Council in April 1997. It is run as a “free standing centre” and is subject to an agreed scheme of management applicable to all such centres. The centre received funding in 2000-2001 of £316,000 the bulk of which relates to staffing. The centre provides a range of activities including youth work, early years provision, adult education and community development work. The centre has a community association – Highfields Community Association (HCA) – which has charitable status and an advisory role to the management of the centre.
- 1.2. The HCA submitted a bid for lottery funds to construct a sports centre in 1996, prior to local government reorganisation. Leicestershire County Council prepared some initial drawings and costings and these were handed over to the new unitary authority at local government reorganisation. Since then the scheme has been the subject of much work. A report to Education Committee in April 2000 set out many of the issues that the council and HCA had had to deal with to bring a viable project to fruition. Members agreed last year to:
 - i) Support the project as a council run project;
 - ii) Take responsibility for the implementation of the project;
 - iii) Receive a report, in good time for the opening of the centre on the management arrangements for the expanded project.

- 1.3. In addition, members requested further work in two areas:
- i) Detailed estimates of the capital costs of the scheme and the availability of funding to meet that expenditure;
 - ii) A revised business plan for the likely revenue costs of the Sports Centre.
- 1.4. Since the Committee decision, officers of the council have worked with the Highfields Community Association (HCA), the centre manager and a representative of Sport England to develop a costed scheme with an associated business plan. At the same time there have also been discussions about the future management arrangements of the Centre, especially in the light of the review of lifelong learning and community development services.
- 1.5. Over that time the council has conducted a review of its youth and community provision and implemented the review's proposals. Highfields Youth & Community Centre is now located within the Highfields lifelong learning and community development cluster – one of seven such clusters across the city. Each cluster will be responsible for developing a single, coherent and integrated community learning plan. This plan will set out the pattern of learning need across the cluster, the priorities and targets derived from these needs and the programmes that will be implemented across the cluster. Highfields Youth & Community Centre will therefore be working within a much more coherent structure than was in existence previously.
- 1.6. Since HCA submitted its original bid there has been an increased emphasis on the ways in which different services should be combined to meet the diverse and complex needs of disadvantaged communities. This is particularly true in the area of lifelong learning where there are important linkages between learning outcomes for individuals and other outcomes such as health and well being. It is also critical that lifelong learning strategies promote effective community development and as such plays an important part in the council's and government's commitment to neighbourhood renewal.
- 1.7. HYCC serves a deprived and disadvantaged area of Leicester. It has a long tradition of working closely with local communities to meet their needs, raise aspirations and remove barriers to learning and participation. The proposed sports centre has been planned on the basis of its ability to contribute to meeting a range of community needs. The development of an effective strategic plan and associated business plan covering the whole centre will enable HYCC to play an important part in a range of initiatives in the area. The strategic plan will also demonstrate how HYCC will contribute to the achievement of many of the "floor targets" set out in the government's neighbourhood renewal strategy. As part of a revitalised lifelong learning and community development service, committed to raising standards and widening participation, HYCC will also be expected to play its part in an

integrated service committed to playing a full part in the council's school improvement priorities through partnerships with local schools to enrich and extend curriculum opportunities.

- 1.8. Finally, HYCC serves a diverse set of communities some of which experience barriers to achievement and participation. This expanded centre will enable to council and HCA to meet its commitments to equality of opportunity in service provision.

The capital project

- 1.9. The initial scheme had a shortfall of approximately £200K, exclusive of fees, which the council agreed to fund from its capital allocation. This shortfall was largely due to increases in building costs arising from the time lapse between the award of the lottery grant and the potential start for the scheme. Further detailed work was requested by members before final approval could be given. This work has been carried out and both a full and revised scheme prepared for members to consider.

- 1.10. The work carried out by Commercial Services in costing the proposed scheme has encountered a number of issues which have needed resolution before progress could be made.

- The original site investigation by Leicestershire was judged to be insufficient to provide an assessment of the types of foundation required for the construction. Independent consultants carried out further work and reported that the ground would require piled foundations which were not scoped into the original outline scheme. They also discovered contamination of the ground which on further investigation proved to be immaterial to the scheme. The costs of additional foundation work have now been incorporated into the scheme proposals.
- The original outline costing from Leicestershire had a very low level of fees built in compared with current commercial levels and there was little evidence of any design or scheme contingency elements. There has been a long debate with HCA about the need for fees and the relevant level of fees to be charged. Commercial services have produced a fee structure which officers and HCA agree is competitive and given the work already undertaken by the council should enable fast progress to be made.
- HYCC has not received much maintenance in the last few years and a dilapidations survey revealed approximately £100K of work that would be required prior to the new build to deal with a range of issues in the building such as the flat roof and breaks in the damp proof course and repairs to external joinery.
- The detailed planning permission had a small number of conditions attached to it and there was also a requirement to gain the active consent of the neighbouring schools over the joint use of car-parking

facilities. These permissions are in the process of being acquired. The conditions will be discharged in the course of progressing the design.

- 1.11. The project group, including Sport England, have satisfied themselves that there are no further areas of investigation before a costed scheme is produced. The final total cost for the full scheme is now calculated at £3.11 million and a reduced scheme has been prepared which involves not building the second floor of classrooms. The sports element of the project is not affected by this potential removal of an element of the original bid. The reduced scheme has been costed at £2.82 million and has no impact on the income generating capacity ability of the sports centre.
- 1.12. The Central Maintenance Fund is available for prioritised works associated with capital projects and can close the gap for the dilapidations for the reduced scheme. In addition, a bid has been made to EU objective 2 fund (backdated grants) for a total of up to £500K to make good the shortfall between the reduced and full schemes. However the decision about this bid will not be known until June 2001. The total resources available to the project therefore are as follows:

Source of funds	Amount available (£000s)
Lottery grant	1,998
SRB 2	500
Council capital	200
Central maintenance fund	100
Deferred LLL/CD savings	21
Total for reduced scheme	2,829
EU objective 2 funds bid for	300
Total for full scheme	3,129

- 1.13. The small difference between the sum available for, and the costs of the reduced scheme is less than 1% and well within tolerance for a project of this size.
- 1.14. The schedule of costs attached in the appendix contains contingency elements at both design and construction stages to allow for any potential cost over-runs.
- 1.15. The council has decided to “opt to tax” elements of the centre’s income in order to reduce its VAT liability. The council could still exceed its 5% threshold and the capital programme will need careful scheduling over

different financial years with other capital schemes to eliminate this risk.

- 1.16. This project has been long delayed and Cabinet is therefore asked to decide whether to give their approval to a start to the scheme and proceed to drawing up the necessary tenders for both the reduced and full scheme. A final decision about whether to proceed to the full scheme should be delegated to the Director of Education in consultation with the cabinet lead for education and lifelong learning. The full scheme must only be pursued if the bid for EU grant is successful.
- 1.17. If members approve the project then officers can proceed to the detailed design work and award the successful tender by the end of the year. Work on site can begin in the first quarter of 2002 with work scheduled for completion in the second quarter of 2003. Appendix one contains:
 - i) A set of costings for the full and reduced schemes;
 - ii) An outline work programme;
 - iii) A set of scheme drawings.

Revenue implications of the proposed sports centre

- 1.18. A number of questions were raised in the report to Education Committee about the business plan, the apportionment of management costs of the expanded centre, the VAT implications for the council and the centre and the implications of any requirement from Sport England for underwriting any deficits.
- 1.19. The original report to Committee set out reservations about the ability of the sports facility to reach income targets to cover running costs of approximately £170,000. Since then the Centre Manager has carried out some market research of current centre users to assess interest in the different facilities in the proposed sports centre. The survey shows high levels of support for the facilities that will be provided. In addition officers have worked with the Centre to align its plans with the local Sport Development Plan. They conclude that a cohesive strategic framework needs to be established that will provide a co-ordinated approach to creating links and pathways between the different levels of sports provision across the cluster. A range of resources are identified that can be used to support the development of the HYCC sports facility as part of the local sports strategy.
- 1.20. Officers from the Arts and Leisure Department with experience in management of sports facilities have reviewed the business plan and income projections for the sports facility. The conclusion is that the income projections of £2000 per fitness station are realistic for this site. The contingency and sinking funds identified in the financial plan will

need to be carried over if not required from year to year. There are also significant income opportunities available from lettings and room hire which can be used to sustain the centre. These officers judge that the financial elements of the business plan are an accurate assessment of the level of business the Centre would expect.

- 1.21. The success of the scheme as an educational and community facility will be enhanced by the provision of appropriate support during the planning phase and early stages of implementation. The expanded centre will require a clear strategic plan and a business plan covering the different aspects of work of the centre. The strategic and business plans will be developed as the building scheme is progressed. The cluster's Senior Community Learning Manager will be the line manager for the Community Learning Manager at HYCC and will work with HYCC to develop an appropriate strategic plan that is part of the cluster's community learning plan. Officers from the Arts and Leisure Department have indicated their willingness to provide ongoing advice to the Centre's management. The appointment of a part time project manager will also assist in the preparation of the fully worked up business plan for the start of the new Centre. The new Life-Long Learning and Community Development Division will also shortly appoint an Inward Investment Officer who will provide advice on securing additional sources of income to support a range of learning and community development outputs. Finally, the appointment of the sports development officers envisaged in the original bid will also be very important elements of a strategy to stimulate demand for and use of the facilities by the local community. It is understood that the National Lotteries Charities Board have indicated that a bid should be resubmitted for the development workers once the scheme has been approved.
- 1.22. The expanded centre will require some additional management and administration from the current staffing arrangements. Staffing costs for the expanded centre are believed to be adequate subject to two assumptions:
 - The ability to recruit at pay scales lower than lifelong learning averages but comparable with sports facilities operated by the Authority;
 - Some extension of responsibilities for leadership and administration to cover the expanded facility.
- 1.23. The business plan has undergone significant further work since the last report to committee and there is greater clarity about the income and expenditure projections. Officers judge many of the key tenets to be realistic but further work arising from the proposed management review is needed to ensure the business plan is secure.
- 1.24. The HYCC received a budget of £316,000 in 2000-2001 the majority of which pays salary costs of the staff in the centre. The budget allocation

to the centre is not guaranteed and will increasingly in the future be subject to tighter commissioning for lifelong learning and community development outcomes. The commissioning will also be in the context of a community learning plan for the Highfields cluster. It is critical that the new sports centre is an integral part of the lifelong learning and community development priorities of the cluster. This project could be a good example of joined up working to achieve educational, health, sports and community development goals. As such it fits with many of the tenets of current thinking about neighbourhood renewal. The management review proposed later in this report will be an important mechanism to ensure that the resources made available to the centre are used to generate agreed learning and community development outcomes within an efficient management structure.

- 1.25. Highfields Youth & Community Centre, like other settings providing adult learning programmes, is in part funded by grant from the Learning and Skills Council. For the next two years the LEA has a guarantee of funding providing the volume commitments set out in the Adult Learning Plan are met. If the LEA does not secure the same level of funding in 2003 then there will need to be reductions in spend across the service. The impact of a reduction in LSC grant on settings such as Highfields Youth & Community Centre, which have a number of income sources and a range of activities, will be complex. Between 33 and 50% of Highfields Youth & Community Centre current grant is likely to be made up of LSC grant. The consequence of reductions in LSC funding for this Centre would therefore be serious and require radical action. The Council will need to ensure that there is clear accountability for the different income streams in the centre especially any LSC and Connexions resources allocated in pursuit of goals and priorities for adult learning and support for young people. The proposed management review will establish clear audit trails for different sources of funding and develop a business plan that identifies the resources necessary to operate each of the different activities. Highfields Youth & Community Centre will also need to be a centre with exemplary efficiency in relation to adult learning provision.
- 1.26. The original report raised concerns about Sport England requiring a guarantee by the council to underwrite any operating deficit. Officers have had further discussions with Sport England and it is clear that the requirement is a firm commitment from the council to support this project to ensure its long term sustainability. The support provided to the scheme through the proposed project manager and the ongoing partnership arrangements between the council and HCA are seen as clear evidence of the necessary commitment. The support outlined above is clear evidence of the council's support for the development of a viable and sustainable project in this part of the city. Sport England have been consulted at all stages in the scheme and are clear that the council's commitment meets their requirements so the previous concerns about guarantees are no longer present. The proposed scheme, if approved by members, will be put to a lottery panel shortly.

- 1.27. Finally, the original report proposed that, in order to minimise the council's VAT liability, the Centre would need to "opt to tax" previously VAT exempt activity such as room lettings. The opt to tax route would incur an additional revenue requirement for the centre of approximately £25,000 per year. There are a number of strategies that can be undertaken to secure this additional revenue. The management review must look at use of the current grant made available to the centre as a potential source to offset this income requirement. Work must also be undertaken to secure additional income for the centre from external funding sources. This additional income requirement places an extra burden on the business plan and is an unavoidable increase in risk.
- 1.28. Officers judge that a robust business plan can be developed over the period of implementation of the build. However there are risks associated with a project of this scale and complexity. The obvious principal risk is the failure to cover sports centre expenditure by income. The consequence of this would be to look at radical options including out-sourcing or franchising or restructuring of the purpose of the centre and its provision.
- 1.29. To summarise the viability of the business plan and the risk to the council:
- The income streams are now judged to be realistic when compared with similar provision in the city;
 - The expenditure is judged to be realistic contingent upon appointment of sports staff at pay rates comparable with similar staff in sports centres. Furthermore leadership and some front-of-house costs will need to be shared across the whole centre's budget;
 - Sports development workers are an important element of securing the necessary income streams and a bid to the National Lottery Charities Board will be made for these workers;
 - The "opt to tax" route will generate an additional income requirement from the Centre and efficiency savings within the centre should be the first area of investigation, this income requirement places an additional element of risk on the business plan.
 - The consequence of a reduction in LSC grant to the centre will have significant implications for the viability of the centre. The risk associated with reduction or loss of the LSC grant for adult learning will be reduced by establishing a business plan which clearly links sources of income and activity and delivers high quality, cost effective provision.
 - As a directly run project, with the involvement of HCA, the council is in a sound position to oversee the development of the final business plan and to monitor closely the implementation of the sports centre. The council will retain its right to intervene if there are any concerns about

the viability of the income streams or expenditure is judged to be unrealistic.

- The proposed management review will reduce risks to the council by ensuring the centre provides value for money across all its operations including its contribution to the adult learning plan funded by LSC grant, secures additional income streams and reduces the impact of the “opt-to-tax” requirement to minimise VAT liability.

Management arrangements for the expanded centre

- 1.30. Highfields Community Association have long expressed an aspiration for a greater role in the leadership and management of HYCC. They currently have charitable status and an advisory relationship to the centre. The Association wishes to have a greater role in the overall management, policy formulation and programming of the centre. There are different ways in which this aspiration can be met. These need to be fully explored with HCA within the context of the emergence of other community engagement strategies in relation to neighbourhood renewal.
- 1.31. As a result of the implementation of the lifelong learning and community development review the posts of Head and Deputy Head of Centre were deleted and replaced with a Community Learning Manager and a community tutor. The expanded centre will require a revised set of management arrangements to deal with the broader set of activities being supported. The report to Education Committee last year indicated that there were likely to be some crossover of functions arising from the expansion of the centre especially in relation to the leadership and front of house functions. There will need to be a careful review of the way in which the current resources made available to the centre might be deployed across both current and new functions.
- 1.32. Discussions with HCA indicate that a full review of the professional and lay management arrangements during the period of construction would be appropriate. This review would cover the current and future use of the centre’s resources to meet the lifelong learning and community development needs of the local community. It would also cover the range of management arrangements available that would engage the local community in the life of the centre. The review would make proposals for consideration by the HCA and the City Council about suitable management arrangements for an important lifelong learning and community development facility for the Highfields community. The review would involve joint working between HCA and officers of the council and any costs would be met from existing budgets.

Management arrangements for the project as a whole

- 1.33. This project has been characterised by its complexity. The next two years are critical for the development of a strong and vibrant lifelong learning and community development facility in the Highfields area.

There is also a challenging agenda for the newly created community learning team working in the cluster. Additional resources to support the project will help the centre play its full part in the emerging cluster structure. It is equally important that the Community Association and current staff in the centre are also supported as they continue to deliver elements of the cluster's community learning plan at HYCC.

- 1.34. There will need to be effective project management arrangements throughout the duration of the build and the early phase of commissioning the new facility. It is proposed therefore to appoint a part time project manager (0.5 fte) to oversee the establishment of the expanded centre. The cost of this manager would be found from the deferred savings associated with the implementation of the lifelong learning and community development review. The job description for this post would need to cover the following elements: project management and liaison with other council departments; development of the strategic and business plans, securing additional income streams. A cross department project team would need to continue to work to ensure the project received the necessary degree of support throughout the building programme.

2. CONSULTATION

Highfields Community Association

Sport England

Legal services, Chief Financial Officer

Arts & Leisure Department

Commercial Services Department

3. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

a) Financial Implications

- 3.1. Both the reduced and full schemes require a contribution from the council to meet the shortfall between the original costing prepared by Leicestershire County Council and the revised costings prepared by City Consultants. Members decided to reserve £200,000 capital to make up some elements of the shortfall. A further £100,000 is also required and available from the Central Maintenance Fund to make good the centre's dilapidations. A contribution of £21,000 will be made from the deferred savings in the Life-Long Learning and Community Development Division budget to support the appointment of a part-time project officer.
- 3.2. The decision to "opt to tax" VAT exempt elements of the Centre will generate an additional revenue requirement of the order of £25,000 per year. The development of the business plan and the management

review will need to ensure this income requirement is met as far as possible from either securing additional income or expenditure savings.

- 3.3. The extent of cross subsidy from the current centre's management will need to be clearly identified as part of the management review of the centre. Any costs will need to be clearly apportioned within the centre's budget.
- 3.4. Project manager costs of approximately £21000 will be found from deferred savings in arising from the lifelong learning and community development review.

b) Legal Implications

These are dealt with in paragraph 4.5 of the Covering Report.

c) Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References within this report
School Improvement	Yes	1.7
Equal Opportunities	Yes	1.8
Policy	No	
Sustainable and Environmental	No	
Crime and Disorder	Yes	1.7
Human Rights Act	No	

4. RECOMMENDATIONS

In relation to the capital project, Cabinet is :

- i) asked to decide whether to approve the reduced and full scheme

If members decide to approve the scheme then Cabinet is recommended to:

- i) ask officers to prepare a detailed scheme for tender;
- ii) recommended to delegate the final decision about whether to pursue the full or reduced scheme to the Director of Education in consultation with the Cabinet lead for education and lifelong learning when the outcome of the bid for EU Objective 2 funding is known.

In relation to the business plan, Cabinet is recommended to:

- i) Confirm the decision of members last year to run the scheme as a council project;
- ii) Note the advice of officers in relation to the income projections for the sports centre;
- iii) Note the expenditure issues that will be resolved as part of the management review and finalisation of the business plan;
- iv) Note the support of Sport England for the scheme;
- v) Note the strategy adopted to reduce the council's VAT liability and its potential budget implications for the centre;
- vi) Note the risks associated with this project and the steps to be taken to reduce these risks through the further development of the business plan and the conduct of the management review of the centre.

In relation to the management of the centre, Cabinet is recommended to:

- i) Note the views of Highfields Community Association and their support for a review of lay and professional management arrangements;
- ii) Approve the establishment of a joint management review by HCA and officers of the council to prepare recommendations for the lay and professional management of the centre;
- iii) Request a report from the Director of Education, following the management review, setting out proposals for the strategic plan for the centre, the professional leadership of the expanded centre and the arrangements for engagement of the local community in the management of the Centre.

In relation to the management of the project, Cabinet is recommended to:

- i) Endorse a joint management approach between Highfields Community Association and the Education Department to the implementation of the project;
- ii) Approve the appointment of a part time project officer to support the implementation of the sports centre build, the further development of the business plan and the securing of additional revenue streams for the expanded centre.

The Education and Life-Long Learning Scrutiny committee is recommended to:

- i) Make any comments as they see fit on the proposals.

BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

Highfields Youth & Community Centre sports centre lottery bid. Education Committee. 6th April 2000.

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