



Leicester
City Council

**WARDS AFFECTED
CASTLE**

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

**OSMB
Cabinet**

**12th February 2009
16th February 2009**

Delivering Effective City Centre Management

Report of the Director of Regeneration and Culture

1. PURPOSE OF REPORT

- 1.1. Virtually all city centres in England need and employ a dedicated manager to oversee day-to-day operational matters and to respond to the different needs of business and stakeholders. In addition, Leicester City Council, like most other urban authorities in England, seeks to find ways to engage citizens to participate in decision making at a local level. This approach links into and supports the aims of "One Leicester".
- 1.2. At present Leicester has no strategic approach to delivering City Centre Management. The purpose of this report is to recommend a framework model for delivering an effective City Centre Management. The proposed framework model provides a strategic approach to, and joined up working on City Centre Management and in so doing, reconciles the Council's need to involve residents, businesses and other users of the city centre in decision-making at a local level.

2. SUMMARY

- 2.1. This report introduces a framework model for City Centre Management, including the employment of a City Centre Director by the City Council, which involves business and residents in the city centre.
- 2.2. The following subjects are relevant:
- a) One Leicester - One City Centre - A more pro-active and inclusive approach to City Centre Management in Leicester is necessary in order to help the city 'punch its weight' and become an even more competitive destination;
 - b) The creation of a Business Improvement District would have provided the city with an effective City Centre Management arrangement. Its absence is becoming critical as major public and private developments come to fruition;

- c) Leadership and collaboration - a partnership approach to effective leadership and collaboration are vital for creating and delivering a shared vision for the management of the city centre;
- d) A new Leicester City Centre Partnership - a proposal to create a business led partnership with the potential to deliver added value, value for money and good governance;
- e) Strategic Board and Executive Board Membership - a proposal to create a business led partnership comprising of a Strategic Board and an Executive Board with proposals for membership and their respective roles;
- f) Management – there is a need to secure a City Centre Director, and define their role;
- g) Structure and links to the City Council, and the resources implications – in addition to funding from the City Council, there is a need to secure a three year resource base from the private sector.

3. RECOMMENDATION

3.1 OSMB members are asked to:

- a) Comment on the proposal to establish a mechanism for City Centre Management and appoint a City Centre Director as set out in Section 5;
- b) Require a report 9 months after the commencement in post of the City Centre Director setting out the agreed arrangements and progress to date;

3.2 Cabinet is asked to: -

- a) Agree in principle the proposal to establish a mechanism for City Centre Management and appoint a City Centre Director as set out in Section 5;
- b) Agree to contribute a maximum of £80,000 towards set up costs in 2008/09 and a sum of £100,000 per annum for 3 years (2009/10 to 2011/2012) to support the proposed City Centre Management model;
- c) Agree that the first £180,000 of these costs in 2008/09 and 2009/10 will be funded from the Local Authority Business Growth Incentive (LABGI), and that future year's funding will be the first call on any LABGI income received after 2010. As the precise amount of future LABGI funding is uncertain, any shortfall in funding will be met with income generated by the City Centre Director.
- d) Authorise the Regeneration, Highways and Transportation Lead Member to agree the detailed management arrangements and membership of the Strategic and Executive Boards with the City Centre Director;
- e) Require a report 9 months after the commencement in post of the City Centre Director setting out the agreed arrangements and progress to date;
- f) Agree using LABGI funding to recruit and establish an office for the City Centre Director;
- g) Authorise the creation and development of a City Centre Stakeholder's Forum.

4. **REPORT**

4.1. This report provides a synopsis and a framework of the proposed model for the delivery of City Centre Management. Members may wish to look at an earlier proposal submitted by Hammerson PLC in its entirety; a copy of 'One Leicester One City Centre: Delivering Effective City Centre Management' has been sent to the Members' Library.

4.2. **One Leicester – One City Centre**

The city centre is Leicester's key asset and is currently experiencing a generational change including:

- Undergoing a renaissance with the regeneration of major projects driven by public and private sector investment,
- Creating more jobs and opportunities to shop, do business, live and spend leisure time,
- Improving its vitality and viability, during the day, in the evening and at night,
- Becoming a much more important 'driver' of economic, social and cultural activity.

4.3. A more pro-active and inclusive approach to City Centre Management in Leicester is necessary to help the city 'punch its weight' and become an even more competitive destination. From a retailing perspective, with the steady increase in on-line shopping, customers have a tremendous choice and no city can afford to be complacent.

4.4. Our challenge is to ensure that all those who use the city have a positive and a quality experience by making it an attractive, pleasant and family-friendly place to be and thus embrace the council's vision for Leicester City as contained in the 'One Leicester Shaping Britain's Sustainable City', Leicester's Community Strategy.

4.5. The city centre is one of the keys to liveability, regeneration, development and the reputation of Leicester as a whole. It also has a wider and more complicated stakeholder base than the other areas of the city - beyond that of its residents and the businesses located there.

4.6. For this reason the council has agreed that different decision making and community engagement arrangements should be in place for the city centre. At the full council meeting in November 2003, when arrangements for area committees were agreed, the City Council also agreed there would not be an area committee for the city centre, but there would be a consultative forum or partnership made up of businesses, residents and other stakeholders on city centre issues, in which councillors would have a key role. This has yet to be established.

4.7. Some time ago it was also recognised that the city centre needed some form of management partnership to co-ordinate activity there. In 2002, the City Council supported financially a proposal to introduce a Business Improvement District in the City Centre. Under the proposal it was envisaged that "Leicester Business Improvement District Limited" would employ an executive team consisting of a Business Improvement District Manager, a Business Improvement District Monitoring Officer and administrative

staff. The executive team would be responsible for the implementation of the Business Improvement District business plan and would report to the Board. The Business Improvement District proposals set aside 6.4% of Business Improvement District revenue for this purpose, however this would not have met the full cost of the company's staffing structure, and it was expected that the costs of employing the Business Improvement District Manager would be met from voluntary contributions. A successful Business Improvement District would have delivered, in part, some aspects of City Centre Management.

4.8. Despite significant support, the Business Improvement District proposals were not approved by the business community in the ballot held on the 31st of October 2004, as a majority of the voters by rateable value did not support the proposal.

4.9. However, the need for effective management remains, and is indeed becoming critical this year as major private and public sector developments come to fruition. It is important that the performance and impact of the city centre's 'offer' is enhanced. This could be done by:

- Understanding the city centre, its opportunities and challenges,
- Promoting leadership and collaboration in the private and public sector,
- Developing an effective city centre management partnership,
- Preparing and implementing a strategy and action plan.

Investment of time, expertise and resources now can provide the foundation for a progressive and sustainable long-term approach to City Centre Management.

4.10. Effective local leadership and collaboration are therefore vital for creating and delivering a shared vision for the management of Leicester City Centre. Business, political and managerial leaders working in partnership need to engage with and inspire all those with a stake in the city centre.

5. THE FULL PROPOSAL

5.1. Officers have discussed the detail of the full proposal with representatives of Hammerson and other stakeholders in the City Centre. A framework model is proposed in which those who have a stake in managing the city centre's future vitality, viability and diversity need to be fully engaged and supported to work together in an independent and inclusive **business led partnership** with the potential to deliver:

- **Added value** – achieving more by working together than alone,
- **Value for money** – using available resources economically, efficiently and effectively,
- **Good governance** – working within a transparent, accountable and 'fit for purpose' framework.

5.2. In order to ensure the sustainability of the partnership in the long term, it is important that the partnership be inclusive, it is therefore proposed that the partnership structure for the delivery for City Centre Management should be as follows. The recommendation is to create a partnership which should comprise of a **Strategic Board** and which would:

- a) Set and maintain the overall purpose and direction, (i.e. the 'what'),
- b) Complement the role of the Leicester Partnership and its delivery groups under the Local Area Agreement; it should not duplicate this work,
- c) Contribute to establishing and maintaining the Partnership's resource base,
- d) Elect its Chair and Deputy Chair from private and public sector representatives respectively to reinforce the partnership message,
- e) Meet 4 to 6 times a year,
- f) Comprise senior figures and cross sector representation that reflect the business mix of the city centre, key public sector agencies and take account of those investing resources to underpin the partnership's activities. Numbers of representatives have not been confirmed it has been suggested:
 - Major retailers (6)
 - Independent retailers (2) (the balance between the two should be considered)
 - Hospitality/Entertainment/ Leisure (3)
 - Professional/business service (1)
 - Property owners/Developers (3)
 - Leicester City Council (2)
 - Leicester Promotions/Leicester marketing Group (1)
 - Leicester Regeneration Company or its successor (1)
 - Chamber of Commerce (1)
 - Leicestershire Constabulary (1)
 - Media (1)
 - Transport (Buses) (1)
 - Residents Representatives (2)Further consideration might be given to extending the membership list to include:
 - Emergency Services (1)
 - Health Authorities (1)
 - University (1)
 - Council of Faith (1)
 - Leicester Young People's Council (1)
 - Voluntary Sector Representative
 - Options for co-opted member (s)
- g) Board members would be encouraged to become 'champions' for key portfolios.

5.3. It is proposed that the Strategic Board would then be responsible for creating a **smaller Executive Board**, which would:

- a) Ensure effective planning and implementation, (i.e. the how),
- b) Monitor and report on performance,
- c) Comprise up to 8 members drawn from the Strategic Board to reflect key stakeholders and funding interests,
- d) Direct the work of the City Centre Director who would attend the Board,
- e) Meet monthly under the Chair of the Strategic Board.

5.4 While there are other options, the following proposal is made regarding the structure of the Partnership. The Partnership need not be established formally and should meet informally. The Partnership should not hold liabilities or accounts but offer advice and perspective and cooperate to achieve its common objective and outcome. Rather than creating an arms-length body, the preferred option is to:

- a) Establish a semi-formal partnership; as this proposed option would be simpler and easier for the private sector than establishing a separate organisation. This model has worked in Birmingham,
- b) For the City Council to manage all funds from the City Council and the private sector (it is expected that the sums of money received via the City Centre Management would be small and therefore corporate and constitutional issues such as procurement and decision making/delegation would be manageable),
- c) The Cabinet Lead Member (for Regeneration, Highways and Transportation) (or nominee) would be the Vice-Chair of the City Centre Management Board; it is accepted that the private sector provide the chair of the City Centre Management Board.

5.5. It is proposed as a matter of priority that on behalf of the Partnership, the City Council should secure an experienced and senior City Centre Director responsible to the Board for:

- Developing and promoting the long term vision for the effective management of the city centre;
- Establishing close liaison and productive working relationships with the key private and public sector stakeholders to support the Partnership's objectives and programmes;
- Preparing, implementing and reviewing with the Board an annual business plan;
- Establishing a sound financial base and the continuing financial viability of the Partnership through membership, sponsorship and other funding opportunities;
- Leading and developing the Partnership's support of City Centre Management Team;
- Reporting on performance through challenging and measurable targets and measures.
- Work in partnership with appropriate partners/bodies to deliver a family friendly and a safer city centre during the day and the night.

- 5.6. It is further proposed that this person will be a senior postholder at Service Director level directly employed by the Council as City Centre Director, this would initially be for a 3 year contract. The City Centre Director would also be responsible for:
- Overseeing the delivery of the City Council's streetscape services in the city centre and liaising with Leicestershire Constabulary etc under the guidance and/or direction of the Partnership,
 - Seeking additional sources of funding to finance the City Centre Management function and for capital investment,
 - Overseeing a virtual team of officers as an "Area Management Team" covering such functions as street cleaning, street maintenance, landscaping, lighting.
- 5.7. In addition, it is expected that the City Council will use LABGI funding to support the Partnership to the tune of £80,000 start up costs in this financial year and then £100,000 p.a. to fund the City Centre Director for 3 years, assuming LABGI funding is available.
- 5.8. The private sector will be asked to contribute £30,000 in year 1, £50,000 in year 2 and £70,000 in year 3. As the amount of future LABGI funding is uncertain, any shortfall in funding will be met with income generated by the City Centre Director.
- 5.9. Although it is proposed that the management of the city centre is established as a City Council service headed up at Service Director level, there does need to be further agreement with the partnership on:
- Parity in contributions between the public and private sector,
 - An ongoing review by the City Centre Director of the full model outlined above to expand and improve it as experience is gained, including how existing service delivery arrangements can best be accommodated within the City Centre Partnership,
 - Representation on the Partnership.
- 5.10. It is proposed that these issues are addressed by the City Centre Director when appointed.
- 5.11. At Service Director level the City Centre Director should have sufficient authority to ensure that the virtual management arrangements would operate satisfactorily. It is proposed that they report to the Council's Chief Operating Officer and Deputy Chief Executive who would provide them with sufficient support to ensure that these arrangements worked.
- 5.12. Although the post is within the City Council, the post holder will have to have very strong links with and appear credible to the private sector. It is proposed that an office for them is located within a City Council building, but not in New Walk Centre. The Town Hall is seen as a potentially suitable option.

6. STAKEHOLDERS FORUM

- 6.1. It is proposed that a City Centre Stakeholder’s Forum be established to which all businesses and residents in the City Centre would be invited. This would meet prior to each Strategic Board and provide input to that Board.
- 6.2. It would be lead by Castle Ward members and attended by the City Centre Director and Lead Member.

7. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

Financial Implications.

- 7.1 The set up costs in 2008/09 of £80k can be funded from the existing LABGI funds.
- 7.2 The ongoing contribution of £100k per annum to fund the City Centre Director can only be funded to the value of £100k in 09/10 from the remaining LABGI funding. There will be a new LABGI scheme in 09/10, however no details have been provided yet other than the size of the overall funding (£50m) and that economic growth will be measured at the sub regional level rather than by local authority area. This means that growth from the Highcross development will be shared across the region.
- 7.3 The funding for the City Centre Director post for 10/11 and 11/12 remains uncertain. If the funding from the new LABGI scheme was insufficient then an alternative funding source would need to be found for the remaining two years, to be identified by the City Centre Director in conjunction with the Chief Operating Officer and Deputy Chief Executive.

Martin Judson, Head of Finance, Ext 297390

7.4 Legal implications

Further legal advice should be sought when detailed proposals are available for the establishment a body for City Centre Management, so that Cabinet may at that time be advised as to the legal implications of the detailed proposals.

In addition advice should be sought as necessary from Human Resources/ Legal Services in relation to the employment terms relating to the proposal in paragraph 5.6.

Beena Adatia, Senior Solicitor, Legal Services, Ext 296378

8. OTHER IMPLICATIONS

OTHER IMPLICATIONS	YES/NO	Paragraph references within the report
Equal Opportunities	NO	
Policy	YES	1.1, 2.2 (a), 4.4, 5.2 (b)
Sustainable and Environmental	NO	
Crime and Disorder	YES	5.2(b), 5.5

Human Rights Act	NO	
Elderly/People on Low Income	NO	

9. **BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972**

One Leicester Shaping Britain's Sustainable City.

One Leicester One City Centre: Delivering effective city centre management. A proposal supported by Hammerson plc and Leicester City Council (4th June 2008').

Minutes extracted from Cabinet report: 'Review of revitalising neighbourhoods: in principle decisions on area committees, 24th November 2003.

Cabinet Report: 'Leicester's Night-Time Economic.' Report of the Strategic Planning and Regeneration Scrutiny Committee, 5th September 2005.

Leicester's Local Area Agreement 2008 -11.

10. **CONSULTATIONS**

Date Consulted

10.1. **Consultee**

- Chief Executive, Leicestershire Promotions,
- Chief Superintendent, City BCU Commander, Leicestershire Constabulary,
- Chief Executive, Leicester Regeneration Company,
- Group Managing Director, Leicestershire Chamber of Commerce,
- Interim Service Director, Safer and Stronger Communities, Adults and Housing,
- Head of Licensing & Pollution Control, Environmental Services, Regeneration and Culture,
- Head of Waste Management, Environmental Services, Regeneration and Culture,
- Team Leader, Urban Design, Regeneration and Culture,
- Cultural Strategy and Improvement Officer, Cultural Strategy and Improvement Team, Regeneration and Culture,
- Head of Democratic Services, Democratic Services, Resources,
- Head of Planning Policy and Design, Planning Policy and Design, Regeneration and Culture,
- Head of Markets and Enterprise, Markets, Regeneration and Culture,
- Head Of Economic Regeneration and Enterprise, Economic Regeneration, Regeneration and Culture,
- Senior Solicitor, Legal Services, Resources,
- Head of Finance, Planning and Policy, Resources.

All consulted on:
07.10.2008

11. **Report Author**

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