

Leicester
City Council

WARDS AFFECTED
Wycliffe
Spinney Hill
Charnwood

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Cabinet

8 April 2002

Highfields Youth and Community Centre Sports Lottery Bid

Report of the Director of Education

1. Purpose of Report

- 1.1 The purpose of the report is to seek Cabinet approval for the uptake of grants in relation to the Sports Lottery project for the development of the sporting and Adult and Community Learning facilities at the Highfields Youth & Community Centre (HYCC). Agreement to take up the Sports Lottery grant is required by mid April. Circumstances have changed since Cabinet last considered the matter in May 2001.
- 1.2 The Cabinet needs to consider the project in order to meet the deadlines put on the Award by the Lottery Board and to take advantage of additional funds which may now be available through the Learning and Skills Council capital projects to support Adult and Community Learning. The latter will allow the original full proposal costing some £3.8m to go ahead.

2. Summary

- 2.1 Cabinet approved the £3.3m Highfields Youth & Community Centre submission for lottery funding in May 2001. A reduced scheme can also be considered for £2.8m, the amount of funding currently secured. This excludes the 3rd floor teaching area designated for CCB and Adult and Community Learning.
- 2.2 The Lottery Board gave final approval for the £1.998m grant in August 2001 subject to a number of written conditions.
- 2.3 The City Council needs to confirm its uptake of the grant in accordance with the terms set out in the Lottery Board's offer as agreed with the Council by mid April so that the project can commence in July 2002.

3. Recommendations

- 3.1 The Cabinet is recommended to:

- (i) confirm its acceptance of the Sports Lottery funding subject to the Chief Financial Officer and Head of Legal Services in consultation with the LEADER and the CABINET MEMBER WITH LEAD RESPONSIBILITY FOR FINANCE being satisfied that the conditions of funding (particularly with regard to the Council's future obligations) are not unreasonable;
- (ii) agree that such acceptance means that the Council will meet the revenue consequences of the lottery funded project including any deficits;
- (iii) approve the changing of the signatory from Highfields Community Association to the City Council as the Association has no power to bind the Council to this project or funding in respect of a Council-run project;
- (iv) approve the full scheme subject to confirmation of external funding approval from the Learning and Skills Council. If the LSC funding is not available delegate to the Director, in consultation with the Cabinet Lead for the Education and Lifelong Learning, the decision to proceed with the reduced £2.8m scheme.

4. Financial and legal Implications

- 4.1 The full project is dependent upon the sources of funding outlined below and cannot progress in full without such funding.

Funding Source	Amount	Position
Lottery Board	1.998m	Secure requiring approval mid April
LCC	200k	Secure
LCC MF	100k	Secure
SRB2	500k	Approved March 2002
Learning and Skills Council Capital Projects	1,000k	First round approval received February 2002 subject to presentation of detailed project proposal February 28 2002. Outcomes to be notified early April 2002.

- 4.2 Since May 2001 additional funding available from the Learning and Skills Council has recently been notified and a Capital Project Bid has been submitted to the local Learning and Skills Council for consideration to support the Highfields project. This element of funding will enable the full scheme to go ahead. Should the Learning and Skills Council element of funding not be available, the project can go forward on the reduced scheme of £2.8m and architects have already designed this.
- 4.3 The advice of Legal Services has been sought on the conditions for the lottery funding. The City Council would need to approve the project rather than the Highfields Community Association and be the sponsoring agent, as the project will now proceed as a Council-run project and that the Association is independent from the Council and are unable to bind the Council into any relationship with the Lottery Board.
- 4.4 A business plan for the whole project detailing outcomes for usage of the sports facilities and adult and community learning has been prepared.

- 4.5 The key risk to the viability of the project is that the Local Authority's grant from the LSC is reduced and provision has to be removed from HYCC. The view of this risk is that for the foreseeable future Highfields is a high priority area for Adult and Community learning for the LEA and the LSC. The LEA needs good quality accessible provision for daytime community learning in Highfields. HYCC will provide this facility for the local Authority and, failing that, other providers funded by the LSC. Members will draw comfort from the fact that the LSC is considering supporting the capital costs and the associated revenue implications of a £1m investment.
- 4.6 Discussion still needs to take place with Sport England on the terms of the grant award, specifically the flexibility available to the Council if the centre is not successful.

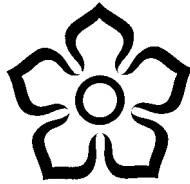
5. Background Papers – Local Government Act 1972

Legal Services
Financial and VAT Services
Sport England Lottery Board

6. Report Author/Officer to contact:

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Telephone: 252 8910



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SUPPORTING INFORMATION

1. Report

Background to the project

- 1.1 The Highfields Youth and Community Centre (HYCC) is a Lifelong Learning and Community Development facility which was inherited from the County Council in April 1997. Built in 1974, it is a free standing centre in the heart of priority wards within the City. The centre provides a range of activities including youth work, services for adults and early years provision.
- 1.2 In 1996 the Centre Manager submitted a bid on behalf of the County Council for lottery funding to construct a sports centre. Since then the scheme has been the subject of much work. Following a report to the Education Committee in April 2000 members agreed to:
- (i) Support the project as a Council run project;
 - (ii) Take responsibility for implementation;
 - (iii) Receive a report on the management arrangements for the expanded project.
- 1.3 A further report was prepared and approved by Cabinet on 21 May 2001 with delegated authority to the Director of Education in consultation with the Cabinet lead for Education and Lifelong Learning to approve the project in full if the full grant was available.

- 1.4 The Sport England Lottery Board confirmed its offer of funding to support the project in August 2001 subject to certain conditions. Consultation has taken place with both Legal and Financial Services about these conditions.
- 1.5 This lottery grant has now been supported by the confirmation of funds from Single Regeneration Budget and the City Council as shown in the financial implications below. This will give a total sum available of £2.8m which will allow a reduced scheme to be built comprising a sports facility with some community development capacity.
- 1.6 In January 2002 the Lifelong Learning and Community Development Division was informed of the potential for further funding from the Learning and Skills Council to secure the full project and additional facilities for Adult and Community Learning. A proposal was put forward to the value of £1m and received first round approval on 21 February 2002. A more detailed proposal was prepared and is awaiting further consideration with the outcome to be notified mid April 2002. This funding will enable a much-enhanced facility and will draw down additional revenue funding for Adult and Community Learning activities from the Learning and Skills Council. It will make a premier facility in an area of major need.
- 1.7 The Learning and Skills Council is very positive about the project proposal so far and the local arm of the LSC is anxious to see the capacity of Adult and Community Learning enhanced in this priority area of the City. They will support the revenue funding required to deliver these activities in the future.

FINANCIAL, LEGAL AND OTHER IMPLICATIONS

2. Financial Implications

Funding Source	Amount	Position
Lottery Board	1.998m	Secure requiring approval mid April
LCC	200k	Secure
LCC CMF	100k	Secure
SRB2	500k	Approved March 2002
Learning and Skills Council Capital Projects	1,000k	First round approval received February 2002 subject to presentation of detailed project proposal 28 February 2002. Outcomes to be notified early April 2002.

- 2.1 The full project is dependent upon the sources of funding outlined above and cannot progress without such funding. Should the Learning and Skills Council element of funding not be available, the project can go forward on the reduced scheme of £2.8m and architects have already designed this.
- 2.2 This is a complex project and members need to be aware of the risks attached to it. The risks to the Council have been minimised by:
- (i) building the business plan around conservative income estimates;
 - (ii) choosing to increase fees for VAT liable activities to deal with the consequences of opting to tax;

- (iii) securing the appointment of sports development workers to promote the use of the centre;
- (iv) securing additional LSC income to deliver adult and community learning;
- (v) carrying out a management review to ensure the enlarged and modernised facility has an appropriate structure management and service delivery.

2.3 As previously reported to Cabinet, prior to the commencement of works the Authority will 'opt to tax' for VAT purposes in order to reduce the amount of input VAT incurred on the construction costs. Opting to tax will result in all lettings, including block-booked sports lettings, at the Centre being liable to VAT so reducing the proportion of VAT-exempt activity and, accordingly, the amount of exempt-attributable VAT incurred by the Council on the construction costs.

2.4 It is the opinion of the Chief Financial Officer that, although the project will substantially add to the total exempt-attributable input VAT, with the anticipated programme/cash flow being over two years the Authority would still remain 'comfortably' below it's 5% de-minimis limit. The position for 2003/4 is less clear-cut until such time as details of the capital programme for that year are finalised.

3. Legal Implications

3.1 The advice of Legal Services has been sought on the conditions for the lottery funding. It is suggested that the signatory be the City Council rather than the Community Association and it is proposed to amend this with the Lottery Board.

4. Other Implications

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		

5. Background Papers – Local Government Act 1972

Highfields Sports Lottery Bid. Cabinet 21 May 2001
 Highfields Youth and Community Centre Sports Lottery bid. Education Committee 6 April 2000

6. Consultations

Legal Services
 Financial and VAT Services

Sport England Lottery Board

7. Report Author

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