

Leicester  
City Council

**WARDS AFFECTED**  
**Spinney Hills**

**FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:**  
**Cabinet**

**11<sup>th</sup> December 2006**

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**Highfields Centre**

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**Report of the Corporate Director of Adult and Community Services**

**1. Summary**

- 1.1 This report presents members with options for the future management of the Highfields Centre. It provides an update on previous Cabinet recommendations relating to the centre, and responds to a statement made at the Cabinet meeting held on 24<sup>th</sup> April 2006. Appended to this report is the Report prepared by Timiti Training Consultancy published in February 2004.

**2. Recommendations**

Cabinet is recommended to:

- a) Note the current position of the development of the Highfields Centre in relation the capital development of the extension and refurbishment to the building.
- b) Note the appended report, "Highfields Youth and Community Centre Management and Governance Review – Final Report" published February 2004.
- c) To acknowledge previously agreed revenue expenditure to support the expanded service provision of the Highfields Centre.
- d) Consider the following options for the future management of the Highfields Centre:

**Option 1** All services and activities directly managed by the City Council without direct reference to community organisations.

**Option 2** Establish a Strategic Management Board consisting 4 representatives of each of the City Council, the Highfields Community Association, and the funding bodies. The aim of the Board would be to develop a viable range of services and activities to meet the needs of the

local residents of Highfields and the citizens of Leicester, and to take the centre through the 4 Phases toward community governance set out in the Timiti report. The Strategic Management Board would have an initial 24-month period to achieve a vibrant and viable centre and recommend a suitable long-term management arrangement for the consideration of Cabinet.

**Option 3** To proceed more quickly to achieve a “handover” to a community governance arrangement with the Highfields Community Association based on a set of negotiated principles for the management of the Centre.

### 3. Financial and Legal Implications

3.1 This report sets out three options, which would require annual revenue funding by the Council of between £132,500 and £260,190. There is currently no budget provision, so funding would need to be identified within the 2007/08 budget setting process. In determining the option to be pursued, Members should be mindful of the need to ensure that arrangements are in place to ensure that monies for which the Council is accountable are spent and recorded in accordance with the Council's financial procedures and conditions imposed by external funders.

Colin Sharpe, Head of Finance, Adult and Community Services ext. 8800.

As this report deals with policy options there are no legal implications directly arising. However, detailed legal advice will be necessary on the implementation of the chosen option.

Guy Goodman, Head of Community Services Law ext. 7054.

### 4. Report Author/Officer to contact:

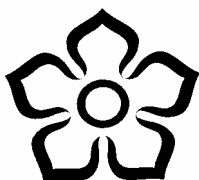
Alistair Reid, Service Director, Safer & Stronger Communities, Adult and Community Services Department, Ext 8313

Steve Goddard, Head of Community Services, Adult and Community Services Department, Ext 4365

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

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**Highfields Centre**

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**SUPPORTING INFORMATION**

**1. Background**

1.1 The Highfields Youth and Community Centre was opened in 1974 and was operated by the Community Education Section of the Leicestershire County Council. The County Council established Community Associations for all the Youth and Community Centres. The Highfields Community Association's constitution was adopted in January 1977. The Highfields Centre was transferred to the City Council under unitary status in 1997.

1.2 In the constitution, objective 2b refers to:-

“maintain and manage, or to co-operate with any local statutory authority in the maintenance and management of the centre for activities promoted by the association and it's affiliated bodies in furtherance of the above objectives”.

The Highfields Community Association (HCA) has charitable status and provides an advisory function to the management of the centre.

1.3 In 1996 the Head of Centre submitted a bid on behalf of the County Council for lottery funding to construct a sports centre. Following a report to the Education Committee of the Leicester City Council 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.

1.4 A further report was prepared and approved by Cabinet in 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. The Sport England Lottery Board confirmed its offer of funding to support the project in August 2001.

- 1.5 The lottery grant was further supported by funds from the Single Regeneration Budget and the City Council. This gave a total sum available of £2.8m. This funded the building of a sports facility with some community development capacity.
- 1.6 In May 2002 the Lifelong Learning and Community Development Division secured funding from the Learning and Skills Council to the value of £1.0m. which enabled a much-enhanced facility to be designed.
- 1.7 In September 2003 a bid for capital and revenue funding was successful from the European Regional Development Fund. The bid focused on the creation of four specialist service areas of:
  - ICT Suite/Cyber Café;
  - Video Technology Suite;
  - Music/recording Studio;
  - Performing Arts Area.

The capital funding of £500,610 was allocated to support specific areas of the project mainly with the purchase of equipment including classroom furniture, telephone system, kitchen equipment, electrical equipment and IT equipment. The revenue funding was based on match funding with a 70:30 split in favour of the City Council to total sum available of £310,950. This funding would support four dedicated officer posts to facilitate programmes designed to promote social enterprise and learning within the Centre. These posts have not been recruited and the revenue draw down from the ERDF has not been achieved. The funding from the ERDF expires in September 2007 due to the time limit of the funding agreement. If the posts are not recruited to by the end of 2006 then draw down will not be achieved.

## **2. The Timiti Report**

- 2.1 In 2003, Timiti Consultants were engaged to carry out a review of the centre with the following scope;-
  - identify the national picture with regards to community governance
  - models of multi-purpose community use of a resource
  - the capacity of the HCA to inform governance and management arrangements
  - relate future management and governance arrangements to strategies of the City Council as a whole towards revitalising neighbourhoods.
- 2.2 The final version of the Timiti Report was published in February 2004. This is attached as appendix 1. The main findings of the report are summarised as follows:
  - Overwhelming support for the new development of the centre by local people.

- The continued involvement of local people in shaping the future of the centre and participation in its governance is vital.
- The City Council, given the intent to greater democratisation, needs to disseminate information to local people about the processes to achieve this.
- The need to share good practice of community engagement across the city would benefit local people.
- Area Committees will need to ensure that they meet the community's expectations.
- The Centre needs to engage more actively in community development and capacity building.

2.3 The Timiti Report looked for similar facilities to Highfields but was unable to find something directly comparable. It recognised that the HCA could provide a platform on which to base future community governance arrangements, but noted that it was important that members of the community were adequately prepared to undertake the range of responsibilities which an interdependence model of community governance would contain. Timiti took the view that "total control" by either side would be unrealistic and undesirable. Indeed the report stated:

*"The debate is not helped by the sentiments of community independence, since the understanding which underpins this concept ponders on the notion of "splendid isolation".....We would suggest that both sides would benefit from the more collaborative notion of inter-dependency which is more obviously underpinned by the concept of mutuality."*

2.4 The report outlines a phased approach to Community Governance. These steps are:

- Phase one - Local Authority Control
- Phase two - Delegated
- Phase three - Devolved
- Phase four - Interdependence

The report identified that the HC, at the time of writing was at Phase one. This remains the case. Timiti recognised that much was needed to be done if the HCA was to take on responsibilities commensurate with its empowerment ambitions. Again this remains the case. As a result of the consultations on the Timiti report, staff and management agreed, at the time of writing that the "4 phases" approach to community governance could be achieved within two to three years. There was a minority view that if accelerated it could be done within two years. Timiti considered this overly optimistic. Due to the lack of progress towards a robust community governance arrangement, these timetables would have to apply from now, if the phased approach were to be pursued.

### **3.0 Arrangements since the Timiti Report**

- 3.1 Prior to the Lifelong Learning and Community Development Divisional Organisational Review (DOR), in April 2004, the Community Learning Manager had full management control of all activities undertaken in the centre including Adult Learning, Early Years and Childcare, Youth Service and community activities. This also includes private hire, and advice and information. The HCA saw these and other services at the core of community governance. Under the delegated powers of the Corporate Director of Education and Lifelong Learning the DOR was implemented in April 2004, and the services were separated into four discrete sections with their own management structures. The services are operated on a citywide basis within three defined areas of the city. The Education and Lifelong Learning Scrutiny Committee discussed the Review at the meeting in September 2004 and the Highfields Community Association made representation that the Highfields Centre should not be subject to the DOR. The Scrutiny Committee resolved to stop the DOR with immediate effect. This was referred to the 27<sup>th</sup> September 2004 Cabinet meeting, which confirmed the implementation of the Divisional Organisation Review under the powers delegated to the Corporate Director.
- 3.2 In September 2004 Cabinet agreed to establish a Partnership Board consisting of the Cabinet Link for Education, Ward Members, Highfields Community Association, Staff Representative, a Representative from the principal funding organisations, and representative from Education Finance. The remit of the Partnership Board was to:
1. Develop and consult on a strategic plan to deliver high quality lifelong learning services.
  2. Advise on professional leadership arrangements for the expanded centre.
  3. Consult on and evaluate options for community governance of the centre with recommendations for Cabinet.
- 3.3 A Project Manager was appointed in November 2004 to support the Partnership Board in meeting its remit and prepare a report to Cabinet. The Partnership Board has only met on one occasion and is currently dormant. The HCA wrote to the Corporate Director of Education and Lifelong Learning on 28<sup>th</sup> November 2004 seeking agreement to a number of issues including “an immediate end to the proposed Partnership Board and the restoration of the Joint Project Board (with Cabinet Lead involvement) to oversee the implementation of the Timiti recommended community governance arrangements at HYCC within an agreed time scale”.
- 3.4 Following the change in the political administration within the Council in November 2004, the HCA and Cabinet Members with officers pursued options for community governance. The Project Manager was seconded on 17<sup>th</sup> January 2005 to the HCA to assist with the transfer arrangements to community governance and future service developments at the Highfields Centre.
- 3.5 In December 2005 Cabinet received an update on the progress towards community governance following the setting up of the Partnership Board. The report followed informal discussions including a without prejudice meeting between the Corporate Director of Education and HCA Representatives on

17<sup>th</sup> November 2005 which recognised the need for a practical and affordable model of community governance. The Director of Education was requested to bring forward a report by March 2006 setting out a practical and affordable option for community governance for the centre; and develop robust operational and financial arrangements to maximise the usage of the centre in the interim.

3.6 Following discussions between representatives of the HCA and officers of the City Council the HCA produced an Outline Business Plan for one year for community governance in February 2006.

3.7 Officers set out a number of concerns, which needed to be addressed before Cabinet could be advised that robust operational and financial arrangements were in place. These concerns were conveyed to the HCA through a comprehensive response dated 20<sup>th</sup> March 2006. At a meeting between the HCA and Officers on 21<sup>st</sup> March 2006, the HCA stated that they had no confidence in officers dealing with this matter although they were still committed to work in conjunction with the City Council to achieve the necessary outputs for community governance. The HCA requested a written commitment to achieving community governance; a series of timetabled meetings to work towards an affordable and practical option of community governance; and the appointment of mutually agreed independent facilitator to advise on the completion of the Business Plan and related tasks.

3.8 In a letter dated 31st March 2006 from the Interim Corporate Director for Education and Lifelong Learning to the HCA, the HCA were informed that the following core requirements needed to be addressed:

- A long-term vision for the centre with justification.
- The management, staffing and governance arrangements required to achieve the vision both long term and immediate.
- A detailed financial plan for the first three years of achieving that vision.
- Details of targets and outcomes to be delivered for the Council in return for funding received from the Council as set out in the financial plan.

3.9 At the 24th April 2006 Cabinet meeting, the Cabinet Lead for Adult and Community proposed to ask the Corporate Director to bring forward a report to Cabinet setting out a detailed project plan and timetable to achieve three things:

- Put the service on a secure financial footing with a robust business plan for the future
- Identify the route needed to achieve a model of Community Governance for this service, subject to detailed legal and financial appraisal and in the context of the views of funding bodies
- Developing a model contract for services between the Council and HCA should the Council agree to implement Community Governance. This

would include finance, quality assurance and community involvement in specifying and monitoring services.

In addition, the Cabinet Lead proposed the Council and the HCA should jointly appoint an independent facilitator to oversee the production of the business case and associated tasks.

- 3.10 Informal discussions and visits to the Centre have taken place by Elected Members and Officers of the Adult and Community Services Department to understand the issues faced by the service providers and the HCA. There have also been meetings between the local MP, funding organisations, representatives of the HCA and Officers. These meetings have clarified the current position held by the HCA and the City Council with the support of the funding organisations.

#### 4. Current Service Delivery

##### 4.1 Capital Funding

The capital funding for the extension and refurbishment of the Highfields Centre is outlined as follows:

<b>Funding Organisation</b>	<b>£</b>	<b>Date</b>
Single Regeneration Board	500,000	July 2002
Learning & Skills Council	1,000,000	May 2002
Sport England	1,999,000	August 2001
LCC – Regeneration & Culture	200,000	May 2002
LCC – Central Maintenance Fund	100,000	May 2002
European Regional Development Fund	500,610	September 2003
<b>TOTAL</b>	<b>4,299,610</b>	

##### 4.2 Revenue Funding

The revenue expenditure for the centre is drawn from a number of City Council service budgets. The 2006/07 budgets are indicated as follows:

	<b>Expenditure £</b>	<b>Income £</b>	<b>Net Budget £</b>
Community Services	179,400	10,000	169,400
Adult Learning	21,100	45,800	(24,700)
Early Years and Childcare	58,900	2,100	56,800
Youth Service	66,300	-----	66,300
<b>Total</b>	<b>325,700</b>	<b>57,900</b>	<b>267,800</b>

- 4.3 The above services, with the exception of community services, have wider issues about the deployment of resources in the area and citywide. The services are outlined in more detail as follows:

- 4.4 **Adult Skills and Learning** – The centre has provided adult education courses for a number of years and has been recognised nationally for its



achievements. The LSC provides a direct grant to the City Council for the funding of adult learning courses across the city. The Adult Skills and Learning Service allocates the resources to provide a range of courses to individual establishments, including community colleges and community centres. The LSC has changed the funding criteria to a number of Areas of Learning and this has meant an increase in certain areas of learning and decrease in other areas. The LSC has indicated that it is only willing to contract with the Local Authority, not with individual centres or colleges. As previously stated the Adult Learning Service was established following the Divisional Organisational Review (DOR) and is currently undertaking another review. Under the funding arrangements the current programme of courses and the enrolments achieved meet the LSC £1.0m. capital funding obligations.

- 4.5 The HCA, under a community governance model would not be able to operate the adult courses themselves but would be able to hire the space to any provider, e.g. Adult Skills and Learning. The infrastructure for Adult Learning would be costly and the quality of the service, without curriculum support could be compromised, thus jeopardising the next external inspection of the city's Adult Learning provision.
- 4.6 The Adult Skills and Learning Service offered 30 different courses for the academic year 2006/07 and 241 enrolments on 23 courses had been achieved by the end of October 2006.
- 4.7 The Learning and Skills Council (LSC) has recently published its annual statement of priorities ('Raising our Game' - 2006) which outlines key actions for 2007 / 08. These actions include a significant announcement that from September 2007, learners will no longer receive automatic entitlement to full fee remission for English for Speakers of Other Languages (ESOL); in future, only learners in receipt of means-tested benefits will qualify for free tuition. It is anticipated that this will result in a decrease in demand for ESOL provision, a major element in the Highfields current programme. This shift in LSC funding may require further changes in the local programme, which will be better handled within citywide curriculum planning arrangements. 'Raising our Game' also announced that Asylum Seekers will not be eligible for LSC - funded provision from 2007 which could also impact on the Highfields programme in the future.
- 4.8 **Early Years and Childcare** – The playgroup and crèche provide a significant usage of the dedicated space off the main reception area during the weekday daytime. The sessions are well attended and provide quality and early years learning to young children.
- 4.9 The provision is directly line managed by the Early Years and Childcare service, which gives management support to the quality and expertise of staff and curriculum.
- 4.10 The Early Years and Childcare service is charged on a service charge basis for the rental of dedicated space in the centre.
- 4.11 There have been significant developments in the area, with Highfields Sure Start being a major provider, which has had a negative effect on the

Highfields Centre. The After-school Care provision is well used but has vacant places and this is reflected across the local area with other providers.

- 4.12 The HCA could only receive income from the dedicated area used and room hire for the After-school care sessions.
- 4.13 **Youth Service** – The Youth Service directly manages the service through the provision a number of sessions per week through the use of the youth room and sports hall. The Youth Service, provide direction and support to staff to deliver quality activities to young people.
- 4.14 The HCA would receive income for the hire of space and the service charge of dedicated space under a community governance model.
- 4.15 **Sports and Physical Activities** – In the original bid submission to Sport England reference was made to the employment of Sports Development Officers to support the use of the sports facilities. A Sports Development Plan was devised and a submission for Lottery funding for the revenue costs for the workers was unsuccessful.
- 4.16 The Cabinet decision at 8 April 2002 resolved that acceptance of the Sports Lottery funding was confirmed on the basis that the Council would meet the revenue consequences of the Lottery funded project including any deficit.
- 4.17 The City Council's Sports Services undertook an assessment of the income generation of the fitness suite in February 2001, which indicated that revenue of £2000 per fitness station per year could be derived to support the running costs. The actual running cost basis on today's figures is still to be determined.
- 4.18 The sports hall is currently used on a hire basis by local schools with their teachers running the sessions during the daytime; and the youth service sessions; and private hire by local sports organisations takes place in the evenings.
- 4.19 The fitness suite on the second floor has been fully equipped, however there has been a delay in completing the connectivity of the fitness machines. This work was completed in July 2006 and the premises staff have been inducted on the use and maintenance of the equipment. However, this creates the issue of the requirement of specialist staff to operate this provision. The cost of employing trained staff to operate the provision against the potential income generated would require additional resources.
- 4.20 The aerobics studio was provided through the capital building works. The Adult Skills and Learning service have provided aerobics courses in the 2005/06 academic year, however the course has not been continued in the new academic year. This is due a change in the LSC funding policy not to prioritise fitness and aerobics courses. The only way this could continue is on a full cost recovery, as there is no provision to subsidise this activity. This provision could also be marketed for hire for dance sessions and rehearsal space for local organisations.

- 4.21 **Advice and Information Service** – Four advice sessions have been provided each week at the centre for a number of years. Local residents have used the provision for advice and information on immigration, benefits and employment issues.
- 4.22 The major issue has been the funding of the provision following the transfer of staff to the Advice and Information Service formerly in the Regeneration and Culture Department. The current provision cost is £16,000 p.a. The funding has not been identified in the advice and information budget. The future funding provision is still being considered by the Advice and Information Service.
- 4.23 **Catering Service** – A kitchen, servery and eating area were provided through the capital building works. The facilities are fully equipped to provide hot meals and refreshments to compliment the services and activities of the Centre. The HCA indicate that a catering franchise to local company would generate an income of £7,200 p.a., however the level of usage at the centre may not attract the local companies to bid for the franchise.
- 4.24 Currently there are no plans to open up the catering facilities, as, until there is an increase in usage, the service will not be viable.
- 4.25 **Community Services Activities** – The activities for the local community are based on room hire as there are no resources available for community development.
- 4.26 The income from private hire e.g. wedding receptions is paid to the HCA and the City Council receives no major income from the usage of the centre.
- 4.27 **New Technology and Arts Development** – As part of the European Regional Development Fund (ERDF) bid submission the development of training opportunities around new technology and arts development were proposed. A Business Plan was provided at the time of submission, which was broad ranging in objectives but no detailed work on the service delivery and activities to take place against any market research and customer needs analysis.
- 4.28 A sum of £70k per annum had been identified within the Council's Community Services budget to employ the staff to support the provision, which would draw down external funding of £30k per annum from ERDF. This funding expires in September 2007 and the future funding will need to be identified.

## 5. **Community Governance**

- 5.1 The Highfields Community Association has continued to express an aspiration for a greater role in the leadership and management of the Highfields Centre. This has been referred to as community governance.
- 5.2 The December 2005 report to Cabinet gave an update on the progress made following informal discussions with the HCA and other stakeholders at the first meeting of the Partnership Board which took place in March 2005. The decision of Cabinet was to request the Director of Education and Lifelong

Learning to bring forward a report by March 2006 with a practical and affordable option for community governance for the Highfields Centre.

5.3 Outline Business Plan provided by the HCA in February 2006 detailed the aims as follows:

- To serve the local community as per HCA's Constitution – promote education and social welfare (including recreation) of inhabitants of Highfields; identify and establish a community centre as a resource to deliver such services and benefits in partnership with local authority.
- To be a Lifelong Learning Centre (cf ERDF bid) – the new Lifelong Learning Centre will therefore provide a greatly enhanced range of learning opportunities, community enterprise development and other community opportunities to all sections of the Highfields community and to all age groups.
- To provide new sports facilities and thereby significantly improving the quality, quantity and range of sporting opportunities for the local community. To establish a coordinated and partnership approach to community sports development programmes in this locality and provide the opportunity for individual talent development.
- To provide facilities to people who have previously been denied access due to their low income, gender, special needs, ethnicity or age
- To contribute to Neighbourhood Renewal and make a difference to health, crime and education in this socio-economically deprived area
- To be run by the local community on behalf of the local community

5.4 The Operating Model and Source of Income was outlined as follows:

- To deliver commissioned services on behalf of LCC – namely LCC's core lifelong learning services, including playgroup and crèche services, as well as offering additional LCC advice and sports services.
- To be the primary centre for delivering LCC commissioned services to Highfields residents as envisaged throughout the programme of regeneration and investment in the Highfields Centre and to maintain this partnership approach as a core part of the HCA vision for the Centre's future management
- To offer services to members of the local community on a charged basis at a range of affordable rates
- To seek additional income from external grants for specific programmes
- To seek additional income by running a programme of activities at the Centre which is attractive to local people and from other usage of the resources offered by the Centre.
- To ensure the long-term viability of the Centre through regular maintenance and planned refurbishment funded from operating costs.

The HCA adopted a new constitution and became a Company Limited by Guarantee, which has been approved by the City Council.

5.5 The resolution of community governance has been difficult. There is a gap between the aspirations and expectations of the HCA. Though the HCA have not formally told the City Council what they mean by Community Governance, it can be deduced from various representations made. The HCA aspire to set up where they are in effect an independent organisation delivering services

commissioned by the City Council. They also anticipate running the building. Much of this runs counter to the City Council's current way of operating e.g. Adult Skills and Learning, Youth Services and Early Years and Childcare Services. It also raises the major issue of risk management.

- 5.6 A detailed model for the transition to community governance has been devised by officers and is being piloted at the Cort Crescent Community Centre in Braunstone. This is a small building with a well-established management committee.
- 5.7 There are a number of complex issues around community governance, which need to be addressed, and include accountability, risk management, compliance and capabilities. These need to be considered in light of the options outlined in the next section of the report.

## **6. Options**

- 6.1 Cabinet to consider the funding which was acknowledged to be required for the revenue support for the capital sports hall and fitness suite.
- 6.2 Three options have been identified to provide future management arrangements for the Centre and are detailed in the next sections of the report but briefly outlined as follows:

**Option 1** All services and activities directly managed by the City Council without direct reference to community organisations.

**Option 2** Establish a Strategic Management Board consisting 4 representatives of each of the City Council, the Highfields Community Association, and the funding bodies. The aim of the Board would be to develop a viable range of services and activities to meet the needs of the local residents of Highfields and the citizens of Leicester, and to take the centre through the 4 Phases toward community governance set out in the Timiti report. The Strategic Management Board would have an initial 24-month period to achieve a vibrant and viable centre and recommend a suitable long-term management arrangement for the consideration of Cabinet.

**Option 3** To proceed more quickly to achieve a "handover" to a community governance arrangement with the Highfields Community Association based on a set of negotiated principles for the management of the Centre.

- 6.3 Members will need to consider the revenue implication for the budget in 2007/08 to ensure that the day-to-day requirements of the centre's operations are met. There are insufficient premises and sports staffing to operate the centre and also additional funding for the running costs would be required due to the increase in floor area. No provision has been made in any Departmental budget to meet the commitment given by Cabinet in April 2002 to meet the revenue deficit arising from the acceptance of the Sport England Capital bid.
- 6.4 Funds currently held by the Council to support the technology activities can be released to support the development of the activities outlined in the ERDF business plan regardless of which option is pursued.

## 7. Details of Options

- 7.1 Option 1 – All services and activities are directly managed by the City Council without direct reference to the Highfields Community Association. The programming and operation of activities for the individual services will be undertaken through existing management arrangements currently held within the Children and Young People’s Department and the Adult and Community Services Department. This means that Centre would mirror the management arrangement for the Community Centres across the city. Within the context of Timiti, this would mean staying in Phase 1, with it being made clear that no further development work would be undertaken to move through to Phase two or subsequent phases towards Community Governance.
- 7.2 The major impact of this option falls on the Highfields Community Association, which was responsible for the development of the successful capital funding bids. The opportunity for external funding for projects and activities would not be utilized, with the financial burden falling solely to the City Council. The option gives the City Council the overall responsibility for the operation of the Centre. A re-negotiated arrangement with the Community Association could allow for co-location of projects. This would ensure that with agreement, the Community Association could still operate within the Centre to provide its own activities for local people while the Council’s services provide the mainstream activities as a priority. Part of the agreement would outline a conflict resolution process to ensure the smooth running of the Centre.
- 7.3 The access to the Centre would not be restricted to affiliated community groups, and the Centre would benefit from a wider audience through income generation to develop further activities on a sustainable basis.
- 7.4 The operation of the sports facilities could be franchised out to sports and fitness organisation on fixed term lease agreement for a minimum of a five-year period. As the sports provision would be run on a commercial basis the premises running costs may continued to be picked up by the City Council to keep the prices down to encourage the local community to access the facilities.
- 7.5 The sports facilities could also be run in house however additional resources would be required to support the service provision. This would entail sports development and fitness suite workers to provide the specialist support to the range of sports activities that could be offered.
- 7.6 A Centre with a broader remit could attract other organisations to use the facilities especially on the second floor, which are currently under utilized.
- 7.7 Resource implications – the additional resources required to the existing budget would be £132,500 for this option. This would include Sports and Premises Staff to operate the sports hall and fitness suite together with additional running costs due to the increased floor area of the building, not previously accounted for.
- 7.8 **Option 2** – Establish a Strategic Management Board to oversee the strategic management of the Centre for an initial 24-month period to recommend a

suitable long-term management arrangement for consideration of Cabinet. This option would be based on following the four phases of the Timiti model as follows:

- Phase one – Local Authority Control
- Phase two – Delegated
- Phase three – Devolved
- Phase four – Interdependence

7.9 The Strategic Management Board would have the following aims and objectives to consider at its inaugural meeting:

- i) To work through the phases towards Community Governance as set out in the Timiti report.
- ii) To establish a vibrant and viable centre through services, courses and activities reflecting the needs of local residents and the citizens of Leicester.
- iii) To provide a framework for the development and implementation of services to achieve a sustainable future for the Centre.
- iii) To identify options for the future management arrangements for the Centre with recommendations to Cabinet in a 24 month period.

7.10 From the inception of the Strategic Management Board there would be interim management arrangements under the direction of the Board as follows:

- Direct LCC service provision be managed through the existing arrangements and programme developments reported to the Board i.e. Adult Skills and Learning courses, Youth Services, Early Years and Childcare provision, and Advice Services.
- Joint service management arrangements to be placed with the Strategic Management Board, i.e. community activities, sports services, arts and technology, catering and licensed bar facilities.
- In direct service management i.e. HCA programmes.

The Board would receive information on all aspects of the Centre services and activities to provide a strategic response to the overall management of the Centre.

7.11 The membership of the Strategic Management Board would comprise of:

- 4 Elected Members
- 4 Representatives of the HCA
- 4 Representatives of the Funding Organisations

All members of the Board would have full voting rights, which would be detailed in the Terms of Reference.

Two Service Directors and a Finance Officer would support the Board, with City Council officers and external advisors in attendance by invitation. Any decisions required to be taken by the City Council will be taken by the

Corporate Director or by Cabinet under the terms of the City Council's Constitution.

7.12 A Business Development Manager would be appointed on a three year fixed term contract who would be tasked as follows:

- To facilitate the Board through the coordination of meetings, etc;
- To produce business strategy plans for the joint management of services;
- To produce detailed action plans for the joint managed services for implementation against targets and resource allocation;
- To assist in formulation of a future management structure for the Centre, based on the Timiti 4 Phases approach to Community Governance.

A job description, person specification and work programme would be finalised following Cabinet's decision of the Options.

7.13 A Programming and Operational Officers Group would also be established to provide the technical support to the Partnership Board. The Officer Group would also develop and implement the actions agreed by the Partnership Board to monitor and evaluate outcomes by assessing the achievements against targets. The Officer Group would comprise of Heads of Service/ Service Managers from the following services:

Adult Skills and Learning  
Early Years and Childcare  
Community Services  
Youth Services  
Finance Services  
Human Resources  
Business Development Manager  
Other centre located staff as required

The Group would be chaired by the Service Director, Safer and Stronger Communities and other Officers will be involved as appropriate.

7.14 Resource implications - the additional resources required to the existing budget would be £181,500 for this option. This would incorporate the costs as outlined in option 1, plus the cost of employing a Business Development Manager and associated costs for the operation of the Strategic Management Board.

7.15 This option has been influenced by discussions that have been held between the HCA and the funding organisations.

7.16 **Option 3** – To proceed more quickly to achieve a “handover” to a community governance arrangement with the Highfields Community Association based on a set of negotiated principles for the management of the Centre. This option puts the onus squarely on the HCA to produce a viable plan for future community governance.

7.17 There are some complex issues which need to be addressed including the ownership of the building and lease arrangements; human resource and staffing issues, legal matters, and financial details.



- 7.18 The Community Association would be asked to provide a detailed submission to ensure that a robust and viable Centre can be maintained and developed to meet the stringent safeguards that must be in place to satisfy the City Council and funding partners.
- 7.19 The principles of a community governance arrangement need to be clearly articulated so there is no misunderstanding between both parties on the issues and outcomes of such an agreement and its implementation. There needs to be an acceptance that matters have changed over time which have a fundamental impact on the Centre's services and subsequent operation. For instance, the Learning and Skills Council (LSC) has made some major changes to the learning objectives it is prepared to fund and the qualitative and quantitative outputs and outcomes that are to be achieved. The community governance arrangements may not satisfy the LSC's requirements and this would require direct delivery by the Adult Skills and Learning Service. The Adult Skills and Learning Service would however purchase space under a community governance agreement.
- 7.20 Resource implications – the additional resources would be £260,190 as outlined within the HCA Outline Business Plan presented to the City Council in February 2006.

## 8. Financial Implications

This report sets out three options, which would require annual revenue funding by the Council of between £132,500 and £260,190. There is currently no budget provision, so funding would need to be identified within the 2007/08 budget setting process. In determining the option to be pursued, Members should be mindful of the need to ensure that arrangements are in place to ensure that monies for which the Council is accountable are spent and recorded in accordance with the Council's financial procedures and conditions imposed by external funders.

Colin Sharpe, Head of Finance, Adult and Community Services ext. 8800

## 9. Legal Implications

As this report deals with policy options there are no legal implications directly arising. However, detailed legal advice will be necessary on the implementation of the chosen option.

Guy Goodman, Head of Community Services Law ext. 7054.

## 10. Other Implications

<b>OTHER IMPLICATIONS</b>	<b>YES/NO</b>	<b>Paragraph References within this report</b>
Raising Standards		
Equal Opportunities		
Policy	Yes	Recommendations
Sustainable and Environmental		

Crime and Disorder		
Human Rights Act		
Elderly/People on Low Income		

<b>RISK ASSESSMENT MATRIX</b>			
<b>Risk</b>	<b>Likelihood L/M/H</b>	<b>Severity Impact L/M/H</b>	<b>Control Actions (If necessary/or appropriate)</b>
1. Funding not agreed as part of the budget process	M	M	Officers currently engaging with members on budget setting for 07/08
2. Failure to improve working relationships with HCA	M	M	Resort to Option 1
3. Failure to attract sufficient funded users to facility	L	M	Appoint BDM to prepare business case, or under Option 3 ensure robust plan is presented by HCA before moving forward.
4. Further reductions in external funding	M	M	HCA or BDM to develop wide range of external funding sources

## 11. Background Papers – Local Government Act 1972

Highfields Sports Centre Lottery Bid, Cabinet, 21<sup>st</sup> May 2001

Highfields Youth and Community Centre Lottery Bid, Cabinet, 8<sup>th</sup> April 2002

Developing options for the governance of Highfields Youth and Community Centre, Cabinet, 27<sup>th</sup> September 2004

Highfields Centre – Community Governance Update, Cabinet, 5<sup>th</sup> December 2005

Minutes of the Cabinet minutes dated 24<sup>th</sup> April 2006

## 12. Consultation

The following have been consulted in the preparation of the report. The views of the Joint Trade Unions are appended to this report (Appendix 2). Any further views, including those of the HCA will be reported in an addendum to be circulated prior to the Cabinet meeting.

- Adult Skills and Learning
- Early Years and Childcare
- Youth Services
- Sports Services
- Advice and Information Services
- Property Services
- Joint Trade Unions
- Highfields Community Association
- Sport England
- Learning and Skills Council
- GO-EM
- Stoneygate and Spinneyhills Ward Councillors

**13. Report Author/Officer to Contact**

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