



Leicester
City Council

Minutes of the Meeting of the
NEIGHBOURHOOD SERVICES AND COMMUNITY INVOLVEMENT SCRUTINY
COMMISSION

Held: THURSDAY, 13 AUGUST 2015 at 5:30 pm

P R E S E N T:

Councillor Dawood (Chair)
Councillor Gugnani (Vice-Chair)

Councillor Corral
Councillor Halford

Councillor Hunter
Councillor Khote

In Attendance:

Sir Peter Soulsby, City Mayor
Councillor Clair, Assistant City Mayor - Culture, Leisure and Sport
Councillor Master, Assistant City Mayor - Neighbourhood Services
Councillor Sood, Assistant City Mayor - Communities & Equalities

Also Present:

Councillor Aqbany
Councillor Dr Chowdhury
Councillor Kitterick
Councillor Malik

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9. CALL-IN OF CITY MAYOR DECISION - HIGHFIELDS COMMUNITY ASSOCIATION

The following decision had been called-in and was referred to this Commission for consideration under Council Procedure Rule 12(f), Part 4D of the Council's Constitution:

Decision by the City Mayor:-

- 1) To make no retrospective payment to the HCA in relation to 2014/15 on the basis that agreement on funding could not be reached; and

- 2) To cease engagement with HCA in respect of Neighbourhood Services funding.

The Chair welcomed all present to the meeting and thanked them for attending.

The Chair noted that the meeting was being filmed from the public gallery, so in accordance with Council policy, he invited anyone who did not wish to be filmed to so indicate. No objections were made.

The Director of Culture and Neighbourhood Services introduced the decision that had been called in. It was noted that, as indicated in the report setting out the reasons for the decision, it was felt that events since 2014 had resulted in an irretrievable breakdown in the working relationship between the two organisations.

The building used by the HCA and the staff employed by it had been transferred to the HCA in 2010, in response to pressure from the HCA to do so. This was an unprecedented action by the Council, which involved a substantial physical asset, a staff team and a three-year funding agreement.

This funding agreement had ended in December 2013. Discussions were held on how the HCA could become financially self-sustainable, in accordance with the original agreement, but it was considered that the initial business plan provided by the HCA was not robust enough to enable this to happen. As such, three months' transitional funding was provided in December 2013 and in the spring of 2014 a further one year's funding was offered on condition that the HCA strengthened its business case.

By January 2015, the HCA had not agreed terms and conditions for the funding, which the Council considered to be standard to funding agreements, (for example, in relation to safeguarding and the right of the Council to visit the premises). Serious concerns also had arisen by this time about the action taken by the HCA on the pensions of the staff transferred to the Association. As a result of these various concerns, the decision was taken to make no retrospective payment and cease engagement with the HCA regarding Neighbourhood Services funding.

At the invitation of the Chair, Priya Thamotheram, the Head of the Highfields Centre, addressed the Commission. He also tabled some notes on his comments, a copy of which is attached at the end of these minutes for information.

Mr Thamotheram drew particular attention to the following points:-

- Records of the meetings with senior officers referred to under paragraph 1.3 of the notes were available;
- There was no formal agreement that the HCA would be financially independent within three years. The HCA had challenged the Council to provide a record of this, but none had been produced;

- A business plan had been prepared by the HCA with the assistance of a national body. This gave three different scenarios for the future of the HCA;
- Other agencies had been consulted about the terms and conditions that the Council said were standard. These agencies had said that those terms and conditions had not been applied to them;
- It initially had been thought that the HCA would need to reduce its funding by 40% in 2014, but it was realised that a reduction of 80% would be needed. The Trustees had to respond to this through a range of measures. One of these was the introduction of a new pension scheme, which was agreed with staff;
- The Local Government Pension Scheme had agreed a settlement for the pension deficit and had absolved the Council of future responsibility for the pensions of HCA staff;
- Meetings had been sought with Council officers in recent months regarding room hire charges, as the HCA wanted to formalise the room hire arrangements, due to other problems arising. A meeting had been arranged for early June, but this was cancelled at short notice;
- The HCA had been asked to respond to the Council's proposals for room hire charges in less than 24 hours. However, the HCA had sought an independent valuation of the accommodation, so could not respond within that timescale;
- The HCA's reserves had been built up over 30 years, to enable it to continue to provide services and take responsibility for the refurbishment of the Highfields Centre;
- The HCA service highlights listed on the notes tabled at the meeting had been included to show why the HCA was a successful organisation, partnered by a lot of agencies in the city and appointed the lead partner in a major project supported with European funding; and
- The HCA had not wanted its relationship with the Council to take the course it had, but it felt that service users were being victimised in relation to services in the Highfields area.

Councillor Kitterick then addressed the Commission at the invitation of the Chair:-

- He expressed concern about what had happened to the service users since the Neighbourhood Services funding had been withdrawn from the Highfields Centre, especially those attending the pre-school group.

Response from the Head of Service Early Help Targeted Services

There had been 13 children receiving Early Years day care when the service was withdrawn.

When it was known that the service was being withdrawn from the Highfields Centre, the families of those affected were advised of two days when officers would be available to discuss, with language support, alternative provision. Only four families used this facility and all were offered alternative provision. Attempts had been made to contact the other families by telephone, but it was not known if they had now found alternative provision. Councillor Kitterick asked if this information could be made available to Members.

- Further concern was expressed that four members of staff had been given less than two weeks' notice of the proposed changes to their conditions of service.

Response from the Head of Service Early Help Targeted Services

The four members of staff were fully engaged in considering the options for their relocation. Further discussions would be held on 26 August 2015, the staff having initially been told of the changes in late June / early July 2015.

- Two copies of a letter to the members of staff referred to above had been passed to the Chair of the Commission, one of which stated that the staff concerned would be relocated to the Thurnby Lodge Children, Young People and Family Centre.

Response from the Head of Service Early Help Targeted Services

Relocation to the Thurnby Lodge Centre was one of the options being discussed with staff, not the only one.

The first letter, referring to staff relocating to Thurnby Lodge, was a draft letter that had been prepared in advance of discussions, in accordance with good practice. The second letter was the one that had been used and did not refer to Thurnby Lodge.

- How many adult education classes and learners had there been at the HCA?

Response from the Head of Adult Skills and Learning Services

In 2014/15, there were 52 courses, 231 learners and, due to people enrolling on more than one course, 529 enrolments. Alternative provision had been made for these courses and learners. Many had moved to the African Caribbean Centre, while some had gone to St Peters Church Hall and the community wing at Spinney Hills Primary School. Members were welcome to visit to scrutinise arrangements.

- Why had the HCA had not been included in the Transforming Neighbourhood Services review that had been undertaken?

Response from the City Mayor

This reflected the fact that the HCA was not a direct provider of Council services, but was a unique Centre, with self-governance and transitional funding in preparation for it achieving self-sustainability.

- Clarification of the response to the above question was sought, as it had been stated that the on-going review of community facilities would consider such facilities, irrespective of whether the Council funded them.

Response from the City Mayor

A decision on future Neighbourhood Services funding of the HCA could not wait until the review of community facilities reached that part of the city. When the review did reach that part of the city, it would include provision by the HCA and other suppliers in the area, but this was not scheduled for the immediate future..

- It was queried whether the funding withdrawn would be ring-fenced for use in Highfields.

Response from the City Mayor

Funding had not been withdrawn, it had ceased in 2013 and so what was in question was additional funding. As such, there were no funds to ring-fence.

The City Mayor addressed the Commission at the invitation of the Chair, explaining that before any decision was made on ceasing the provision of childcare at the HCA, a check had been made that there was “sufficiency of provision” in the Highfields area. From this, it had been found that there was an over-supply of children’s pre-school groups in that area of the city.

Members expressed some unease that services were being taken away from the Highfields Centre, but noted that a business plan had not been provided as requested. Priya Thamotheram reminded Members that a business plan, prepared with the assistance of a national body, had been submitted in June 2014.

The Director of Culture and Neighbourhood Services reiterated that a business plan had been received, but the Council considered that it was not sufficiently robust. Any decision on whether to provide future funding had not been made, to give the HCA time to strengthen the business plan and help to do this was offered by the Council. However, by May 2015 a revised business plan had not been received.

Members suggested that the comment made at 4.3 in the notes tabled by the HCA was a bit severe. Priya Thamotheram replied that this referred to remarks made over the previous 18 months and a clause in the lease agreement for the Highfields Centre that if the HCA ceased to function the Council would have first call on the premises.

In reply to a question from the Commission, Priya Thamotheram explained that

rent paid by the Council for use of the Centre was calculated on the basis of a formula and was capped at just under £100,000. This included payment towards insurance and heating costs. The rent proposed for future use was based on the same formula.

The Director of Culture and Neighbourhood Services noted that the Council was changing its usage requirements for the future, due to the changing needs of Adult Learning and Early Years services. This represented a reduction in space required of approximately 50%, but the rent proposed by the HCA had increased by 40% to approximately £140,000.

Priya Thamotheram confirmed that the HCA would have been willing to negotiate rent levels with the Council if more time had been made available. However, the City Mayor noted that the issue of rental of space by the Council at HCA was a separate one to that called-in.

Councillors requested information on what measures the HCA had taken to ensure that children were safeguarded. Priya Thamotheram advised that, as a responsible employer, the HCA had undertaken its own registrations with the former Criminal Records Bureau and with the Disclosure and Barring Service that replaced it. This was done for every member of staff and every volunteer engaged to deliver a service at the centre.

AGREED:

- 1) That the Director of Culture and Neighbourhood Services be asked to provide information about the services offered to all 13 children affected by the ending of the service at the Highfields Centre and to track those children to find out what play provision they will be attending in September 2015;
- 2) That concern is expressed about the future employment options of four early years staff affected by the above decision and the need for them to be offered appropriate other employment within the city;
- 3) That the Director of Culture and Neighbourhood Services be asked to:-
 - a) Provide members of the Commission with information about the successor provision for the adult education services relocated from the Highfields Centre, including numbers of students, courses and education locations; and
 - b) Invite Members to scrutinise the new arrangements identified under a) above, notifying Commission members and signatories of the 'call in' of where the enrolment will be undertaken and enabling them to attend the enrolment days.