

<b>For:</b> (x) <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <td style="width: 80%; padding: 2px;">Executive</td> <td style="width: 20%; text-align: center; padding: 2px;"><input checked="" type="checkbox"/></td> </tr> <tr> <td style="padding: 2px;">CLMT</td> <td style="text-align: center; padding: 2px;"><input type="checkbox"/></td> </tr> </table> <b>Meeting Date:</b> 25 <sup>th</sup> March 2013 <b>Report of:</b> Head of Community Living <b>Report author:</b> Michael McMahon	Executive	<input checked="" type="checkbox"/>	CLMT	<input type="checkbox"/>	<b>Agenda Item Number: 24</b>
Executive	<input checked="" type="checkbox"/>				
CLMT	<input type="checkbox"/>				

<b>Subject: Transformation of Community Development Service (CDS)</b> (For Executive Only) <b>Lead Executive Member(s):</b> Cllr. Roden <b>Wards Affected:</b> All	<b>Consultations:</b> Councillors <input checked="" type="checkbox"/> Scrutiny <input type="checkbox"/> Stakeholders <input checked="" type="checkbox"/> Others <input checked="" type="checkbox"/>	(x) X <input type="checkbox"/> X X
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<b>Recommendations</b>
<p>1. <b>That Executive:</b></p> <ul style="list-style-type: none"> <li>i) Approves the transfer of the staff, operations and management of the 11 LBC run Community Centres and front-line community development services to the Luton Cultural Trust Limited, (LCST); and instructs officers to prepare an addendum to the current Funding and Management Agreement between the two organisations to reflect this change.</li> <li>ii) Agrees that the balance of the community development management roles and responsibilities be rationalised to reflect the move from an in-house provided service to an external partnership service, while maintaining leadership within the council on Neighbourhood Governance and Participatory Budgeting, Volunteering Scheme and other community-based capacity building projects, including delivery of community cohesion initiatives.</li> </ul>
<b>Background</b>
<ul style="list-style-type: none"> <li>2. The CDS currently operates out of 11 Community Centres, following the transfer of operations of Sundon Park Community Centre to Lealands School new BSF Facilities.</li> <li>3. The Community Centres vary in terms of size, scope of service, partnership delivery arrangements and programmes on offer, and act as hubs to provide essential access to services, support for community groups and networks, emergency centre back-up and a platform for promoting and enabling community development and cohesion. There is an average yearly footfall of more than 430,000.</li> <li>4. The CDS also provides leadership and co-ordination for all community development activities across the Council including:</li> <li>5. The Neighbourhood Governance Programme, the Council's corporate and partnership community involvement and empowerment programme, centered on greater community involvement in influencing decisions and agreeing local priorities, and providing support for the community leadership role of councillors.</li> <li>6. The development of community-led projects at neighbourhood / Luton Area level, and management /co-ordination of area work programmes to address agreed priorities.</li> </ul>

7.	The Council's Volunteering Scheme, providing skills development / job opportunities for local people and a range of other community based projects.
8.	Supporting for community based capacity building initiatives and projects, including on-the-ground delivery of community cohesion and resilience support
9.	In total 60 members of staff are potentially affected by the proposed changes.
<b>Current Situation</b>	
10.	As part of the budget prioritisation exercise, Executive Meeting on 3 <sup>rd</sup> Dec. (Minute EX/172/12) officers were instructed to consult on developing options for service alternatives that would see the service maintained in its present form but on a new financially sustainable footing, which would have a reduced direct cost to the Council. (A detailed summary of the responses is set out at Appendix A.)
11.	The stakeholder consultation ran from the 3 <sup>rd</sup> December 2012 until the 22 <sup>nd</sup> February 2013.
12.	The consultation strategy was to use a combination of encouraging people to complete questionnaires, both electronically via the Council website and in paper form available from community centres. In addition there have been staff meetings and briefings at all the User /Management Committee meetings and any major events – Christmas Fayres etc. held within Community Centres during the period.. Community Development Service officers have been in attendance at all scheduled events during the consultation. A number of interested VCS groups were consulted individually.
13.	In summary the option of a transfer to a third-sector organisation has been favourably received during the consultation.
14.	The only offer to operate all the centres has been received from LCST.
15.	An expression of interest has been made by the Chair of the Dallow Development Trust in conjunction with the CEO of CYCD, asking members to consider the option of entering into a separate arrangement with them in respect of the transfer of the Bury Park Community Centre.
<b>Proposal</b>	
16.	<p>The Executive approves :</p> <ul style="list-style-type: none"> <li>• The transfer of front-line and operational management staff, under TUPE arrangements and the terms of a partnership management agreement focussed on centre service provision and community development outcomes.</li> <li>• The development of associated partnership arrangements with LCST, which will return to Executive prior to final "sign-off" arrangements.</li> <li>• The balance of the community development management roles and responsibilities would be rationalised to reflect the move from an in-house provided service to an external commissioned service, as well as maintaining the leadership on Neighbourhood Governance and Participatory Budgeting, Volunteering Scheme and supporting for community based capacity building initiatives and projects, including on-the-ground delivery of community cohesion and resilience support.</li> </ul>
<b>Key Risks</b>	
17.	Any transfer brings the possibility of a decline in the quality of the service provided; this would be

addressed by the inclusion of a detailed service specification in any partnership agreement, along with regular outcome evaluation and performance monitoring.

18. Mitigation: LCST have a solid record of delivering a quality service in respect of a range of service within the existing Funding and Management Agreement and have committed to develop an offer which will be complementary to and supportive of corporate objectives. The Council in its community leadership role, wishes, in association with LCST, to move towards an outcome-based specification that reflects the aspirations and priority outcomes of the Luton Forum's Sustainable Communities Strategy in respect of the services for which LCST are responsible.
19. LCST's ability to secure third party donations; Mitigation LCST have been able to secure donations from third-parties such as London Luton Airport Limited to enable them to carry out their charitable purposes without recourse to funding from the Council.
  - a. Charitable donations cannot necessarily be relied upon as a source of income from year to year, and therefore the funding and management agreements have remained in place, should the Council find itself in the position where it needs to make a contribution to the operational costs of the Trusts.
  - b. The management of Community Centres via the third sector is a well-established model which many local authorities have already successfully adopted, and the learning from this can be applied to ensure that any future transfer would be as smooth as possible for service users .

#### **Finance**

20. The current cost of the elements the community development service that could potentially be transferred is of the order of £1.5m.

#### **Consultations**

21. A detailed consultation has run as part of the "Your Say" consultation from 13<sup>th</sup> Dec 2012 until 22<sup>nd</sup> February 2013, the results of which can be found in the Appendices.
22. If approval is given to the transfer of the community centres, all the affected employees ( i.e. both retained and transferred employees) would be subject to formal TUPE consultation in accordance with the Corporate Organisational Change procedures. An IIA was undertaken which identified that there was a neutral impact for the affected employees as terms and conditions of employment are protected under TUPE.

#### **Appendices attached:**

Appendix A - Result of Consultation and IIA

For Executive reports

- grey boxes must be completed
- all statements must be cleared by an appropriate officer

For CLMT Reports

Clearance is not required

		<b>Clearance – agreed by:</b>
<b>Legal</b>	The legal implications are covered in the main body of the report.	Head of HR & Monitoring Officer, 12.03.2013
<b>Finance</b>	The estimated cost of the service which could be transferred is included in the report. Arrangements in respect of funding for support services received from the council are expected to be made on the same terms as for earlier transfers of services to LCST.	Ceri Davies Interim Finance Manager Housing & Community Living 8 March 2013
<b>Integrated Impact Assessment (IIA) – Key Points</b>		
<b>Equalities/ Cohesion/Inclusion (Social Justice)</b>	Full integrated impact assessments have been undertaken in regard to the proposals, both in relation to the service itself and the effect on staff. The outcome for service users and staff is positive; the service remains being delivered by the same staff with local knowledge supporting social inclusion and cohesions outcomes across all communities in Luton; for staff they are TUPE'd over to an organisation which has the same H.R. policies and procedures as LBC, along with the agreed protections of TUPE transfer. No group is seen to be disproportionately affected by these changes.	Agreed Sandra Legate Equality and Diversity Policy Manger 7 <sup>th</sup> March 2013.
<b>Environment</b>	There are no direct environmental implications to what is proposed in this report	Strategy and Sustainability Officer, 7 <sup>th</sup> March 2013
<b>Health</b>	There are no direct or indirect health or wellbeing impacts associated with this Exec report.	Chimeme Egbutah Advanced Health Improvement Specialist 8 <sup>th</sup> March 2013
<b>Fixed Assets</b>	<p>“Transfer” refers to the service delivery only, the buildings and land will remain in the ownership of Luton Borough Council.</p> <p>Leases need to be in place that protect the Council’s interest and are acceptable to the Trust. They must include repairs and maintenance responsibilities, existing condition records, rental costs etc. It seems logical to use the same basic lease as was used for transferring the libraries and museums. In that context, the issue of VAT liability needs specialist advice. Officers of the Council and Trust have started this work.</p> <p>Following transfer, should any centres prove unsustainable in the long term, the usual disposal options exercise will be undertaken in accordance with Council policy, to demonstrate a robust and transparent process. Clearly there will be a strong interest in retaining community use which will be an important option.</p>	Roger Kirk ~ Head of Fixed Assets ~ 07.03.13

<b>Staffing</b>	HR comments are embedded in the report, as we are working on this project together	Charles, Veronia Senior Personal Officer 08 March 2013
<b>Other</b>		

#### **FOR EXECUTIVE ONLY - Options:**

**1) Not to proceed with the transfer.**

**2) To proceed with the transfer to LCST**

**3) To explore the option of a partial transfer as suggested by CYCD and DDT** to take over the management of just the Bury Park Centre. This option would require consideration under the terms of the community right to challenge and would require the Council to enter into a competitive procurement process, seeking expressions of interest etc., which would clearly elongate the process and delay the potential of charitable donations being secured. The procurement process could take approximately 5 months to complete.

**4) To seek expressions of interest for all the existing community centres.** This option would require the same process as described in relation to the Bury Park Centre option, but will be a more complex process, will take longer and there is no certainty of the likely level of interest from external organisations to take over the management of the all or any of the other centres. In addition in the medium term financial plan there is a budget saving proposal to reduce the numbers of community centres to achieved savings against the community development budget in 2015/16. Whilst there are no specific closure proposals in respect of any of the existing centres, the fact that there are indicative proposals around potential closures is also likely to have a negative impact in terms of interest.