



# **IN SEARCH OF 'GOOD FAITH'**

## **REPORT OF A REVIEW OF LEICESTER CITY COUNCIL'S RELATIONSHIP WITH THE HIGHFIELDS COMMUNITY ASSOCIATION**

**PROFESSOR GUS JOHN**

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## **1.0 The Review and its remit**

### **1.1 The review was commissioned by Highfields Community Association, the governing body of Highfields Centre, in August 2016, with the following remit:**

Review Leicester City Council's relationship with Highfields Centre in the last 20 years, with a particular focus on the period since achieving community governance status in 2010.

This review is being commissioned by Highfields Centre against the background of its relationship with Leicester City Council before and especially since 2010 and the Centre's political and managerial independence from the City Council. The Centre continues to provide a wide range of services and accredited educational courses for local residents and to be a space 'owned' by the Highfields community for its own development and edification, despite no longer being contracted by the City Council to provide services.

It is envisaged that the review will take some 10 days and will include a series of interviews with Centre staff and users, City Council members and officers and heads of a number of other organisations serving the Highfields community.

### **1.2 The website of the Highfields Centre ([HC website](#)) notes that:**

Highfields Centre first opened in 1974 as a community centre and is located in the heart of a vibrant and diverse community in Leicester. Highfields Community Association (HCA) is a company limited by guarantee, a registered charity, an approved Social Enterprise Mark holder and a full Locality member. Since December 2010, HCA has been fully responsible for the management and operation of Highfields Centre.

Its mission statement is: "To help provide, develop and manage a family oriented community, sports and arts learning centre and to serve Leicester's population, with a particular emphasis as a community anchor organisation for the Highfields area wide communities."

Its governing body has confirmed that its role is to act as a community anchor organisation, providing community leadership and acting as a driving force in community renewal and its ethos is reflected in its following motto:

Enhancing lives, Empowering communities, Enterprise for one and all.

### **1.3 The review was conducted by Professor Gus John, a professor of education, former director of education and an independent consultant with expertise in community education and life-long learning, equality and human rights and leadership and management. He is a visiting professor at Coventry University and patron of the Communities Empowerment Network (CEN) – [Gus John](#)**

## **2.0 Method**

### **2.1 The review was conducted principally through:**

- a) desk research involving the examination of: the Centre's records, reports, minutes of meetings and other relevant documentation; newspaper reports (mostly but not

exclusively from the Leicester Mercury) and policy and consultation documents and reports from Leicester City Council's website ([Leicester City Council](#))

- b) face to face interviews with users and staff at the Highfields Centre, members of the governing body and local councillors, in addition to telephone interviews with 3 of the latter, 2 of whom refused to meet face to face.

Invitations were sent to the City Mayor and to senior officers in Leicester City Council, but as will be seen presently, none of them consented to be interviewed.

2.2 The following letter was sent to staff at the Highfields Centre:

30 August 2016

Dear .....

Re: Highfields Centre and Services to its Community

I have been asked by the Governing Body of the Highfields Centre to conduct an independent review of the Centre's delivery of services and of its relationship with Leicester City Council, especially since gaining 'community governance' status in December 2010. Some services formerly provided at the Centre by the City Council have been withdrawn and there appears to be an ongoing debate about the extent to which 'community governance' should mean total financial independence from the City Council. I aim to produce a report for the Governing Body for consideration at their Annual General Meeting on 14 October 2016.

To assist me in understanding the issues involved and the Centre's interface with the City Council, I should be grateful if you would agree to be interviewed by me for no more than one hour on..... at ..... at the Highfields Centre.

I apologise for the short notice and trust that this date is convenient. Should it not be, I hope we could match diaries and find an alternative.

I attach a brief profile for your guidance and I thank you in anticipation of your cooperation with this review.

Kind regards,

Prof Gus John

- 2.3 All staff responded positively to that letter and interviews lasting 60 to 90 minutes were held with 12 of them. Interviews were also held with 4 members of the governing body, including the Chair. Additionally, a series of follow up questions were put to some interviewees who provided written answers to them.

2.4 The following letter was sent to 7 local councillors:

30 August 2016

Dear Councillor .....

Re: Highfields Centre and Services to its Community

I have been asked by the Governing Body of the Highfields Centre to conduct an independent review of the Centre's delivery of services and of its relationship with Leicester City Council, especially since gaining 'community governance' status in December 2010. Some services formerly provided at the Centre by the City Council have been withdrawn and

there appears to be an ongoing debate about the extent to which 'community governance' should mean total financial independence from the City Council. I aim to produce a report for the Governing Body for consideration at their Annual General Meeting on 14 October 2016.

To assist me in understanding the City Council's position in relation to these matters, I should be grateful if you would agree to be interviewed by me for no more than one hour on Friday 2nd September at ..... at the Highfields Centre.

I apologise for the short notice and should this date be inconvenient, I should be grateful if you would suggest an alternative in the coming week, barring Monday, preferably at a similar time.

I attach a brief profile for your guidance and I thank you in anticipation of your cooperation with this review.

Kind regards,

Prof Gus John

2.5 4 councillors agreed to be interviewed face to face, two others responded to follow up telephone calls saying that they could see no useful purpose in meeting but would be prepared to speak on the phone. One did not reply, despite a number of follow up messages. A planned face to face meeting with one of the councillors was conducted over the phone for logistical reasons.

2.6 Letters were sent to the City Mayor and 3 senior officers in Leicester City Council. I wrote to the City Mayor as follows:

30 August 2016

Dear Sir Peter

Re: Highfields Centre and Services to its Community

I have been asked by the Governing Body of the Highfields Centre to conduct an independent review of the Centre's delivery of services and of its relationship with Leicester City Council, especially since gaining 'community governance' status in December 2010. I am aware that some services formerly provided at the Centre by the City Council have been withdrawn and there appears to be an ongoing debate about the extent to which 'community governance' should mean total financial independence from the City Council. I aim to produce a report for the Governing Body for consideration at their Annual General Meeting on 14 October 2016.

To assist me in understanding the issues involved in service delivery to residents in the area of benefit both by the City Council and the Highfields Centre and the relationship between the two, I should be grateful if you would agree to be interviewed by me for no more than one hour some time in the coming week. The times I shall be available in Leicester are:

Wednesday 7 September	10.00 - 1.00	2.00 - 6.00
Thursday 8 September	10.00 - 1.00	2.00 - 6.00
Friday 9 September	10.00 - 1.00	2.00 - 6.00

I apologise for the short notice and should these dates be inconvenient, I should be grateful if you could suggest an alternative time on either 12th or 13th September.

I attach a brief profile for your guidance and I thank you in anticipation of your cooperation with this review.

Kind regards,  
Prof Gus John

2.7 Sir Peter Soulsby replied on 15 September, as follows:

Dear Professor John,

Thank you for your email and your invitation to meet with you.

However, I regret that the situation from the Council's perspective with regards to HCA is unchanged. I outlined my position when I wrote to them on 29 June 2016 and to their local MP in January of this year. I have enclosed both sets of correspondence.

Until there is a clear indication from them that their attitude to a valued public asset has changed then I can see no purpose in any further discussions.

Yours sincerely,

Peter Soulsby

City Mayor

Attached to that letter was an email thread starting in reverse order with the email of 29 June 2015 (which Mayor Soulsby refers to in the letter above as dated 29 June 2016) which was addressed to Furzana Khalifa, then Chair of the Highfields Community Association and ending with an email from the Mayor to Ms Khalifa dated 27 March 2015. That lengthy exchange of emails was mostly between the Mayor and Ms Khalifa, save for one which Priya Thamotheram sent to the Mayor on 1 May 2015 at the request of the HCA trustees. The Mayor replied to that email on 15 May 2015, addressing himself to Furzana Khalifa:

'Once again, I write to you as Chair of Trustees, in response to Priya's email of 1 May....'

Also attached to Mayor Soulsby's reply to me was a letter he sent to Jon Ashworth MP on 14 January 2016 in reply to a letter from Ashworth to him dated 11 January 2016. Appended to the letter to Ashworth was an 'Executive Decision Report' on Highfields Community Association which set out the matters concerning the HCA's management of the Highfields Centre on which the Mayor was to make a decision on 24 July 2015.

2.8 I replied to Mayor Soulsby on 19 September as follows:

Dear Mayor Soulsby

Thank you for your reply of 15 September to my request on 30 August to meet with you as part of the review I am conducting for the Highfields Centre. I found the attached documents you sent me extremely useful, especially the 10 page executive decision report attached to your letter to Jonathan Ashworth MP of 16 January 2016.

That report saddened me for a number of reasons, foremost among which were: my knowledge of your public acknowledgement of the very valuable service the Highfields Community Association has provided to its community of benefit over the last three decades and its responsiveness to the ever changing needs of that community; the demography of Leicester City and the pivotal role of an asset such as the Highfields Centre, given the demographic profile of the City's inner ring and the challenges faced by the most vulnerable

groups in the city on account of austerity and the swingeing cuts the City Council is required to make.

I studied various reports before and since embarking upon this review, including many in the Leicester Mercury during 2015/2016 and it is clear that the relationship between the Highfields Centre and the City Council fractured once the community association had gained community governance status and appears to have broken down, particularly over the issue of funding and the transfer of staff.

You said in your note to me:

*Until there is a clear indication from them that their attitude to a valued public asset has changed then I can see no purpose in any further discussions.*

Without in any way seeking to patronise them, I do not imagine for one moment that the people of Highfields would care over much for the complexities of the relationship between the City Council and the Highfields Centre, especially as set out in your executive decision report. On the contrary, my conversations with service users past and present during the course of this review suggest that many are bewildered at what they read in the Leicester Mercury and at the extent of the changes there have been at the Highfields Centre since the various services funded by the City Council were withdrawn. Indeed, many have expectations that the Highfields Centre will be at the hub of the City Council's Transforming Neighbourhood Services agenda. While the matters to be resolved between the Centre and the City Council are indeed complex, therefore, and there has clearly been a degree of heat in the discussions that have taken place around those matters, I would like to think that the people of Highfields would welcome maximum use being made of the Centre, given the degree of need and the number of vulnerable groups there are in the community served by the Centre.

As a trained mediator and a former chief officer in local government, I believe that most conflicts are capable of resolution, whether between individuals, organisations or nation states. The task I have been set is to review rather than mediate, but I have found conversations with elected councillors, heads of other organisations serving the Highfields community and Centre staff and users themselves enormously valuable. This is why I rather hoped to meet with yourself and with members of your staff. For what it's worth, I feel I can share with the City Council some of those perspectives and assist both the council and Highfields Centre to work towards a situation that would benefit both, as you seek to better serve the people of Highfields, as I cannot believe that either the City Council or the Highfields Centre sees the current impasse as sustainable, or as being in the best interests of the people of Highfields, the Community Association having served that community successfully and innovatively over the last 35 years.

I wonder, therefore, whether I might respectfully request that you reconsider the position you conveyed to me in your response.

With good wishes,

Gus John

2.9 Sir Peter Soulsby did not reply.

2.10 The following letter was sent to three senior officers in the City Council on 31 August 2016:

Andy Keeling - Chief Operating Officer, Head of Paid Service and Strategic  
Director for Corporate Resources and Support

Eddie Beilby - Principal Property Manager

Non Operational Property/Managed Workspaces

Jackie Difolco - Head of Service: Early Help (Targeted Services 0 – 19)

Re: Highfields Centre and Services to its Community

I have been asked by the Governing Body of the Highfields Centre to conduct an independent review of the Centre's delivery of services and of its relationship with Leicester City Council, especially since gaining 'community governance' status in December 2010. I am aware that some services formerly provided at the Centre by the City Council have been withdrawn and there appears to be an ongoing debate about the extent to which 'community governance' should mean total financial independence from the City Council. I aim to produce a report for the Governing Body for consideration at their Annual General Meeting on 14 October 2016.

To assist me in understanding the issues involved in service delivery to residents in the area of benefit both by the City Council and the Highfields Centre and the relationship between the two, I should be grateful if you would agree to be interviewed by me for no more than one hour on one of the three days indicated as follows:

Wednesday 7 September	10.00 - 1.00	2.00 - 6.00
Thursday 8 September	10.00 - 1.00	2.00 - 6.00
Friday 9 September	10.00 - 1.00	2.00 - 6.00

I apologise for the short notice and should these dates be inconvenient, I should be grateful if you could suggest an alternative time on either 12th or 13th September.

I attach a brief profile for your guidance and I thank you in anticipation of your cooperation with this review.

Kind regards,

Prof Gus John

2.11 Eddie Beilby responded later that same day saying:

Hi Gus

Sounds interesting.

Wed at 14-00 would be ok. Are you ok to come to our offices at Phoenix House, LE1 6RN (plan attached).

Best wishes

Eddie Beilby

2.12 I replied by return:

Dear Eddie

Many thanks for your prompt response. I look forward to meeting you at Phoenix House on Wednesday next.

Kind regards,

Gus

2.13 However, on Monday 5 September, Eddie Beilby wrote to cancel the appointment:

Hi Gus

Sorry, but I am now unavailable to meet on Wednesday.

I would therefore suggest that you contact Adrian Wills, Head of Community Services to discuss City Council input into this report. Adrian can be contacted at email address xxxxx .

Best wishes

Eddie

2.14 On 7 September, I sent the following email to Adrian Wills:

Dear Adrian

I am contacting you at the suggestion of your colleague, Eddie Beilby (as below) to see whether you would meet with me to discuss the City Council's engagement with the Highfields Centre as part of a review I am conducting.

You will see that I wrote to Eddie on 31 August outlining the scope of the review with which I hoped he would be able to assist. It would assist me greatly if you and I could meet this coming Monday in the afternoon or early evening. I am in Leicester today but have other engagements elsewhere tomorrow and Friday.

I look forward to hearing from you.

Kind regards,

Gus

2.15 I sent a further email on 8 September, as follows:

Further to the email I sent yesterday, I have since been advised that a number of people who had arranged to see me provisionally on Monday will not now do so because of Eid celebrations. I wonder, therefore, if you might have some space to see me on Thursday 22nd September (except between 3.00 and 5.00). This will allow me to interview a number of service users and heads of organisations in addition to meeting with you.

I look forward to your confirmation that you have the space and are willing to share your perspective and that of the City Council.

With all good wishes,

Gus

2.16 Adrian Wills did not respond to either of those messages, nor did he contact me at any stage.

2.17 No response was forthcoming from Jackie Difulco, either.

On 4 October, however, I learnt from the Senior Joint Head of the Highfields Centre, Priya Thamotheram, who had been at a meeting with Jackie Difulco that day, that she could not recall receiving my original request for an interview. I therefore sent a follow up letter that same day:

Dear Ms Difolco

I gather from Priya Thamotheram that you did not receive the email below which I sent you at the start of the review I am conducting for the Highfields Centre. I am sorry about that.

In the course of the review thus far, a number of people have spoken very favourably about your work and your collaboration with staff at the Centre. It is clear that users of services provided at the Centre, both in the past and currently, regard a positive relationship between the Centre and City Council staff to be crucial for the effective delivery of services. For those reasons, I would very much appreciate a conversation with you at your earliest convenience, as I am aiming to start drafting the report of the review within days.

Mindful how busy you are, your cooperation with this would be greatly appreciated.

My telephone number is: xxxxxxxx.

Kind regards,

Gus

2.18 On 5 October, Ms Difolco replied as follows:

Morning Gus

Many thanks for your email, it's good to hear that my work with the centre has been received well. Priya did mention this on Tues and now seeing your email, I do remember receiving in August now alongside a number of other council officers. However I am aware that **a collective response** was sent to you on the 15<sup>th</sup> Sept from the City Mayor therefore I am unable to comment further. (emphasis added)

Kindest Regards  
Jackie

Jackie Difolco  
Head of Service: Early Help (Targeted Services 0 – 19)

2.19 Later that day, I sent her this note:

Dear Jackie

Many thanks for your prompt response.

I fully understand your position, although I was rather hoping that we could speak. My reason for that is as follows.

It has become very clear to me during this review that several officers within the City Council have engaged with the Highfields Centre in a constructive manner and are fully aware of the value neighbourhood residents place on the services provided by the Centre, including those that were funded/facilitated by the City Council. In conducting this review, one of the things that has struck me is the belief centre users have that many of the high profile disputes between the City Council and the Centre were capable of resolution, but that the megaphone airing of them in the Leicester Mercury and on local radio made that virtually impossible. Their expectation was that Council officers, Centre staff and where appropriate members of the Centre's management committee would meet, explore sticking points thoroughly and then produce a set of options/recommendations for the consideration of the City Council and

City Mayor. Indeed, a number of councillors themselves felt that that was how those matters would have been dealt with under the former Cabinet structure.

My review is not an exercise in identifying and analysing past issues, but an assessment of how the impasse in the relationship between the Centre and the City Council developed and consideration of how the Centre might continue providing much needed services to the people of Highfields in the future. In that sense and given your role within the Council and how that impacts upon service delivery in the Highfields area, I was rather hoping we might have a discussion so I could be fully apprised of how the City Council sees the provision of 'Targeted Services for 0-19 year olds' in Highfields and any future role that might be envisaged for the Highfields Centre in that.

Be that as it may, let me thank you again for getting back to me so quickly.

With best wishes,

Gus

2.20 No further communication was had with Ms Difolco, or with anyone else from Leicester City Council.

2.21 On 30 August 2016, I sent the following letter to Jonathan Ashworth MP, in whose constituency the Highfields Centre sits:

Dear Mr Ashworth

Re: Highfields Centre and Services to its Community

I have been asked by the Governing Body of the Highfields Centre to conduct an independent review of the Centre's delivery of services and of its relationship with Leicester City Council, especially since gaining 'community governance' status in December 2010. Some services formerly provided at the Centre by the City Council have been withdrawn and there appears to be an ongoing debate about the extent to which 'community governance' should mean total financial independence from the City Council. I aim to produce a report for the Governing Body for consideration at their Annual General Meeting on 14 October 2016.

To assist me in understanding the issues involved in service delivery both by the City Council and the Highfields Centre and the relationship between the two, I should be grateful if you would agree to be interviewed by me for no more than one hour on Friday 2nd September at 3.30pm at the Highfields Centre.

I apologise for the short notice and should this date be inconvenient, I should be grateful if you would suggest an alternative in the coming week, barring Monday, preferably at a similar time.

I attach a brief profile for your guidance and I thank you in anticipation of your cooperation with this review.

Kind regards,

Prof Gus John

2.22 A similarly worded letter was sent to Gavin George, Constituency Director for Jon Ashworth MP, Leicester South, on 30 August 2016 which included the following paragraph:

To assist me in understanding the issues involved in **service delivery to residents in the Constituency** both by the City Council and the Highfields Centre and the relationship

between the two, I should be grateful if you would agree to be interviewed by me for no more than one hour on Friday 2nd September at 5.00pm at the Highfields Centre. (emphasis added)

- 2.23 This letter was followed up by a number of telephone calls and voice mail messages to which there was no response. I later managed to have a brief conversation with Mr George. On 4 October, I wrote again to Gavin George:

Dear Mr George

You and I had a brief telephone conversation after I sent the email below, at which point you said you would speak with Jon Ashworth MP about my desire to meet or at least talk with him about the review, and then get back to me. Since then, I have heard nothing further. I intend to start drafting my report in the coming days and I am eager to hear Mr Ashworth's views on the matter. A telephone conversation will therefore be much appreciated. My number is: xxxxxxxx

With sincere thanks,

Gus  
Prof Augustine John

- 2.24 On Monday 10 October 2016, I received the following email message from Gavin George:

Dear Gus

An interview with Jon will not be possible **especially as** he was appointed Shadow Health Secretary on Friday (emphasis added).

Sorry about this

With best wishes,  
Gavin

- 2.25 Mr George offered no explanation as to why it was not possible to meet or at least have a telephone conversation with the MP elected by the people of Highfields between 30 August when I first wrote to him and 7 October when Jeremy Corbyn announced his Shadow Cabinet reshuffle. It is fully accepted that MPs are busy people, but some do manage to attend to matters affecting their constituents, even when they become Prime Minister. Given the high profile issue between Leicester City Council and the Highfields Centre that impacted directly on services to people in his constituency and having had a less than helpful response from the City Mayor to his intervention, I fully expected that the local MP would have cooperated with this review.
- 2.26 Furthermore, given his pivotal role as Constituency Director to Jon Ashworth and the fact that I wrote to him in that capacity asking for an interview in his own right, I fail to see how Mr George could not find time even for a telephone interview between 30 August and 4 October 2016. The fact that Jon Ashworth was made Shadow Health Secretary on 7 October 2016 surely did not mean that all constituency matters pre-dating his appointment had been put on hold for all time, or that Mr George was henceforth far too busy at his side in Parliament to have time for constituency affairs.

### **3.0 Background**

3.1 Leicester City Council was established following the Local Government Act 1972 and became a non-metropolitan district council within Leicestershire County Council (LCoC). The county council ran education and youth services in Leicester until April 1997 when the City of Leicester became a unitary authority in its own right.

3.2 The Highfields Community Association (HCA) was formed in 1972 and the Centre opened in 1974, operating the constitution of the National Federation of Community Associations with the approval of the City Further Education Committee. The Highfields Centre started life as the Highfields Youth and Community Centre. A Highfields Community Association management committee report dated 13 November 1989 notes that:

The activities at the Centre in the early days were social, recreational and education and it was exclusively used by outside youth and community groups.

3.3 Priya Thamootheram took up post as Head of Centre in October 1982 and found a centre in need of a coherent community education curriculum and a professional management structure, especially given the large number of part time workers the Centre employed, the index of need in the Highfields area and the absence of 'a policy context within which the management and curriculum plan for the work of the Centre could be formulated'. (Management Committee report – August 1989)

3.4 In the years immediately following Priya Thamootheram's appointment, the Centre was reviewed repeatedly by LCoC. In early 1989, a review was conducted and a report submitted to the then director of education in May of that year. The HCA management committee noted in its response to that report:

The message that comes through very clearly from the report is that having found a policy vacuum and no contextual framework within which community education work in Highfields generally and at Highfields Youth & Community Centre was being done, the Head of Centre wrote two 'working papers' in which he sought to define a role for the Centre.

A further shortcoming of the LEA has been a failure to provide a commonly agreed policy for Community Education generally, let alone guidelines for Community Education in a multi-racial setting like Highfields.

3.5 This was especially surprising and even frustrating because LCoC had gained an international reputation as a pioneer of community education and life-long learning. Further, given the demographic profile of Highfields, the Management Committee thought it significant that the 1989 review report

'said nothing about racial justice and social justice and nothing is said about the role of community education and community development in political empowerment vis a vis combating racial and class oppression in Highfields and the (Leicestershire) County generally'.

3.6 In 1989, Highfields had a multi-ethnic population of approximately 27,000, comprising Asian, East African, African-Caribbean, whites and other ethnic minorities. The unemployment rate in the area was 34%, the highest in the County. Since the 1990s, demographic changes in the area have continued apace, with a growing Somali community, rapidly increasing number of Eastern Europeans and of Indians arriving via Portugal.

- 3.7 An important aspect of the background to the current broken relationship between Highfields Centre and Leicester City Council is the fact that although the Council has been funding various community organisations in the Highfields area, many of which are providing services not delivered by the Council, or/and supplementing those it does provide, the City Council appears to have no clear vision for the human and spatial development of the area. This has been the case for decades, in relation to the poorest area in the County, an area with the most vulnerable groups in the population and an area where poverty, deprivation and lack of opportunity remain defining characteristics.
- 3.8 What's more, Highfields is on the inner ring of the city, with a population that has long been regarded as traditionally Labour, a city in which Labour has run the Council for 34 of the last 37 years.
- 3.9 HCA's experience of both LCoC and LCC over the years has been of a preoccupation with structural arrangements and management issues, rather than with the need that gives rise to the various types of provision being managed, how that need is generated and is ever increasing and how one empowers the population to act confidently and collectively in pursuit of change, conscious of what unites rather than divides them, whether it be on the axis of age, gender, faith, country of origin, culture or any other defining characteristic.
- 3.10 For all the above reasons, the HCA has continued to:
- embrace community education and life-long learning principles
  - respond adaptably to community needs
  - engage and involve individuals and groups in the community in decision-making about how services should be planned and delivered and how best to support the activities they determine to be of best value to them
  - encourage parents and carers to be active partners in their children's learning and development, while attending to their own learning and self development needs
  - encourage learning at all ages and stages through sport, art, different forms of media, language development and self expression
  - provide opportunities for groups in the population to identify and articulate their diverse needs
  - seek funding, manage its resources and engage in partnerships and collaborations that could benefit the most vulnerable and excluded in the population, including through training, advocacy and representation, skills development, entrepreneurship and coaching and mentoring
  - strive for excellence and encourage staff and service users to do the same
  - empower the individual to develop his/her capacity to act in a self-directing way and to take collective action with others in pursuit of change, as it considers that to be at the very heart of the process of managing a democratic culture
  - evaluate its performance, assess the impact of its services and interventions and stay on a development pathway.
- 3.11 Throughout its life, HCA has had to deal with the mismatch between its organic relationship with the communities it serves, its responsiveness to their needs and challenges and the service planning and delivery that arise there from on the one hand, and the perceptions and priorities of elected leaders and council officers on the other. Too often, the HCA has found that the way it seeks to develop and deliver services, placing communities and their

needs at the core of its planning and use of resources, is seriously at variance with what the City and (formerly the County) determines it wishes to make its priority, especially when such priority setting is not based upon meaningful consultation with communities themselves.

### **3.12 HCA, Race, Ethnicity and Community Engagement**

3.13 The ethnic profile of the communities HCA serves is reflected in that of the users of the Highfields Centre. A breakdown of the 2014 user population, for example, is as follows:

- Asian: 73% African/Caribbean: 16% White: 4% Other: 7%

3.14 Combating racial and class oppression in Highfields and promoting racial justice and social justice have been at the core of HCA's engagement with local communities since its inception. The development and patterns of settlement of those communities over the last five decades have been in the context of policies and attitudes to race and immigration, multiculturalism, equal opportunity in Britain generally and in Leicester and Leicestershire in particular.

3.15 Over the last 50 years, generations in Highfields have grown up in the shadow of an expanding body of legislation against discrimination and to promote equality of opportunity, including the 1965, 1968, 1976 and 2000 Race Relations Acts, the Human Rights Act 1998 (incorporated into British domestic law in 2000) and the Equalities Act 2010.

3.16 But as late as August 2016, David Isaac, the new Chair of the Equality and Human Rights Commission (EHRC) was warning that:

Britain can expect widening social divisions and increased racial tensions unless the government takes urgent action to tackle deep-rooted inequalities.

...for many ethnic minority groups – especially young black people – life had got worse in a number of areas over the past five years.

We must redouble our efforts to tackle race inequality urgently or risk the divisions in our society growing and racial tensions increasing.

If you are black or an ethnic minority in modern Britain, it can often still feel like you are living in a different world, never mind being part of a one nation society.

3.17 Reporting the EHRC Chair's comments, the *Guardian* noted:

A wide-ranging review by the commission of racial equality in a number of areas, including education, jobs, pay and health, revealed a worrying combination of post-Brexit hate crime and entrenched long-term systemic unfairness:

- Black people are much more likely to be victims of crime and be treated more harshly in the criminal justice system, and are three times more likely to be prosecuted than whites.
- Life chances for young minority ethnic people have got worse over the past five years and are "the most challenging for generations". They were more likely to live in poverty than white people, and more likely to live in poor housing.
- White working-class boys had the worst GCSE results overall – while conversely Chinese and Indian educational achievement was improving. Just 6% of black school

leavers attended a Russell Group university compared with 12% of mixed and Asian students and 11% of white school leavers.

- Unemployment rates among ethnic minorities (12.9%) were twice as high as those for white people. Black workers with degrees earned 23% less on average than white workers with equivalent qualifications. Ethnic minorities were “hugely underrepresented” in positions of power such as judges and police chiefs.

3.18 Responding to the report, Farah Elahi, policy and research analyst at the Runnymede Trust said:

...the extent of the unfairness revealed in the report showed that lives were being ruined and talent held back on grounds of race.

We hope this acts as a wake-up call to government, decision makers and the media to focus on the issues of systemic discrimination that keep Britain divided socially and economically.

[Guardian](#) – 18 August 2016

3.19 This background is important if one is to understand the events that have given rise to LCC’s ongoing isolation of the HCA in recent years, an organisation that has evidently served the Highfields Community and the City well and reduced social exclusion on a massive scale for the last 42 years.

3.20 HCA told this review that over the years it has not been possible to get a clear sense, whether from stated policies or from service priorities, of how the county and the city were factoring in race, ethnicity, discrimination and social exclusion as dynamic factors at work in the Highfields community when they were planning or managing the delivery of services in the area.

#### **4.0 Community Governance**

4.1 HCA began a process to develop the Highfields Youth & Community Centre and expand its provision to the community by submitting a funding bid to Sports England for the development of its Sports Hall in December 1996. In October 1997, it was awarded (in principle) £1.8m and eventually received total funding of £5m, including £2m lottery funding.

4.2 But this was not a straightforward process. Support and endorsement was required and actually received from LCoC and then following their local government reorganisation related transfer of assets to LCC, from the City Council itself. During 1998/1999, there was a level of obstruction from officers of the Council that risked putting the entire project in jeopardy and losing the agreed funding. Negotiations about a long term leasing arrangement in favour of HCA, for example, were fraught and there was clear evidence of mistrust on the part of some officers and members in the City Council of the HCA and its capacity to manage the new facility and put in place a programme that could justify its creation.

4.3 This development signalled in many ways the consolidation of HCA’s management capacity, growth in self-reliance and engagement of the community in the planning, delivery and management of community services. It also revealed the reluctance of some members and officers in the City Council to forge a genuine partnership with the HCA in providing services, seemingly preferring to plan and manage services and the staff delivering them directly from the council itself.

- 4.4 With increased space and improved facilities, HCA was able to expand its services to the community, employ and manage more staff and forge more effective partnerships with other community based providers, including schools and post-16 institutions, organised groups and advice services. Its representation on the Highfields Area Forum also meant that it exercised a strong voice in respect of the coordination of area-based provision, consultations initiated by the City Council, Single Regeneration Budget, the Challenge Fund, the Urban Regeneration Sub-Committee, Leicester Regeneration Authority, Electoral Commission, etc.
- 4.5 By the first decade of the Millennium, therefore, HCA was a major community resource and an entity with the reach and capacity to exert an increasing amount of influence in community affairs and to help shape community responses to micro and macro political challenges and threats. Furthermore, with its increased space, it was able to make a significant contribution to the cultural life of the area, both encouraging creative media and providing space for cultural expression. As such, the expanded centre became and was perceived by the community to be much more a community 'owned' and run facility, with its direction coming more from the community than from the City Council.
- 4.6 So organic was this development that at least two local councillors were at different times elected Chair and one as Treasurer of the HCA's management committee/governing body and their own and other councillors' surgeries were held at the Centre. They and indeed all local councillors, including the current City Mayor, saw the Centre as being at the heart of the community and central to its development, serving as it did all groups, of all ages, in that community.
- 4.7 Against that background, therefore, the HCA decided it was a logical step for it to seek 'Community Governance' status and operate as a full partner with the City Council in community development and service delivery in Highfields. The HCA reckoned that for a number of reasons, most of which were incontrovertible, the Centre was able to have, sustain and continuously improve a relationship with the Highfields community and work with it in meeting community needs in a manner it would be impossible for LCC to replicate.
- 4.8 As far as the Association was concerned, that did not imply nor was it meant to result in the HCA having a competitive, adversarial or non-collaborative relationship with the City Council, its elected members and officers. Rather, the assumption was that the Council would continue to discharge its responsibility to provide services for the people of Highfields, differentiated by age, gender, faith, sexual orientation, employment status, skill level, ethnicity, command of English, and other defining characteristics. Given the growth of the Centre since the early 1970s, both in physical size, range of services provided, understanding of and embeddedness within the local community and its status as a community hub, HCA envisaged being able to continue providing a range of council-funded services, as well as other services for which it had attracted and had every hope of continuing to attract targeted and unrestricted funds.
- 4.9 And so it was that the HCA set out to lobby LCC to embrace the government's 'Locality' programme and hand over the asset that is the Highfields Centre into its keep, employing the 'community governance' model.

4.10 On 1 December 2010, the process of transferring the Highfields Centre into the keep and under the 'Community Governance' of the HCA was completed. LCC and HCA entered into a Partnership Agreement that committed both sides to a number of things, including:

'The Parties confirm that they are committed to co-operating with one another in the spirit of the Partnering Agreement that was entered into between the parties on 30 November 2010 and agree to keep the other informed, to liaise effectively and **to work together in good faith**'. (Emphasis added)

A 3-year contract was drawn up that committed LCC to commissioning community services from HCA to the value of £293m and to the hire of rooms for delivering those services to the tune of £100k per annum.

4.11 That was then.

## 5.0 LCC & HCA after Community Governance

5.1 On 28 January 2011, the HCA celebrated its independence from LCC control at a gala evening at the Highfields Centre. One of the speakers at that event was the then MP for Leicester South, Peter Soulsby, a man who had seen close up the growth of HCA and the extent and quality of its service to the people of Highfields for more than 20 years.

5.2 Among the statements Mr Soulsby made in his speech were:

'It was the HCA that drew down the £5m funding to redevelop the old Highfields Youth and Community Centre into the new Highfields Centre.

**'I've seen the way in which it has been right at the heart of the local community throughout that very long period of time.** I've seen how it has been served by some excellent staff and also, some brilliant volunteers.

'The Big Society doesn't exist in a vacuum, it exists as community governance here I hope will prosper, it exists with support, with resources, with practical help, with a climate, a culture that gives the support that's needed from the local council and in our case, the city council and other public agencies and there's many that serve the Highfields area. **They must all work together to make community governance and the independence of this Centre, something that sees itself continue to prosper, see it continue to be at the heart of the community , sees it continue to serve the community in the future as it has done in the past.**

'I think it's right that something that's given such service to the community should not just be part of the community but governed by the community. They should shape it, they should have control over it and they should shape its future and I'm very pleased to be a part of the Independence celebrations.

'I think we've got a good record of how that should be done here in Leicester and after a long struggle, I think here **we've got here a beacon and a model about how it should be done in our city**'.

[HC website](#)

5.3 Those who were present at the independence celebration event would probably be perplexed at the turn of events that have been widely reported in the media since then, and especially since 2013. Some of the remarks made on radio or television by Mr Soulsby as

City Mayor are in sharp contrast not only to his enthusiastic endorsement (above) of HCA's community governance status, but to similar comments he made at a Highfields Users Campaign meeting in September 2006 when he said:

"It is very clear that the Council needs Highfields Community Association. It needs the Community Association, because the **Community Association speaks on behalf of the local community and because it was the Community Association that got the funding in the first place.**

I would say to the Council that the community and the Community Association needs to be supported, its work needs to be recognised and it needs to be helped. And I'd say to them, the sort of thing I experienced when I met the [Liberal Democrat] councillor, the sort of thing we've seen in the Mercury, is not the way to build for the future of this centre. The threatening, the blaming (Bullying) – you used that word, but it may be well appropriate, **the threatening and blaming certainly is not the way to build the future of this centre.** They need to work constructively with those who speak on behalf of the local community and they are the Highfields Community Association". ([HC website](#) – see HCAN, November 2006)

5.4 However, Peter Soulsby's actions and pronouncements since being elected as City Mayor in May 2011 have been the opposite of that unqualified endorsement, with one exception. He was forthright in his support when the Highfields area was put forward in November 2011 as a pilot for the Department of Communities and Local Government's initiative on Neighbourhood Community Budget pilot areas, thanks to the hard work of Andy Keeling and other council officers.

5.5 By November 2013, even before the 3 year transfer contract had run its course, Mayor Soulsby could be heard on the airwaves pronouncing:

'...the agreement was for 3 years and the expectation at the end of the 3 years was that they would have got themselves to not just to self governance but to being independent of council resources. Now, it's obvious they haven't made it and it's obvious we don't want them to collapse but in the present climate, can't just write them a blank cheque regardless.

Of course, we could say, we've given you the building, we've given you a million pounds – we gave that over a 3 year period and at the end of the 3 year period, you promised to be economically independent – wouldn't need to come back to us yet again.

The whole intention was that by now they would be self sustaining. If they've failed to make it, to get enough income in, then there's going to be some tough questions for them to answer as to why not and as to why at this very late stage, they're coming to us in a crisis?'

- Sir Peter Soulsby's interview with Ben Jackson, BBC Radio Leicester, 7 November 2013.

5.6 Over the following 18 months, a full blown dispute evolved between LCC and HCA, one which was liberally aired on radio and in the Leicester Mercury, with the latter carrying banner headlines such as:

**Future of Highfields Centre, in Leicester, in the balance as council funding to expire...**  
[Leicester Mercury](#) - November 14, 2013

**Highfields community group angry at city council ...**  
[Leicester Mercury](#) - 18 Mar 2014

**Leicester's mayor and Highfields Community Association bosses still locked in dispute....**

[Leicester Mercury](#) - 8 Dec 2014

**Bitter dispute between Sir Peter Soulsby and the Highfields Community Association rumbles on....**

[Leicester Mercury](#) - 7 Apr 2015

**Row between Leicester mayor and Highfields Community Association escalates...**

[Leicester Mercury](#) - 7 Jul 2015

**Peter Soulsby axes Highfields Community Association funding after bitter 18 month row**

[Leicester Mercury](#) - 24 July 2015

**Highfields Centre Leicester loses £300k council funding**

[BBC Radio Leicester](#) – 28 July 2015

**Councillors to debate row between Leicester Mayor and Highfields Community Association**

[Leicester Mercury](#) - 10 Aug 2015

**Centre fights on after losing council funding**

[Third Sector](#) - 19 Nov 2015

## **5.7 How did it come to this?**

5.8 This review has identified the following interlocking issues as lying at the heart of the dispute between LCC and the HCA:

- a) The attitude the City Mayor adopted to the HCA's community governance status once he was elected to that post.
- b) Sir Peter Soulsby's attitude and conduct towards the management of the Highfields Centre
- c) Disagreement as to whether the transfer contract agreed between the two parties in 2010 committed HCA to achieving complete financial independence from LCC within an agreed time frame, i.e., by the end of that 3 year contract
- d) Lack of agreement that political independence and self-governance and management did not preclude HCA from being commissioned to provide services for LCC, through service level agreements or similar contractual arrangements
- e) The cost to LCC of rented space at Highfields Centre for providing services funded by LCC
- f) The transfer of staff from LCC to HCA and the protection of the pension rights they enjoyed while in the employment of LCC
- g) The apparent lack of LCC focus upon the impact that withdrawal of funding from the HCA would have/is having upon the communities served by the Highfields Centre
- h) The impact upon HCA staff, service users and the Highfields community of the megaphonic exchanges in the media between both parties
- i) The City Mayor's personal management and decision making with respect to most if not all aspects of the interface between HCA and LCC

- j) The fear of acting independently of the City Mayor in the interests of the people in their wards that many of the local councillors displayed, especially those who declined to be interviewed for this review
- k) The lack of a political opposition in Leicester City Council and the apparent inability of the Labour majority in that Council to hold the City Mayor to account
- l) The lack of independent evaluation of the decisions made by the City Mayor in response to representations made and evidence presented by HCA
- m) The impact of LCC's disengagement with HCA upon the latter's ability to draw down alternative funding and make provision for vulnerable groups in the Highfields community, the unskilled and unemployed in particular
- n) The apparent lack of LCC concern for the fact that HCA is still all the things Sir Peter Soulsby attributed to it in 5.2 and 5.3 above.

5.9 I shall now examine these, providing as much evidence as I have been able to glean and on which the above observations are based. Let me add straight away that I was unable to put any of the matters listed in 5.8 to the City Mayor or any Council officer, for reasons given in 2.6 – 2.20 above.

**5.10 The attitude the City Mayor adopted to the HCA's community governance status once he was elected**

- a) Peter Soulsby had been a ward councillor for some 22 years and had seen the HCA grow and serve the Highfields community throughout that time. During that period, Highfields was an area of multiple deprivation with a high percentage of vulnerable people and a rapidly expanding multi-ethnic and multi-faith community
- b) He was a local councillor in Spinney Hills (1973 – 1991), then in Abbey (1991 – 1999), Crown Hills (1999 – 2003) and lost his councillorship in 2003 to the Liberal Democrats when he again stood for Spinney Hills. He was Leicester City Council Leader from 1981 – 1994 and 1995 – 1999, but was ousted from his Leader's position at two Leicester Labour Group Annual General Meetings, firstly by Stewart Foster in 1994 and then by Ross Willmott in 1999 (who had the backing of most of the Highfields Labour councillors)
- c) Peter Soulsby took up various salaried appointments on external bodies, including the British Waterways Board, Audit Commission and the East Midlands Development Agency
- d) Following the sudden death of Jim Marshall, MP for Leicester South, Peter Soulsby stood unsuccessfully in the 2004 by-election. This defeat, like the Labour Party's heavy defeat in the 2003 Leicester City Council election was largely attributed to the predominant Muslim population in the Highfields area switching their votes to the Liberal Democrats as a consequence of the Iraq war.
- e) Meanwhile, the HCA was campaigning for community governance amid stiff opposition from the then Liberal Democrat and Conservative city council administration.
- f) HCA had faced opposition to community governance before, from Peter Soulsby and LCC. Such were the obstacles they placed in HCA's way that the former MP, the late Jim Marshall convened and chaired a meeting between Peter Soulsby and HCA in April 1999 to try and find a solution.

- g) There are those who formed part of the former Highfields Users Campaign who have argued to this review that Peter Soulsby needed to regain the electoral support of the Highfields community in his bid to win the Leicester South seat in the 2005 General Election and therefore actively supported the HCA campaign for community governance. This is the context in which they place his remarks at one of those campaign meetings in 2006 (see 5.3 above). Peter Soulsby is said to have attended at least three public meetings organised by the Highfields Users Campaign in support of the HCA's quest for community governance. The campaign recalls his active support for community governance in statements he made to the local media (BBC Radio Leicester, Leicester Mercury, BBC TV East Midlands, etc).
- h) Soulsby won the Leicester South seat in 2005 and in 2007 the Labour Party regained control of Leicester City Council.
- i) The view of the Highfields Users Campaign and of members of the HCA is that once the Liberal Democrats had been defeated, Soulsby became more lukewarm in his support. It is suggested, for example, that as the local MP, he refused to take a firm line with LCC in late 2010 on their refusal to provide HCA with an early copy of the survey report they had done on the Highfields Centre prior to its transfer to HCA.
- j) During his term of office as the local MP, he attended some events organised by HCA, including the Launch of the Highfields Advice Guide in 2005, the Launch of HCA's new Highfields Jobs, Enterprise and Training Centre in 2008 and the Community Governance Independence Celebration event in January 2011 (see 5.2 above).
- k) Soulsby resigned his parliamentary seat and was elected City Mayor in May 2011. Since then, according to HCA, his conduct towards them and Highfields Centre has not reflected in any way the position he took in support of the Highfields Users Campaign, or as conveyed in his remarks at the HCA's community governance independence celebration in January 2011.

#### 5.11 **Sir Peter Soulsby's attitude and conduct towards the management of the Highfields Centre**

- a) BBC News reports the City Mayor as saying on 28 July 2015:

"In all my years of experience of working with the council and in local government this has been the most difficult group I have ever experienced.

"They really haven't wanted to enter into any sensible discussion with us, behaving as if they have a right to be given this very large cheque and allowed to spend it however they wish."

[BBC Radio Leicester](#) – 28 July 2015

- b) In an interview with Jim Davis of BBC Radio Leicester on (27 July 2015), Sir Peter Soulsby said:

'...I've **been in discussion with them almost since the day I was elected**, trying to help them to help themselves.....

.....what you've got there and I have said it several times now, **it's the most difficult community group I have ever had the experience of working with'**.

- c) Sir Peter Soulsby is reported as telling Dan Martin of the Leicester Mercury on 24 July 2015 that he was cancelling any future cash support to the HCA and 'branded the HCA's current senior management **"the most difficult group" he has ever had to deal with as mayor or formerly council leader**'.
- d) Soulsby was an MP between 2005 and 2011, a period during which the HCA and the City Council were in serious discussions, not just about the expansion of the Highfields Centre and gaining community governance status, but about poverty in Highfields, the growing demand for public services in response to the rapidly changing needs of the area, particularly in relation to welfare services, advocacy and counselling, English for Speakers of Other Languages, skills development, etc. HCA recalls that apart from attending some events they organised in Highfields (5.10.j above) and despite having been a local councillor, Peter Soulsby played no part in supporting the HCA in any way in those discussions/negotiations, despite HCA being the biggest provider of neighbourhood services in the area.
- e) Having examined records of the City Mayor's and City Council officers' dealings with HCA, it would appear that the Mayor adopted the view that repeating, particularly to the media, his claim that HCA was the most difficult group he had ever experienced as a councillor and as Mayor actually made it right.
- f) HCA's records and interviews with staff at the Highfields Centre indicate that officers of the council, with one or two exceptions, worked collaboratively and productively with HCA over the years on a range of initiatives and in an effort to resolve matters of concern to both the Centre and the City Council.
- g) For example, the 3-year funding agreement made with the City Council in 2010, one year before Soulsby was elected Mayor expired in 2013. No interim evaluations or performance assessments had been done by City Council staff of service delivery at HCA between 2010 and 2013. However, in the absence of LCC providing any framework for evaluating or assessing their contract delivery, HCA devised a pro-forma for making quarterly returns and this in turn enabled the invoices they raised and submitted to LCC to be paid.
- h) In January 2013 and at their request, HCA held a meeting at the Highfields Centre with Andy Keeling (LCC Chief Operating Officer) and Liz Blyth (Director of Neighbourhood Services) at which Andy Keeling stated *"We need to conclude formal monitoring visit with Steve Goddard (Head of Neighbourhood Services) and then, proceed to renewal contract discussion, with no problems anticipated!"*
- i) In February 2013, Steve Goddard accompanied by his LCC colleague Shilen Pattni attended a review meeting at the Highfields Centre and concluded that HCA had met all of LCC's service contract requirements.
- j) HCA reports that in both those meetings, the LCC officers recognised the innovative and productive work the Centre had undertaken in many of its programmes. HCA offered to share examples of its work with other LCC colleagues in other parts of the city and the officers said they welcomed that offer and would arrange suitable meetings for HCA to do so. However, no such meetings were arranged.

- k) In other words, as far as HCA was concerned, there was nothing in the assessments that had been shared with the LCC officers that would have led the council to believe that it was not desirable to continue contracting HCA to provide services. Those officers themselves had seen no contradiction in HCA as an organisation independent of the City Council continuing to provide services much needed in the local community on behalf of the council.
- l) A chronology HCA provided to this review of meetings and communications with the City Council between 2011 and 2014 regarding the review and renewal of the 2010 contract lists 6 senior officers of the Council with whom HCA had regular and mutually respectful contact. Inevitably, that chronology also listed communications with Mayor Soulsby, involving those and other LCC officers as well as senior staff at HCA. It also included communications between HCA and Jon Ashworth MP and between the latter and Mayor Soulsby on HCA's behalf. Most of the communications between HCA and the Mayor were clearly problematic. Even when the work done between council officers and the HCA was straightforward and caused those officers no concern, problems would arise when matters reached the Mayor for signing off.
- m) In this respect, the chronology speaks volumes and depicts a completely different reality than what was projected by the City Mayor in his various sound bites and extravagant claims to journalists.
- n) For example, the City Mayor was clearly being economical with the truth and was maligning HCA and doing a disservice to his own staff when he told the BBC:
- "They (HCA) really haven't wanted to enter into any sensible discussion with us, behaving as if they have a right to be given this very large cheque and allowed to spend it however they wish".
- o) HCA told the review that they detected clear signs of Soulsby's animosity when he attended the Highfields Centre in March 2012 to discuss outstanding building works to make good the design faults identified at the time of the community governance transfer. His visit lasted 30 minutes and was 'very business-like'. At no stage in that visit did Peter Soulsby enquire about how Community Governance was progressing at the Centre, or whether it was having any impact upon service delivery. His focus was solely on dismissing any LCC liability for rectifying the faulty building design issues related to the under floor heating in the sports hall, the flat roofs and the stairwell and toilet lights being wired up to the emergency lighting system. The latter item was the subject of a legal side letter provided by LCC at the Community Governance transfer date, providing HCA with the assurance that they would complete the work to rectify those defects by 31 March 2011. HCA was concerned that all three items had health and safety implications for both centre staff and users.
- p) Peter Soulsby told HCA that post community governance transfer, all outstanding Highfields Centre buildings related issues were their responsibility, as they would have been aware of the building deficiencies at the time of the community governance transfer. He offered to follow up on stairwell lighting and sports hall flooring issues. Later, Eddie Beilby (LCC Principal Property Manager) contacted the Centre to say that

the engineers had informed him that the stairwell lights were backed up by a central emergency battery system, so that would seem to comply with what the City Mayor felt should be installed.

- q) Although the legal advice HCA received was that they should mount a legal challenge to ensure that LCC honour the legally binding guarantee they had given, local councillors warned that that would be counter-productive, in so far as it would doubtlessly unleash the wrath of Peter Soulsby. HCA decided to take no action and eventually met the cost of the building works themselves.
- r) Priya Thamotheram recalls that at the May 2013 Leicester South Labour Party Gala Dinner, he met Peter Soulsby on his way into the venue and enquired about his availability to attend 3 forthcoming events (Highfields Festival in June 2013, Social Enterprise Mark Awards Evening in October 2013 and the Locality Convention in November 2013). In response, Soulsby requested that HCA send an invitation to him by email, which the Centre duly did. The Mayor responded with what HCA took to be a rather curt email stating that he would not be able to attend any of those events, as he would be on leave on all of those dates, even though HCA had stated that if necessary the Social Enterprise Mark event could be moved to another date to accommodate his availability.
- s) During discussions in 2013 about the renewal of the 2010 contract, Peter Soulsby had drawn attention repeatedly to the reserve fund HCA had set aside over the years. Without any prior discussion with them, HCA learnt that in June 2013, at a meeting he held with Shama Women's Centre about the latter's financial situation, Soulsby had apparently enquired about whether Shama had approached HCA for funding, as HCA had a very healthy financial reserve.
- t) Soon afterwards, HCA was informed that at a Stoneygate Labour Party branch meeting, the City Mayor had made comments about being aware that there were no community centres in that ward whilst in the adjacent Spinney Hills ward Highfields Centre had received £0.5m in LCC funding and he would be taking action to remedy that situation. Later that year, HCA was informed that LCC officers had been tasked with finding alternative venues for the LCC services delivered at Highfields Centre but that they had not been able to find suitable facilities.
- u) In November 2012, Cllr Dr Chowdhury, Chair of the Highfields Area Forum (HAF) and former Chair of HCA, had invited both Peter Soulsby and the new Leicester South MP, Jon Ashworth, to jointly launch the Highfields Area Plan. Jon Ashworth attended as requested, but Peter Soulsby sent Cllr Chowdhury a very 'stiff' letter berating him for promoting a non-costed Area Plan and for misleading the Highfields public about implementing the Plan. A few months later, however, Peter Soulsby attended the launch of the St Matthews Area Plan which, according to HCA, was a significantly less substantial proposal than the Highfields Area Plan but praised the former as being a wonderful example of a community coming together to address their concerns.

- v) It would appear, however, that the turning point in the relationship between Peter Soulsby and the HCA came in November 2013, when Soulsby made a series of comments in an interview he gave to Ben Jackson of BBC Radio Leicester.
- w) Between November 2012 and October 2013, HCA had been in discussions and correspondence with council officers about the service contract that had started in 2010. On 21 February 2013, an annual monitoring meeting was held at the Highfields Centre involving Steve Goddard and Shilen Patni of the City Council and Priya Thamotheram, Pat Gardner & Furzana Khalifa of the HCA. At a youth service event on 28 June 2013, Priya Thamotheram inquired of Steve Goddard about the renewal of the contract and Goddard replied that he anticipated the contract would be ready for signing by mid/late July. On 19 July 2013, Priya Thamotheram sent Steve Goddard centre usage figures for the preceding quarter and stated:

**'You'll recall when we met at the Gold Standard youth conference on 28<sup>th</sup> June, you'd indicated we should be hearing from you by mid/late July about the proposed arrangements for the renewal of our LCC Community Services contract. As we're now getting to the tail end of August, it'll be helpful if that information could be now made available.** In the meantime, I've also attached a copy of HCA's recently audited accounts and I understand our auditors had previously sent you the financial statement relating to LCC related expenditure'.

- x) On 28 August 2013, Steve Goddard wrote to Priya Thamotheram saying:

Thanks for your e mail and the payment is being processed.  
**With regards to the future funding arrangements, this is being considered with the City Mayor and I will be in contact with you about this matter shortly'.**

Jon Ashworth MP met with Peter Soulsby on 4 October 2013 and it is HCA's understanding that Soulsby told Ashworth that the HCA contract was a matter that he personally would be dealing with.

- y) On 14 October 2013, Priya Thamotheram wrote to Steve Goddard saying:

Since your email below dated 28<sup>th</sup> August, **there appears to be a blockage in getting the contract renewal matters progressed and as we're now just over 6 weeks away from the end of the current 3 year contract term, it would help to know if the blockage is with the City Mayor's office or elsewhere and if so, where exactly?**

Pat (Gardner) has also informed me that the Service Charge element of the last quarter's invoice that was sent to Shilen on 10<sup>th</sup> July has not been paid and again, is there any reason for this hold up? I'll shortly forward the relevant invoices for the 3<sup>rd</sup> quarter period and hope the above matters can be immediately cleared up.

That same day, Steve Goddard replied as follows:

Thanks for your e mail and I note your comments.

**With regards to the funding contract I can assure you that matters are progressing and that you will be contacted in the next few days.** I have looked into the service charge payment and this is being processed and you will receive the payment in due course. When

we receive the invoice for quarter 3 from you the payment will be processed. I hope these comments are of assistance.

z) On 7 November 2013, Peter Soulsby told Ben Jackson in an interview:

‘.....the agreement was for 3 years and the expectation at the end of the 3 years was that they would have got themselves to not just to self governance but to being independent of council resources. Now, it’s obvious they haven’t made it and it’s obvious we don’t want them to collapse but in the present climate, can’t just write them a blank cheque regardless. Of course, we could say, we’ve given you the building, we’ve given you a million pounds – we gave that over a 3 year period and at the end of the 3 year period, you promised to be economically independent – wouldn’t need to come back to us yet again. **The whole intention was that by now they would be self sustaining. If they’ve failed to make it, to get enough income in, then there’s going to be some tough questions for them to answer as to why not and as to why at this very late stage, they’re coming to us in a crisis?’** (Emphasis added)

On 11 November, HCA met with Peter Soulsby and inquired as to why he had told the BBC that they were coming to the council ‘at this very late stage....in a crisis’. Soulsby stated that nobody had raised the matter of the renewal of the contract with him and certainly not the two councillors (Baljit Singh and Mohammed Dawood) both of whom were in attendance at the meeting. **When HCA pointed out to him that they had met with 3 of his senior officers, he said they (HCA) should have come to him, as he was the decision maker!**

- 5.12 It is clear from the chronology provided to this review by the HCA, which Mr Soulsby’s officers should be able to corroborate, that he had absolutely no justification for the remarks he made to Ben Jackson of the BBC on 7 November 2013. HCA was evidently not asking the City Council to write them ‘a blank cheque’, nor were they ‘...at this very late stage coming to (LCC) in a crisis’. As for the ‘whole intention’ that by the end of the initial three years they would be self-sustaining, while this is something Mr Soulsby continued to repeat to the media, he has produced no evidence of which we are aware that this was an undertaking HCA gave, or that it formed part of the agreement they signed with the City Council, when they achieved community governance status in 2010. HCA showed the review evidence that they repeatedly asked the Mayor to produce confirmation of any such undertaking on their part, but that despite his failure to do so, he continued to tell the media and the City Council that HCA had promised to be economically independent of the Council at the end of the initial three year contract.
- 5.13 This insistence on Mr Soulsby’s part raises one fundamental question, i.e., why should community governance and political and managerial independence from the City Council automatically exclude HCA from continuing to provide services to the people of Highfields on behalf of the council, if the latter has no reason to deem HCA unfit to continue to provide the same services it was delivering on the council’s behalf before it gained political independence?
- 5.14 It is clear from the chronology of events that council officers had been monitoring the three year contract and that HCA submitted quarterly returns to the council on the basis of which invoices were raised and the council released funds to HCA [see 5.11: g) to l) & w) to y)]. In other words, LCC was not doling out to HCA out of largesse, nor was HCA asking or expecting it to do so. The idea, therefore, that the organisation was no longer eligible to provide services and be paid for doing so, simply because it was no longer under LCC’s

control suggests arbitrary and whimsical decision making at best and at worst vindictive and punitive treatment on account of the decision to go for and win community governance status.

- 5.15 The statements the Mayor made to the BBC on 7 November 2013 were grossly inaccurate, misleading and prejudicial to HCA. Above all, Mr Soulsby's officers could have told him that they were misleading, inaccurate and unjust, given the fact that from January to October 2013, HCA had been working with those officers to monitor and evaluate the contract in anticipation of meetings to renew the contract well before its expiry date. Priya Thamotheram raised the matter of the renewal of the contract with council officers since the middle of November 2012 and was told a new contract should be ready for signing by mid-July 2013. Upon inquiring about the lack of progress on the matter, HCA was told on 28 August 2013 that the matter was 'being considered with the City Mayor and (LCC) will be in contact with you...shortly'. Then, as late as 14 October 2013, the matter was still with the Mayor, presumably, and a council officer told HCA:

'With regards to the funding contract I can assure you that matters are progressing and that you will be contacted in the next few days'.

The contact HCA had 'in the next few days' was BBC Radio Leicester and Leicester Mercury calling them for a reaction to Soulsby's disparaging claims.

- 5.16 The Leicester Mercury ran a story on 14 November 2013 under the headline:

**Future of Highfields Centre, in Leicester, in the balance as council funding to expire**

Reporting Peter Soulsby's position on the link between financial and political independence, the Mercury stated:

'The council said the centre should also be financially as well as politically independent.

Priya Thamotheram, head of the centre, said it had made huge steps towards standing on its own feet financially by generating income, but was not yet there. He said: "When we signed the contract three years ago, we were almost entirely dependent, about 95 per cent. Now its 65 per cent, so in three years we have reduced it by a third but **we would have had to be in cloud cuckoo land to say we would become totally independent in that time.**

"We have been chasing the council for months to find out what will happen after the contract expires but they have stalled and stalled and time is now running out.

"The services the council pays us to provide are crucial to the people who live in this very deprived area."

[Leicester Mercury](#) - November 14, 2013

- 5.17 The Mayor did not apologise to HCA for maligning the organisation and impugning the integrity of its managers and trustees. Rather, things were to get progressively worse.
- 5.18 On 19 November 2013, HCA met with Peter Soulsby to discuss funding. It would appear that Mr Soulsby was less than happy with the Leicester Mercury's report of the HCA's response to his interview with the BBC. There was much discussion about the level of funding HCA would receive from LCC under the terms of new contract. By the end of the meeting, the City Mayor decided that there would be a tapered funding arrangement over the following four to five years, contingent upon HCA submitting a revised business plan to him. Meanwhile, there would be a three month extension to the existing funding agreement, bringing it up to end February 2014.

5.19 On 26 November, HCA wrote to Peter Soulsby:

'Further to your guidance at our meeting last Tuesday about the reduced level of local authority funding that HCA should be seeking from the Council over the next 3 – 5 years and to enable the Association to make a meaningful response, I am writing to clarify if, from the combined £510k total LCC current funding, a phased reduction of £100k for each of the next 5 years is in accordance with your expectation.

It would also be helpful if you could indicate:

1. If in accordance with your comment about some LCC funding being continued to be provided (especially in relation to a rental agreement for LCC services delivered at this Centre), is it also possible that such funding (say, £200k) could be linked to HCA's continued provision of a range of community services on behalf of the Council?
2. If any of the currently LCC managed services (viz. adult learning, playgroup and youth clubs) are to be continued to be delivered at this Centre and if so which services and at what level of requirement?

Finally, you indicated that the current funding arrangements could be extended for a further 3 months to enable a new agreement to be concluded and confirmation of the same would be helpful.

5.20 HCA met with Jon Ashworth on 29 November and he undertook to write to Peter Soulsby about the level of cuts LCC was proposing to make to the Centre's funding.

5.21 On 29 November also, Peter Soulsby responded to the HCA's email of 26 November, saying:

Thank you for your email following our meeting.

I note that although your 3-year funding agreement expires on 30 November 2013 you are not yet in a position to be entirely self-sufficient and therefore I am in agreement to providing short-term funding to HCA totalling £73,250 for a period of 3 months (i.e. to end February 2014) to assist you to continue to provide community services as we explore future arrangements.

I will respond to the other matters that you raise in your email during this period.

5.22 HCA replied by return, as follows:

Thanks for your reply Peter and let's hope we can achieve an early and mutually satisfactory outcome for all concerned.

It'd be helpful if in advance of such a fuller agreement, you can confirm that the arrangements in relation to the directly delivered LCC Services rental agreement and the contract for H-MAC services will also be continued?

5.23 This was followed up with another email to Peter Soulsby on 5 December 2013:

I'm sorry to be chasing up your confirmation of the continuation of the directly delivered LCC Services rental agreement and the contract for H-MAC services but as you are hopefully aware, the Association's monthly expenditures are significantly higher than that provided through the temporarily extended community services contract.

On the basis that the LCC managed services are continuing to be delivered from this Centre and that the H-MAC service is contracted until 31 March 2015, we will (unless notified to the contrary) be submitting quarterly invoices at the end of December 2013 for the same in accordance with previous practice.

It'd be helpful to know if we should also submit an invoice at this stage or at monthly intervals for the short term funding relating to the continued provision of community services over the next 3 months.

5.24 Peter Soulsby sent the following reply on 16 December 2013:

Further to your e mail dated 5<sup>th</sup> December the response to the issues raised is as follows:

1. You should continue to submit your quarterly invoices for the direct LCC Services and the H-Mac Services as is the current practice to Community Services.
2. You should submit your Community Services invoice on a monthly basis for the next 3 months and provide monitoring data accordingly.  
It is hoped that this clarifies the position and if you require any further information please contact Shilen Pattni, Neighbourhood Development Manager, East.

5.25 HCA replied that same day:

Thank you for clarifying the matters pertaining to the 3 month Community Services contract extension and the invoicing for the other 2 contracted services.

**It would be helpful if you could also respond to the issues raised in my email below dated 26<sup>th</sup> November and in particular, to the following points:**

1. From the combined £510k total LCC current funding, a phased reduction of £100k for each of the next 5 years is in accordance with your expectation?
2. In accordance with your comment about some LCC funding being continued to be provided (especially in relation to a rental agreement for LCC services delivered at this Centre), is it also possible that such funding (say, £200k) could be linked to HCA's continued provision of a range of community services on behalf of the Council?
3. If any of the currently LCC managed services (viz. adult learning, playgroup and youth clubs) are to be continued to be delivered at this Centre and if so which services and at what level of requirement?

5.26 On 14 January 2014, HCA sent a follow up email to Peter Soulsby:

**I am sure you'd appreciate we're now half way into the 3 month extension period and as such, would appreciate your early response to the questions initially outlined in my email dated 26<sup>th</sup> November** and in particular, to the following points:

1. From the combined £510k total LCC current funding, a phased reduction of £100k for each of the next 5 years is in accordance with your expectation?
2. In accordance with your comment about some LCC funding being continued to be provided (especially in relation to a rental agreement for LCC services delivered at this Centre), is it also possible that such funding (say, £200k) could be linked to HCA's continued provision of a range of community services on behalf of the Council?
3. If any of the currently LCC managed services (viz. adult learning, playgroup and youth clubs) are to be continued to be delivered at this Centre and if so which services and at what level of requirement?

5.27 On 21 January 2014, the Head of the Highfields Centre again wrote to Peter Soulsby:

**At last week's meeting of HCA's Governing Body, members were concerned about the delay in your response to the 3 questions in my email below and wondered about the reason(s) for this non-response, especially given the potentially serious implications arising thereof for not only the Centre's staff but also its service users.**

We look forward to your immediate response and please do not hesitate to contact me if you'd like to clarify/discuss any aspect of this or the earlier email.

5.28 This still did not elicit a response from Mr Soulsby, so on 29 January 2014, the Head of Centre wrote to Shilen Pattni, Neighbourhood Development Manager, as follows:

In the continued absence of any response from the city mayor to my last three emails below and as stated in his email below dated 16<sup>th</sup> December 2013, I wonder if you are in a position to provide an answer to the three questions set out in those emails?

We'd appreciate your response by the end of this week (viz. 31<sup>st</sup> January).

5.29 On 5 February 2014, Jon Ashworth MP wrote to Peter Soulsby, saying:

I have been contacted by Priya at The Highfields Centre in regard to the funding received by HCA. I understand that certain the Community Services funding received by HCA, that was due to expire on 30 November 2013, was extended for a period of three months.....  
**I appreciate that you have many urgent issues to deal with, but I would be grateful if you could look into these issues.**

5.30 On 13 February 2014, two weeks before the end of the three month extension period, Shilen Pattni wrote to HCA:

My apologies for the delay in coming back to you, **however this matter is currently with the City Mayor**. On another note I have received your monthly monitoring information and invoices, payment has been processed and should be with you shortly.

5.31 Jon Ashworth MP wrote to Peter Soulsby again on HCA's behalf on 14 February 2014:

I have again been contacted by Priya as he has received no communication from your office following my email of 5 February, which is copied below for your information.

**I would be grateful if you could clarify the issues with myself or with Priya direct.**

5.32 Mr Ashworth received no response from Soulsby and on 19 February 2014, he sent him this note:

Unfortunately, I have not received a reply to my emails below. I have been contacted by Priya who is very concerned with the lack of information especially as the Community Services funding expires in less than 10 working days. **As you will appreciate this situation is creating great uncertainty for staff, service users and is having a destabilising effect on the service as a whole.**

I would be clarify if you could contact myself or Priya directly.

5.33 On 24 February 2014, Priya Thamotheram wrote to Peter Soulsby, as follows:

**I'm writing on HCA's behalf to express their serious concern that even as we commence the final week of the three month 'extension' period you had previously confirmed, there is still no response from you to the three substantive questions set out in my email dated 26<sup>th</sup> November 2013 and reiterated in subsequent emails.** We are also mindful that recent communication from our local MP on HCA's behalf has been hitherto ignored by you.

**It appears you are leaving the Association with little option but to bring this invidious situation to the wider attention of the local community and especially, the Centre's staff and users.**

We hope your **immediate** response will help preclude such action being effected.

5.34 The end of February 2014 came and with it the end of the extension of the previous funding agreement which Mr Soulsby had granted on 19 November 2013.

5.35 On 13 March 2014, HCA called a 'special meeting' to inform the local community '**about Highfields Centre's successful and much needed services and staff being put at risk by Leicester City Council**'.

5.36 A report in the Leicester Mercury on 18 March 2014 gave details of the funding cuts the HCA was facing and the position the City Mayor was taking with regard to the funding relationship between LCC and the now independent HCA. The report included comments from the City Mayor about:

- cash reserves the HCA had built up over the years and which Mr Soulsby appear to have unilaterally decided should be used for the provision of services that were formerly paid for by the City Council and
- his expectation that HCA would have become financially independent by the time the initial 3-year funding agreement expired.

[Leicester Mercury](#) - 18 Mar 2014

5.37 There was nothing in Mr Soulby's reported comments which attested to the fact that HCA had had initial discussions with the Mayor, which culminated in an extension to the original agreement period and that those discussions were not resumed despite HCA's repeated efforts and the intervention of Jon Ashworth MP between November 2013 and mid-March 2014.

The Leicester Mercury reported Mr Soulsby as saying:

"Now that our budget plans are in place, **I am willing to hear what the HCA has to say and to consider whether they have any case at all for additional funding.**

"We have already extended their funding over the past three months as requested, but in spite of this they appear to have failed in their attempt to become self-sufficient. (Emphasis added)

"I am advised that the HCA's last audited accounts reveal it had more than £500,000 of public money in its reserves, so I am sure it will not be lack of funds that jeopardises the immediate future of the centre."

5.38 HCA told this review that at no point did Mr Soulsby inquire of them how long they had been setting aside those cash reserves, or what they intended to do with those funds. Rather, he seemed to expect them to use it all as a replacement for LCC funds, as if HCA did not provide services in return for the funds it received from the City Council.

5.39 On 18 March, Soulsby's personal assistant contacted Priya Thamotheram to say:

The City Mayor would like to invite you to a meeting to discuss HCA. I would be grateful if you could advise if you are available on Friday 21<sup>st</sup> March at either 09.00am or 4.00pm. The meeting will be between the City Council and HCA only. I would be grateful if you could advise if either of these times are convenient for you and if so, who will be attending the meeting with you.

5.40 Priya Thamotheram telephoned her the following day and then confirmed in writing that he would be able to attend the 9.00am meeting on 21 March with the City Mayor and would be accompanied by the HCA Chair and Vice-Chair and that it was his understanding that the City Mayor would be accompanied by Liz Blyth. He added:

Please let me know if anyone will be present to minute the meeting and if so, whether a copy of the same can be provided to HCA. It will also be helpful to have an indication of the time allocated for this meeting.

5.41 At that meeting, Peter Soulsby agreed to provide relevant information by the end of the following week, in order that HCA could proceed with completing its updated Business Plan.

5.42 On 27 March 2014, Priya Thamotheram received a message from Eddie Beilby to say that Beilby was 'getting some issues from the Uplands Schools (adjacent to the Highfields Centre) about the use of the car park and that it probably would be useful if they met up with Priya to go through those issues and see if they could be resolved to everyone's satisfaction.

5.43 The following day, Priya Thamotheram wrote to Peter Soulsby as follows:

Further to last Friday's meeting and your undertaking to provide us by today with information about the on-going room rental requirements for the various LCC managed services at this Centre, together with information about the post April 2015 funding for the H-MAC related services has not yet materialised. You'd also appreciate the time line to which we are working to provide the revised business plan is very tight and that its preparation is contingent on this information being received in a timely manner and hence, we'll look forward to your immediate attention to the same.

5.44 Soulsby replied on 31 March, thanking Thamotheram and his two colleagues for meeting with him the Friday before to discuss the future of the Highfields Centre and adding:

As you will recall, following the intensive campaign, the Council finally agreed and passed over responsibility for the centre building and its management to the Community Association in November 2010 - together with a three year transitional funding agreement. That funding agreement for the Centre ended in November of last year. **Unfortunately at that time you had not achieved your stated aim of becoming 'self-supporting'**. I therefore agreed exceptionally and **temporarily to extend the Council funding for a further three months at the previous level.**

Following the Council's recent approval of its own budget for the coming financial year I am **now able to consider whether there is a further case for any ongoing council funding. At our meeting last week you offered to prepare a business case for me to consider at a subsequent meeting which we have arranged for 25 April.** You also asked about the Council's intention regarding the space that it hires from the HCA.

As you know the HMAc was funded through the working neighbourhoods fund which has now ended. **There is no new funding available for the HMAc when the current arrangement comes to an end in March 2015.** I understand that the **Youth Service do not intend to continue their sublease but may wish to discuss transitional arrangements.** Adult Skills and Learning inform me that they may wish to continue to utilise space at the centre at similar levels but will be discussing this separately with you. **Early Years do not intend to continue to utilise space following the review of Children's Centres.**

With regards to these I would suggest that you will need to plan on the assumption that continued Council rental of these spaces will be subject to change.

I hope that this clarification is helpful and look forward to our meeting on 25th April.

5.45 On 3 April 2014, Priya Thamotheram responded to Peter Soulsby as follows:

Thank you for your email and the clarification provided about the ongoing room hire requirements for various of the LCC services and also, in relation to H-MAC's funding post April 2015.

**However and on a factual note, your reference to a three year transitional funding agreement is incorrect, as that agreement was for us to provide a specified level of services on behalf of the city council and no reference was made to it being on a transitional basis. Nor is the reference to us not becoming self-supporting by the end of the initial three year funding arrangement correct, as our stated intention at that time of major public austerity measures being effected was to move towards economic independence by diversifying our previously almost sole reliance on city council funding and over the last three years, we have made significant strides towards that objective.**

In accordance with your previous undertaking, **we had hoped to receive your response well within the three month extension period you've referred to but since that was not provided until earlier this week and our next meeting is not until 25<sup>th</sup> April, we trust that extension arrangement can be continued until our meeting and accordingly, I have attached a copy of the invoice for the Community Services 'contract' related work last month and look forward to your confirmation of the same.**

5.46 Thamotheram wrote to Soulsby again on 17 April:

In accordance with our discussion at the meeting held on 21<sup>st</sup> March, **please find attached copies of both our updated Business Plan and the accompanying spreadsheets.** We trust the compilation of this updated Business Plan will provide the necessary assurance about our determination to continue working with Leicester City Council to deliver a viable Centre which in turn, will provide the much-needed, cost effective and valued community and related services to our seriously disadvantaged communities.

We'll look forward to your confirmation of the same when we meet again on 25<sup>th</sup> April.

5.47 At the meeting on 25 April, HCA was told that LCC officers had not had time to comment on HCA's Business Plan. Peter Soulsby would visit Highfields Centre to re-familiarise himself with the Centre and there would be a separate visit by LCC officers to help them comment on the Business Plan.

5.48 Peter Soulsby visited the Centre on 9 May 2014 for about 40 minutes and said he wished 'to get a sense of how the different spaces related to each other'.

5.49 On 30 May, HCA met with Peter Soulsby and Liz Blyth to discuss the Business Plan. HCA's note of that meeting reads:

**PS provided a verbal report on failings of HCA's BP** - low usage numbers in Arts and H-Cafe; management costs too high; staffing costs too high; 50% of LCC's funding to HCA would provide for 10 LCC centres.

5.50 Liz Blyth wrote to Priya Thamotheram on 3 June 2014:

Please find attached feedback on the HCA business plan, as discussed in your meeting with the City Mayor last Friday. I also attach a copy of the chart drawn up following Shilen Pattni's telephone discussion with Pat Gardner. As agreed you will review both of these and provide a response through the business plan for our next meeting. If you could do this in advance of the meeting that would be helpful.

5.51 HCA was concerned that when Peter Soulsby stated at the 30 May meeting that '50% of LCC's funding to HCA would provide for 10 LCC centres', he was not comparing like with like. In his reply to Liz Blyth on 11 June, therefore, Priya Thamotheram wrote:

Thank you for the information Liz and as previously requested, it'd be helpful if the relevant activity programmes for each of those 8 buildings could also be made available. Incidentally, the latest information sheet relates only to 8 buildings and not the 10 referred to in the earlier feedback – is this correct?

In relation to the average number of hours open per week, it'd be helpful if the weekly opening hours can be set out per building, with an indication of whether those staff are on site during those opening hours. With the exception of the Sports staff, it appears there's no other sessional activity delivery staff (including cleaners and reception) engaged – is that correct and if so, what proportion of the activity programmes for each of those buildings is effected by those buildings' users/user groups?

It'd also be helpful if you could provide me with examples of any community development work (ie. in their neighbourhoods, city-wide, regional and national) undertaken by staff employed in those 8 buildings?

5.52 Liz Blyth replied to Priya Thamotheram that same day, attaching 'the more detailed breakdown as requested'.

5.53 Having examined that information, HCA sent this response to Liz Blyth on 12 June:

It appears that the information requested is not forthcoming Liz and hence, as per your request for our response to LCC's feedback comments to be provided in advance of tomorrow's meeting, **please find attached a copy of the same, together with a copy of the revised usage chart (with the additional activities highlighted in yellow).**

5.54 Replying by return, Liz Blyth wrote:

Thanks for sending me the information today. Re: your additional questions, I've set out some additional info in broad terms below. There are of course many ways to configure staffing to meet local needs and organisational priorities but this will give you an overview of how we have reconfigured community services. You will obviously need to consider how best to configure staffing in your organisation.....

You are right, it is eight not ten centres as the other two, although operated by the Neighbourhood Manager, are technically outside of the area and so were excluded in the detailed breakdown.

See you tomorrow at the meeting with the City Mayor.

5.55 On 13 June, in advance of the meeting with the Mayor that same day, Priya Thamotheram replied:

Thanks for this belated information Liz and even with that and the limited information provided on the Council's website, **it's clear that there is no real comparison between the respective programmes of the eight LCC centres and Highfields Centre, either in terms of the variety, scale, challenge, uptake or beneficial impact of the services delivered.**

From the information available via the Council's website, the attached LCC Centres sheet has been prepared and **it reinforces the above point about there being no real comparison between the respective programmes of the eight LCC centres and Highfields Centre and this is even before we get into any examination of the turnover of those centres and the scale of its operational subsidy by other LCC departments.**

Indeed, **it seems to us that there is a long way to go before the Council can use your 8 centre comparison as any sort of basis to critique our own operation** and we'll be happy to discuss this when we meet later today.

It would appear from that exchange of correspondence with Liz Blyth that whatever formula Mr Soulsby was using to arrive at his conclusion that '50% of LCC's funding to HCA would provide for 10 LCC centres' was ideologically driven and methodologically severely flawed.

5.56 HCA's note of their meeting with Peter Soulsby and Liz Blyth that day states:

- **Peter Soulsby stated HCA's critique of LCC's analysis of HCA's Business Plan not helpful**
- **He did not wish to see HCA fail**
- **He recognised HCA had plans for reserves**
- **It was unfair to expect HCA to pay for all services from its reserves**
- **He was minded to support HCA with £200k funding for Community Services for financial year ending March 2015**
- **A named LCC officer was going to work with HCA to update Business Plan**
- **Peter Soulsby to review updated Business Plan before end 2014 to assess if there's a case to continue providing funding post April 2015.**

5.57 By the morning of 30 June, some 17 days later, HCA had heard nothing further from LCC. Priya Thamotheram therefore sent an email to Liz Blyth:

It's now over two weeks since we met with you and the city mayor and we haven't still received your confirmation of the £200k LCC funding to be made available for this financial

year, together with the name(s) of the relevant LCC officer(s) to assist us in updating the business plan with a view to the on-going funding arrangement for the subsequent years.

You'll appreciate the continuing uncertainty is not helpful and will look forward to receiving your early confirmation of the above points.

- 5.58 Later that day, HCA received a letter, posted second class, from Liz Blyth and Priya Thamotheram confirmed with her that the letter had arrived and that he would get back to her or Shilen Pattni after studying it.
- 5.59 By mid-July 2014, a new funding agreement between LCC and HCA was still not in place, the initial drawn up in 2010 having expired at the end of November 2013.
- 5.60 On 16 July 2014, Shilen Pattni sent a note to HCA saying:

Further to our meeting last week **please find attached the revise spec**, please could you let me have any final comments as soon as possible, I am hoping to get the funding agreement finalised ready for signing next week.

Priya Thamotheram reviewed the document and returned it to Mr Pattni on 17 July.

- 5.61 On 15 August, Priya Thamotheram wrote to Liz Blyth as follows:

I'm writing to you about a matter that's been brought to our attention during the recent audit of the Association's accounts.

The attached invoice for Community Services funding for March 2014 was prepared but not sent to LCC at that time, as we were in discussion with you and the city mayor about the funding contract. That situation has been resolved for this financial year but the extension to the original 3 year funding contract expired on 28<sup>th</sup> February 2014 and the issue of funding for March 2014 has inadvertently slipped our attention. Hence, it'll be appreciated if you could **clarify the Council's position in relation to the payment for March 2014**.

On a related note, I'm aware that Shilen has been working to get the funding contract for this financial year signed off but as yet, it has not materialised and I'm also attaching the rental invoice and service charge certificate for July 2014 and it'll be helpful if you could expedite the contract completion and the rental payments for both June (previously sent to Shilen) and July (see attached copies)— nb. with the exit of LCC's Youth Service from this Centre, we've discounted the rental charges by a third and the contribution rate for services also by a similar amount.

- 5.62 On September 1<sup>st</sup>, Priya Thamotheram again wrote to Liz Blyth enquiring as to whether she had made any progress on the matters he had raised with her, as it was six months since HCA had received any contractual payments from the Council? Liz Blyth replied on September 3<sup>rd</sup> to say:

As you know the Community Services agreement with you was for the period December to February 2014. **Unfortunately we are not able to provide a payment for March 2014 as you did not request this at the time, it was not covered by the agreement, and we did not make any provision to carry forward any monies from the service into the new financial year. The accounts are now closed for 2013/14 and the service is not in a position to make a payment retrospectively.**

- 5.63 On 3 September also, LCC sent the draft of a new funding agreement to HCA for scrutiny, which HCA returned to them the following day with comments and proposed amendments.

5.64 HCA heard nothing further from LCC and on 23 September Priya Thamotheram sent a note to Shilen Pattni asking:

**Is there any reason for the delay in getting this agreement signed off and the payments effected, with the latter now nearly six months in arrears?**

5.65 Peter Soulsby wrote to the Chair of HCA on 29 September, saying among other things:

I write to you as the chair of HCA's board of directors and trustees, who are responsible for the management of the company, concerning the proposed funding agreement between the City Council and HCA for 2014 - 2015. Presently, funding remains subject-to-contract.

... This **adopts one of the proposals made by Priya, that HCA follows Investors in People quality standards; however, his remaining proposals have not been accepted by the Council.....** If HCA wishes to accept funding relating to Community Services for the financial year 2014-2015 on the terms set out in the attached agreement, please let me know by 13 October 2014

5.66 The following day, Priya Thamotheram wrote to Mr Soulsby:

I am writing on behalf of HCA to **seek an urgent meeting with you about the latest email below which is likely to result in an even greater delay than the three months that has already passed in finalising the funding contract between the Council and the Association.**

**We are now almost six months into the current financial year and not a single penny of this year's funding contract has been released to us and hence, in accordance with your previous advice to talk to you as the decision maker and not the officers, we'd appreciate your immediate response.**

[NB: Emphasis in text above (5.11 to 5.66) is as in source documents provided to the review by the HCA]

5.67 Given the government's austerity measures, the cuts local authorities were required to make and the level of funding HCA had been receiving from the City Council, and given the demographic changes in the Highfields population: growing Somali community, rapidly increasing number of Eastern Europeans and Indians arriving via Portugal, the review sought to establish whether the City Council had initiated face to face discussions with HCA about what, if any, decrease in its funding from the City Council could be achieved, or the strategy (if any) it had for making across the board reduction in funding for other service providers or community development projects in the Highfields area.

5.68 HCA stated that during the six meetings they had with Peter Soulsby between November 2013 and June 2014, he initially stated that he was minded to not provide any funding to them at all and subsequently relented to say he would provide £200,000 for 2014/15 and any future funding would be subject to them providing a satisfactory business plan.

5.69 At a subsequent meeting with him in October 2014 and in response to their repeated attempts to clarify some of the 'novel' clauses about 24 hour access to the Highfields Centre on any matters connected or unconnected to LCC funded services, safeguarding decisions to be made by LCC officers, etc, which had been inserted into the new funding agreement, Peter Soulsby had insisted that those clauses were not negotiable and hence that meeting was terminated after a short time.

5.70 One such 'novel' clause cited by HCA was the requirement that:

'You shall maintain a positive, supportive working relationship with the Council in public and in private'.

In an Executive Decision Report prepared by Shilen Pattni and presented to the City Council by Liz Blyth in July 2015 in response to the 'call in' of the City Mayor's decision to cease funding HCA completely, the Mayor's office stated that the clause requiring HCA to **'maintain a positive working relationship with the Council in public and in private...was added because of the experience during funding negotiations of HCA's adversarial approach to the Council as their principal funder'**. (Emphasis added)

HCA commented that:

This new and what's been termed as a gagging clause is not only morally reprehensible but unworkable. Instead, the Council should agree provisions in the 2010 Partnership Agreement, ie.

-The Parties confirm that they are committed to co-operating with one another in the spirit of the Partnering Agreement that was entered into between the parties on 30 November 2010 and agree to keep the other informed, **to liaise effectively and to work together in good faith**. (Emphasis added)

5.71 The Executive Decision Report included the following:

To summarise, since December 2013, following the end of the three year funding agreement, there has been a long, difficult and protracted negotiation between the HCA and the Council on a number of matters including:

- a) The expectation from HCA that along with the transfer of the building and staff in 2010 the Council would also provide significant levels of funding to HCA after the three year agreement ended in 2013.
- b) Reluctance from HCA to agree to the terms and conditions associated with the one year funding offered to HCA for 2014/15. HCA deemed several clauses in the funding agreement unreasonable and were still contesting these in January 2015, seven months after the funding had been offered.
- c) The unilateral decision by HCA to give notice on withdrawal from the Local Government Pension Scheme (LGPS) in September 2014, without engagement or consultation with the Council. HCA have not been able to demonstrate that they acted in a prudent manner on this matter nor that they took independent financial or legal advice. Their withdrawal has resulted in a significant and unnecessary liability of £162k through the crystallisation of a deficit on the pension fund, for which they have sought to blame the City Council as well as the County Council as LGPS administrator.
- d) In addition, despite repeated requests, HCA have not demonstrated how they will meet their legal obligation to provide a pension scheme that is broadly comparable with the LGPS for the staff transferred by the Council, resulting in concern over the HCA level of care for those staff previously in our employ. This obligation is a requirement of the Employee Transfer Agreement.
- e) An initial expectation from HCA that the Council should provide additional funds over and above that which has been offered through the Community Services offer to help 'bail out' the organisation in relation to this pension scheme liability. This was refused.

**f) An apparent lack of will to enter into any form of meaningful dialogue, or foster any form of positive relationship with the Council, and instead taking a stance that could only be considered argumentative and adversarial.**

(Emphasis added)

g) The lack of a credible business case for HCA moving forward, despite feedback to them on the business case put forward in 2014 and the offer of assistance to develop a more robust and meaningful plan to meet their stated aim of becoming financially independent.

5.72 In response to HCA's comments about the loss of services to Highfields residents, both the Mayor and his colleague (Liz Blyth) stated that there were other community projects in the Highfields area which could be utilised to deliver the same services.

At no time did they mention anything about reducing funding to other projects in Highfields and on the contrary and following his decision to retrospectively terminate LCC's funding agreement with the HCA, the latter learnt that in a briefing meeting for some of the local councillors, the Mayor 'dangled a £200k carrot' which he said would be made available to other projects in the area (including those run by three of those councillors). HCA felt that that was intended to placate local councillors and silence any protest they might have been minded to voice about cutting the services that the Highfields Centre provided.

5.73 Paragraphs 5.70 and 5.71 (f) above reflect the claims Peter Soulsby made to the BBC news reporter in July 2015:

"In all my years of experience of working with the council and in local government this has been the most difficult group I have ever experienced.

"They really haven't wanted to enter into any sensible discussion with us, behaving as if they have a right to be given this very large cheque and allowed to spend it however they wish."  
(See 5.11 - a above).

5.74 HCA's engagement with the City Mayor and council staff as detailed so far in this report provides no evidence of any conduct that would warrant those claims from Mr Soulsby. On the contrary, there is ample evidence of:

- HCA's timely and respectful communication with council officers and with the City Mayor himself
- Delayed responses to email and other messages sent by HCA to the council, often resulting in late payment of invoices
- Undertakings made by the council and by Mr Soulsby himself not being honoured
- Legal agreements entered into by the council being ignored or reneged upon
- Council staff progressing matters in consultation with HCA only to have them get stuck in the Mayor's office without action for days, weeks and months
- The Mayor himself communicating with the Leicester Mercury and BBC News and providing briefings about HCA that contain utter falsehoods, even while his staff are having cordial and meaningful discussions with HCA
- The Mayor then getting irate when the HCA refute his claims and give their version of events and the background to them to the same media.

5.75 It is a matter of some concern that council officers who were actively engaged in discussions and negotiations with HCA and were themselves frustrated by the frequent logjams in the Mayor's office could end up writing an executive report for elected councillors which plainly reflects the City Mayor's implacable opposition to an organisation and those who run it, rather than what they know to be the case.

5.76 This review has seen the HCA's response to all the matters reported upon in the Executive Director's Report to councillors. While it is clear that HCA and LCC failed to agree on a number of significant issues, we have seen no evidence that HCA dismissed LCC's concerns out of hand and did not bother themselves to address those concerns.

### **5.77 Car Park**

One issue that demonstrates the nature of the relationship between LCC and HCA following community governance is the use of the car park that serves the Upland Infant and Junior Schools that are adjacent to the Highfields Centre.

5.78 HCA paid £15,000 out of its £5m building project monies to get the old playground at the front of the Highfields Centre resurfaced and marked up as a car park. In return, the Centre was provided with a license to utilise that car park after 5.30pm on schooldays and all day during the weekends and school holiday periods. Crucially, this was also identified as a clause in the planning permission they secured for the new enlarged Centre.

5.79 In March 2014, HCA was informed by Eddie Beilby (LCC Property Services Manager) that the schools had raised objections to its use of their car park.

5.80 On 24 April, Priya Thamotheram wrote to Eddie Beilby seeking clarification of the car park issue:

With reference to the attached issues we discussed during your visit here on 2<sup>nd</sup> April, have they now been assuaged and if not, what specific issues (if any) remain outstanding?

He wrote to Beilby again on 15 May:

It's now 6 weeks since we met, Eddie and what exactly are the issues causing dissatisfaction and to which school specifically?

5.81 On 21 May, Eddie Beilby and Shilen Pattni visited the Centre and were on site for about 45 minutes. They took some photographs and said they were conducting a visual inspection of the building.

In reply to Priya Thamotheram's question about the car park, Eddie Beilby said he was preparing a report for Assistant Mayor Cllr Dempster and it was likely to be taken to the Mayoral team for sign off.

5.82 On 29 August 2014, Eddie Beilby wrote to Priya Thamotheram saying:

'As discussed earlier in the year following a request from the Uplands schools to look at the suitability of the existing car park licence to deal with concerns they had raised on control and recovery of costs incurred in maintaining this facility and after internal

consultation the City Mayor has now confirmed that we would seek to renegotiate the agreement to address these concerns.

As you will be aware, the existing agreement can be terminated with 12 months notice, so please accept the attached letter as this document. We will now have 12 months to the end of August 2015 to agree new terms between HCA and the schools, which Property Services will facilitate'.

5.83 On 1 September, Priya Thamotheram replied:

'I guess we shouldn't be surprised at this turn of events but I'd like to place on record our serious concerns about both the process and the substantive matters referred to in your letter.....

In the meantime and in the absence of the 2 schools raising any of these issues directly with us, I wrote to them and was staggered to hear from **Michelle Orton at the Infants school** that "***With regards to the car park, we are currently awaiting guidance from our landlord (ie. Leicester City Council) and that until such time no meeting can take place.***"

... at a subsequent Highfields Festival planning meeting on 15<sup>th</sup> May, **Michelle Sheahan and Ian Walker from the Junior school who attended for part of the meeting said that they too had communicated to you that the concerns allegedly raised by the schools and identified in your attached list were not valid!**

.....you said that you'd be preparing a report on the options for the future use of the car park for Cllr Dempster (Assistant Mayor, Children & Young Persons Services) and that she'd be likely to take it to the Mayoral team for sign off. However, when we met with both the city mayor and Liz Blyth (Director, Cultural & Neighbourhood Services) on 30<sup>th</sup> May and in response to our question about the car park related matters, **the city mayor was very clear that that wasn't something he'd be involved in. It seems we've been misled yet again!**

..... , we'd formally request a copy of your report(s) in the last 6 months on the Uplands Schools' car park and if necessary, please consider this request to be effected under the provisions of the Freedom of Information Act'.

5.84 On 29 September, the LCC Information Governance Manager wrote to HCA to say:

.....**this letter constitutes a refusal notice under Section 17.1 of the Freedom of Information Act 2000** because an exemption under Section 36 of the Act is being applied as release could,

- **Inhibit the free and frank exchange of views for the purposes of deliberation;** and
- **Otherwise prejudice the effective conduct of public affairs.**

5.85 HCA's legal advisers were clear that they had a strong case for taking legal action in respect of that termination notice, especially as the Junior school had denied communicating to LCC any problems to do with the car park agreement and neither school had raised any issues directly with the Highfields Centre. However, local councillors and Jon Ashworth MP's office advised against such action, 'for fear that it would cause unnecessary aggravation with Peter Soulsby'. Instead, they suggested that HCA resolve the overall funding situation and deal with the car park issue as an adjunct to those negotiations.

5.86 However, the issue of HCA's use of the car park was not unconnected to the agenda of resolving 'the overall funding situation'. In terms of income generation, HCA's ability to facilitate parking had a direct bearing on the level of centre usage, not least for regular centre programming and for room hire for meetings and social events.

HCA is of the view, in retrospect, that the City Council's denial of the use of the car park was yet another attempt to destabilise the Centre and obstruct its efforts to generate income, thus making it less likely to be viable as a self-governing entity.

## **6.00 Local Councillors, HCA and the City Council**

6.1 The 2014 User and Staff Profile for the Highfields Centre was as follows:

### Users

- Male - 44%                      Female - 56%
- Asian: 73%    African/Caribbean: 16%    White: 4%    Other: 7%
- Over 400,000 users attended various activities and events at HC since September 2010

### Staff

- 25 male; 14 female, of which
- 59% Asian, 21 % African/Caribbean, 12% White & 8% other.

6.2 The 73% Asian users reflect their percentage in the local population. Similarly, of the current 7 local councillors, 6 are Asian and one is white.

Three of those councillors have had life-long dealings with the Highfields Centre, most having been users of the Centre at various stages of their life. Their constituents make up the largest combined percentage of the Centre's users. Three of the Asian councillors held their surgeries at the Highfields Centre until the ward boundary changes in May 2015 and two of them continued with that arrangement until June 2016 (see 6.43 – 6.46 below).

6.3 Between December 2010 when the HCA gained community governance status and March 2015 when its funding contract with LCC expired, the LCC share of HCA's income reduced from 95% to 48%. LCC acknowledges that Highfields is home to some of the most disadvantaged communities in Leicester, communities which those 7 councillors represent.

6.4 Since 2010, there has been a massive reduction in publicly funded services at Highfields Centre and in the local area. Nevertheless, HCA reports that it 'has drawn down over £600,000 from the EU and Big Lottery for additional services to the largely disadvantaged communities in the Highfields area, with the city council contracts providing some of the necessary match funding.

6.5 What, then, has been the position of Highfields' Councillors with respect to LCC's relationship with HCA since December 2010?

As indicated in 2.5 above, two councillors refused to be interviewed face to face but agreed to a telephone conversation. Those two were particularly guarded in their remarks and were especially reluctant to answer questions about the nature of LCC's engagement with the Highfields Centre. When they did, they more or less reiterated what the City Mayor had

been reported as saying to the Leicester Mercury and to BBC Radio Leicester, or what had been presented in the 2015 Executive Decision Report.

- 6.6 In my interview with all the councillors, I sought to establish what their position was on the following matters:
- a) the quality of service HCA has delivered to the local community over the last 30 years and especially in the 10 years prior to community governance
  - b) Mayor Soulsby's claim that HCA should have achieved financial independence from the council by November 2013
  - c) whether they saw political independence/community governance as being incompatible with providing services on behalf of the council through a service contract and if so why
  - d) their view of LCC's decision to discontinue neighbourhood services funding at HCA and relocate adult education services to other centres in Highfields which had no previous standing in providing adult learning, including the (LCC run) African Caribbean Centre St Peter's Church Hall and the impact that was having on their constituents – nb. LCC had already stated in a letter to parents of the Highfields Pre-school that **'We have looked for alternative premises in the area but could not find anything suitable'**
  - e) whether they could envisage a situation where the Highfields Centre was not considered as part of the plan for Transforming Neighbourhood Services in Highfields
  - f) the perception in Highfields and in the city more widely that the issue of LCC's withdrawal of service contracts from HCA was a consequence of the City Mayor's dissatisfaction with the management of the Highfields Centre
  - g) how they felt that the broken relationship between LCC and HCA could be restored
  - h) whether as local councillors and given the impact that LCC's decision to relocate services was having on the local population, they could intervene collectively on behalf of the local community and seek to bring an end to the 'dispute'
- 6.7 All were agreed that HCA is the major provider of services to the communities of Highfields and has served Highfields well over the last 30 plus years. Some expressed gratitude for what the Highfields Centre had done for them in terms of their youth development, post-16 education, career development and services to their own and their extended families.
- 6.8 While they did not see HCA's political independence as being incompatible with its ability to continue providing services to the local population on the basis of service contracts with LCC, there were mixed views about what the partnership between LCC and HCA should look like. Interestingly, some councillors talked about Peter Soulsby and Leicester City Council synonymously, as if they were not separate entities. **They displayed palpable fear of Mr Soulsby and of the consequences for themselves if they were to 'go against him' in any way.**

6.9 Those who disagreed with the way the City Mayor had dealt with HCA and especially the way the Mayor had used the media to discredit the management and governors of HCA felt **'it would be suicide'**, as one put it, if they were to go to other local councillors and suggest that they work in unison to intervene with the Mayor. For one thing, they felt **there was not enough trust among them as a group of local councillors and that people would not be above shafting one another in order to retain or gain favour with Peter Soulsby.** They cited examples of what they called **'divide and rule strategies' they had experienced both when Mr Soulsby was leader of the council and even more so since he became Mayor.** The impression I formed, therefore, was that most of those councillors were constantly looking over their shoulders while walking on eggshells in their dealings with one another, with council officers and with their constituents.

6.10 LCC's Neighbourhood Services and Community Involvement Scrutiny Commission met in August 2015 to consider the 'call in' of the Mayor's decision to disengage with the HCA. That meeting was chaired by Councillor Mohammed Dawood, one of the Highfields councillors. Prior to that meeting, Mayor Soulsby declared publicly:

'It is a strange call in and there is absolutely no prospect whatsoever of me changing my mind on this'. (Leicester Mercury, 10 August 2015)

So, the Mayor's office had produced an Executive Decision Report which was to be debated by the council. In addition to whatever counter arguments HCA might have been preparing to make in the 10 minutes allotted to them to respond to that report, any councillor, including the 7 from Highfields whose constituents were directly affected, was entitled to challenge, disagree with, or ask for further information on any item in the Mayor's report. Yet, Mr Soulsby was telling the people of Leicester that that democratic process was totally irrelevant and by implication a waste of everybody's time, as there was absolutely no prospect whatsoever of him changing his mind in respect of the decision he had already made to cut HCA adrift.

6.11 His statement prompted HCA to issue a press release which, among other things, stated the following:

'Local councillors' concern about the impact of (Mayor Soulsby's) actions on the poorest part of the poorest city in the UK is being brazenly dismissed ahead of any reasoned consideration at the forthcoming Scrutiny meeting. Indeed and before the call-in is heard, teams of city council officers have continued to proceed with removing its services from Highfields Centre

We have said previously that **"It is deeply worrying that a centre of excellence such as the Highfields Centre can be subjected to the city mayor's autocratic whims, without any democratic and reasoned scrutiny of his actions.** We hope that exposure of his practice to a wider audience will, at the very least, lead to a more reasoned outcome'. (HCA Press Release - 11 August.2015 – emphasis added)

6.12 It would appear from the Minutes of the Scrutiny Commission's meeting of 13 August 2015, that a couple of local councillors asked questions of the Mayor and Heads of Services, especially with regard to service provision for those who were receiving or had received those services from HCA in the recent past. The Minutes contained no record of anyone scrutinising the process that had led to the Mayor's decision being called in and not least the protracted negotiations there had been between city councillors and HCA staff since

late 2013 and throughout 2014. That was despite the fact that the Mayor's decision report contained as 'background':

Despite considerable efforts to maintain a constructive working relationship with HCA it is clear that this has irretrievably broken down. The damage to the relationship over the past nineteen months has created substantial and irreconcilable differences. The result is that the Council, as a responsible body for public funds, does not have trust or confidence in HCA's ability to prudently manage public funds, to demonstrate an acceptable level of care toward staff transferred to them from the authority in relation to their pension rights, or to develop a credible model for a sustainable future.

In 2010 the building and staff were transferred to HCA by the Council, following a long period of campaigning by HCA, to enable them to meet their stated aim of achieving financial independence. This was a unique arrangement and the first and only time the Council has agreed to transfer a major building asset (with a value of approximately £2 million) and staff team to enable Community Governance. Subsequently a 25 year lease was granted (with the option to extend for a further 25 years) at a peppercorn rate of £0.76 plus VAT per annum. Three years' funding of £879k (£293k per annum) for community services was also provided. At the same time a discontinuous sublease was entered into for use of hired space by the Council in the Highfields Centre for adult skills and learning and children's and youth services with a value of £99k per annum for rent and service charges. In this time period HCA have also successfully bid for Council funding for other specific initiatives.

In 2013, when the three year agreement ceased, HCA sought further funding to the amount of £293k per annum. In order to give HCA further time to provide the Council with relevant information and a business plan funding of £73k was provided to HCA between December 2013 and February 2014.

Since the asset transfer to the HCA the Council now have in place a more robust policy framework for Community Governance and Community Asset Transfer. The arrangement with HCA is unique as it included an unprecedented level of financial support not in keeping with the Council's current Community Asset Transfer policy which requires interested organisations to demonstrate that they are financially sustainable. In their business planning, HCA needed to demonstrate a clear proposal for how they intended to reduce reliance on the Council's funding which is a clear objective for seeking Community Governance and utilise the assets of the building and staff to meet the stated aims of the organisation (ie to become economically independent and self-sufficient) but they have failed to do this.

<http://www.cabinet.leicester.gov.uk/documents/s70748/Exec%20Decision%20Report%20-%20HCA%2024-07-15%20final.pdf>

- 6.13 Two of the local councillors had served as Chair of the HCA's management committee/governing body at one time or other, with another serving as its Treasurer. They therefore had firsthand knowledge of the organisation's financial management capacity and budget responsibility, of its rigorous Safeguarding policy and practices and of the financial reserves it had built up over a period of some 30 years and the uses to which it intended to deploy both its restricted and unrestricted reserve funds. Yet, the Mayor was able to present, without challenge from local councillors a report stating:

'...the Council, as a responsible body for public funds, does not have trust or confidence in HCA's ability to prudently manage public funds,...

- 6.14 A Leicester Mercury report some months earlier (8 December 2014) quoted Peter Soulsby as making the same charge of financial irresponsibility, with more than a hint of financial irregularity:

“It is an important asset and the last thing I would want is for it to collapse but if they are getting public funds they have to act in a way that is responsible.”

Sir Peter also pointed out the HCA has substantial reserves.

He said: “Are they making use of the money they are getting or are they stashing it away.”

6.15 Similarly, the Executive Decision Report stated:

‘In their business planning, HCA needed to demonstrate a clear proposal for how they intended to reduce reliance on the Council’s funding which is a clear objective for seeking Community Governance and utilise the assets of the building and staff to meet the stated aims of the organisation (ie to become economically independent and self-sufficient) but they have failed to do this’.

Yet, as seen in 5.77 to 5.86 above, by debarring HCA from using the car park it had paid to have resurfaced so it could share it with the adjacent schools, LCC was thwarting one of its key arrangements ‘to utilise the assets of the building and staff to meet its aim to become economically independent’. But, as we saw in 5.85 above, local councillors and Jon Ashworth MP’s office counselled HCA not to take legal action against the council ‘for fear that it would cause unnecessary aggravation with Peter Soulsby’.

6.16 The Mayor and the City Council saw it fit to imply to the media that the HCA could not be trusted to keep children safe, or to put effective safeguarding measures in place, despite the fact that over the many years the HCA had provided services with Council funding, no officers had had cause to raise safeguarding issues, or respond to centre users’ complaints about safeguarding failures. Moreover, as we have observed, some of the local councillors had been Chairs of the HCA management committee /governing body, including one of Mr Soulsby’s team of Assistant Mayors.

6.17 HCA is of the view that the City Council was registering with the media those anxieties about financial probity and a nonchalant approach to Safeguarding as a justification for the regime the Mayor sought to impose upon the Highfields Centre, including the right to enter and inspect unannounced. He was making unsubstantiated comments as truth and objective facts which have an easy resonance with the media and which serve to damage the credibility of the HCA, even when council officers are working collaboratively and positively with the HCA.

6.18 Some councillors told the review that HCA was careless in determining its charges to LCC for room hire at the Highfields Centre following community governance and had imposed higher rental costs and service charges just when the Council was seeking to reduce the number of services it provided at the Centre. Their argument was that by imposing a 40% increase in rent when LCC had effectively reduced the space it needed by 50%, HCA had handed ammunition to Peter Soulsby and allowed him not only to make HCA out to be unreasonable and simply wanting to keep siphoning off City Council money, but to tell the media precisely that. In this way, his decision, premeditated or not, to withdraw adult and early years services and staff could be seen by the public as being highly responsible and in tax payers’ interests.

6.19 Those councillors claimed, additionally, that HCA made no gesture to the City Council as to how it would help them make savings, given that other organisations providing services in Highfields were also facing sizeable cuts. As they saw it, therefore, the premises costs issue was an HCA own goal.

- 6.20 For its part, HCA argued that the formal agreement with LCC for room hire at the Centre had lapsed nearly five years ago but that the room hire arrangements had been mutually continued on an informal basis. A meeting had been arranged on 1 June 2015 to discuss and formalise the Council's on-going room hire requirements but it was cancelled at short notice, apparently at the City Mayor's behest. LCC's subsequent written communication sought HCA's initial response in less than a week and a further considered response at less than 24 hours' notice.
- 6.21 Their initial response incorporated a reduction based on long-term usage, drew specific attention to the significantly increased utility (including a 25% LCC district heating cost increase) and services costs and reminded the Council of the previous room hire and service charge cost being capped by them at £99,000, a level considerably less than the true cost in 2010. The Council's suggested figure of less than £50,000 for the combined rent and service charges was completely at variance with the market rate, but given their wish for the matter to be reconsidered, HCA said they would do so by Friday 10 July 2015 and had arranged for an independent valuation of the rooms to be conducted on Tuesday 7 July.
- 6.22 Whilst it was the case that the Council's new usage pattern did not require space for their youth team, this was largely off-set by their new requirement of exclusive usage of the pre-school rooms.
- 6.23 Letters had already been prepared by the Council for distribution to the pre-school parents on the morning of 3 July 2015, i.e., before the 24 hour deadline for HCA's response had lapsed. In that letter, the Council stated they were going to relocate the pre-school provision to Thurnby Lodge, an area where at that time, there had been some major and prolonged anti-Muslim demonstrations.

6.24 HCA states:

'it seems some sense prevailed and that letter was not given out and instead, the parents were sent a new letter over the weekend. The new letter stated: "We have looked for alternative premises in the locality but could not find anything suitable". The city mayor's decision disbanded one of the most effective, well recognised (Ofsted) and well established pre-school services in the area. Parents were advised to attend a 'surgery' at a local children's centre to seek a pre-school place for their child or to find such a place themselves from a list of non-LCC providers and we understand not a single child was subsequently placed in a LCC pre-school setting'.

6.25 On 6 July 2015, HCA received the following email from the legal department in LCC:

Thank you for your email of the 3<sup>rd</sup> July at 14.31.

The Council has considered your email. I am instructed that the Council cannot agree to the extension of the deadline for receiving a response by next week, given we are so close to the end of the academic year. The Council has a duty of care to ensure that service users, particularly children and parents are informed of our situation as quickly as possible. The Council will also need to make arrangements for alternative provision to be in place for the next academic year, hence the Council's request for a substantive response by the 3<sup>rd</sup> July. Therefore, subsequent to formal Notice served on you on the 22<sup>nd</sup> June 2015, we have reluctantly had to inform learners and parents that we will cease to occupy space or continue

provision from Highfields Centre and will be vacating our occupation on the Centre in September.

I would be grateful if you could please note the above.

- 6.26 HCA is of the view that LCC's action to vacate the premises and to notify parents to that effect was a prelude to Peter Soulsby's decision on 24 July 2015 to retrospectively terminate all funding to HC.
- 6.27 The 'formal Notice of 22 June 2015' was a brief note from the LCC barrister to state that LCC was vacating the premises on 28 September 2015. In practical terms, they vacated by end August 2015, so HCA did not bill them for the September 2015 room hire charges.
- 6.28 Room hire charges proved to be a major hurdle in getting the HCA business plan approved by the City Mayor. In an email of 2 July 2015, the City Council's Legal Services department informed HCA that LCC had rejected their quotation for room hire and wanted a revised figure by 3.00pm the following day (3 July 2015). HCA replied saying it needed to consult further and would provide them with an answer within a week, i.e., by Friday 10 July. Lawyers for the Council replied on Monday 6 July at 16.28, stating that the council could not accept that and was therefore terminating the use of the building (6.25 above). Would it really have stymied the Council's plan to inform parents and secure new provision if they had waited for the HCA response, given that the school term was due to end in the third week of July?
- 6.29 It is clear that the issue of 50% space reduction juxtaposed to 40% rent increase was a useful and effective tool used extensively by Peter Soulsby, his apologists and other HCA detractors to ridicule the organisation and project it as money grabbing and wanting to siphon taxpayers' money from LCC. There is no doubt that that juxtaposition played better with the media and the public than the somewhat more complex explanation provided by HCA in 6.21 above, thereby serving the City Mayor's purpose to demonstrate how good a custodian he is of the Council's resources.
- 6.30 However, in a somewhat more normal situation where council officers and external service providers work together to find solutions to problems as partners in service delivery and without the megaphone communication through the local media that appears to be Mr Soulsby's preferred way, the HCA might have stood a better chance of working with LCC towards a solution of problems that appeared eminently surmountable.
- 6.31 With regard to local councillors' claim that HCA made no gesture to the City Council as to how it would help them make savings, HCA provided the review with the letter they sent to LCC's principal solicitor on 1 July 2015:

**Without prejudice**

*Thank you for your letter dated 22 June 2015 and your subsequent email dated 25 June 2015.*

*We note the Council's notification to terminate its under lease of part usage of Highfields Centre on 28 September 2015. We also note the Council's wish to discuss proposals for a new agreement for occupation of the parts of the Centre and for these details to be provided by no later than 1 July 2015.*

*You will be aware that a meeting arranged on 1 June 2015 at the Council's request to discuss its room hire requirements was cancelled at short notice and without any substantive reason provided for that cancellation. However and in the spirit of welcoming the Council's wish to continue its usage of designated rooms at this Centre during designated times, we have set out our response as follows:*

- 1. We note the new requirements do not include the Council's former requirement for exclusive usage of an office for the Adult Learning service.*
- 2. The hourly room hire cost reflect the significantly increased utility and services cost incurred at this Centre over the last 5 years and the previous room hire and service charge cost was, in the interest of completing the community governance transfer, capped at £99,500 per annum and it considerably undercut the true cost at that time*
- 3. Based on an hourly rate, the total annual room hire charge for a 35 weeks per year usage will normally be £159,968 but given the substantial usage being requested, we will be prepared to offer a significant 50% discount, with the resultant annual cost being £79,984.*
- 4. There will also be an additional property service charge and this will be set at 29% to reflect two seventh (ie. early years and adult learning) of the totality of services delivered at this Centre and based on the most recent 12 month period, this is likely to be approximately £59,946 per annum.*

*Once the above elements have been agreed, we will be able to proceed to draw up a more formal under lease agreement.*

*In relation to the information requested in Neil's email, our response is set out below:*

- 1. Points 1, 2, 4 and 5 above pertain also to this option.*
- 2. Based on an hourly rate, the total annual room hire charge for a 35 weeks per year usage will normally be £160,886 but given the substantial usage being requested, we will be prepared to offer a significant 50% discount, with the resultant annual cost being £80,443.*

*We trust the above information will enable your client to confirm their agreement and we will await your reply by no later than Friday 10 July 2015.*

*Best wishes*

- 6.32 Two local councillors, one very well known to the HCA, claimed that the council saw HCA simply as letting rooms, even if that was for providing council-funded services. One councillor said: *'It had not done any development work in the community for years, not even among young people'*. As such, it should have operated as a business long ago, providing a hire venue for a wide range of events organised by families, entrepreneurs, schools, etc., and running commercial day nurseries, advice services, adult and young people's tuition services, etc. Instead, for too long it relied on City Council funding, expecting that funding to be always ring fenced, simply because of the level of need in the community. Another councillor said: *'Once the council pulled the plug, there was an immediate under-use of expensive office space because HCA has no money to pay*

*officers to do the work. That is why Soulsby made the statements he did to Jim Davis'.*

6.33 Commenting upon those observations, HCA stated:

- a) Over and above our continued leadership role in Highfields area-wide developments such as the Highfields Area Forum (HAF), Highfields Adult Learning Advice and Business Services (HALABS), Highfields Area Plan, Highfields Our Place, Highfields Festival, Central Early Help Locality Partnership, etc, etc, we set out below our achievements post Community Governance and this belies those councillors' assessment.
- b) Our service delivery over the three years of the LCC contract can be summarised as:
  - 2013 year usage target of 100,000 people nearly met in 2011
  - Over 106,000 people in 2012 - exceeded LCC's 3<sup>rd</sup> year target!
  - (2013: 5183 sessions & over 97,000 users but LCC services usage only 50% of target)
  - Open to the public 7 days per week, 9am to 10pm (Mon-Fri) & 9am – 6pm (Sat & Sun), 80 hours per week over 343 days per year
  - Provided nearly 5000 activity sessions (Arts, Sports, Children & Young People, Advice including employment/welfare rights/business support & community services/development & H-Cafe) in 2012, averaging about 21 people per session (2013: 5183 sessions, averaging 19 people per session)
  - December 2010, 6 full-time and 14 part-time staff; Dec 2013 8 full-time staff and 28 part-time staff
  - Usage by all sections of the local communities (Celebrating Diversity & Unity in the Community) as reported in detail in Highfields Centre's Annual Report

Responded to local needs:

- Anti-Social Behaviour related concerns → Introduction of Late Lounge
- NEET (not in education, employment or training) Young People → Talent Match
- Improving children's educational attainment → Highfields Summer School
- Elderly Isolation → Elders' Group
- Lack of support to local businesses → Business Advice
- 91% of our users said HC's services were excellent to good, across a range of different features
- 98% said they would continue to use HC services
- 97% said they would recommend HC services to their friends, family, etc.

**Specifically, the respective departments have excelled as shown below:**

**Community Services:**

- Enabled the Centre's opening hours to be extended to 80 hours per week\*
- Enabled the Centre to be open for seven days per week and over 343 days per year\*
- In 2014, provided 696 sessions, including meetings, weddings, conferences, post- funeral receptions, job fairs and social and cultural events\*

- Ensured the Centre was clean and safe for usage by nearly 400,000 users during the last four years' LCC contract\*

### **Arts**

- Supported the development of local Black artists and production of Mango Rooms Volume 1 CD
- Helped set up the now well-established Highfields Festival, with nearly 2,200 people attending the 2014 event\*
- Used arts as a vehicle for engaging young people involved in anti-social and offending behaviour (eg. Highfields Youth Outreach Project, Late Lounge)\*
- Similarly, arts activities provided a major part of the Highfields Summer School which was initiated in 2013 and had over 170 children attending on a daily basis over a four week period\*

### **H-Cafe**

- Initiated in 2011 under the Future Jobs Fund scheme, with young trainees\*
- Continued in 2012 with a team of volunteers\*
- Subsequently, sub-contracted to a local social enterprise which prioritised service delivery through the employment of refugees and other excluded community members and then, to a local business.
- On their withdrawal, it will in future be provided through a linkage to the new Leicester Ageing Together programme.

### **Sports**

- In 2014, provided 1,166 sessions, including gym, aerobics, keep-fit, zumba, karate, football, cricket, basketball and other sport sessions\*
- Organised tournaments and sports schemes for children and young people during school holiday periods\*
- 6 local schools and over 20 affiliated groups regularly access the sports facilities\*
- Sports activities have been a key feature of the 3 major festivals held over the last two years, including the Highfields, SunFest and Global Hands festivals\*
- Activities for the elderly, particularly those facing social exclusion through language barrier, disability or other reasons and linked to improving the health of all citizens in the area.

(NB. All of the above items marked with an asterisk had been facilitated by LCC's Community Services, H-MAC and rental funding contracts).

6.34 HCA is acknowledged in the Highfields area and across the City of Leicester as playing the leadership role that it describes in 6.33 (a) above. The organisation argues that given the level of poverty in the area, the degree of youth unemployment, the extent of young people's involvement with the criminal justice system and the overall level of social deprivation in Highfields, local councillors should seek to support its work through the strategic partnerships that communities and groups in the Highfields area have built over the years and ensure that the City Council has and can demonstrate the application of a coherent strategy for improving the lives of people of all ages in the area, rather than seeing the work of the Highfields Centre as detached from those collective responses to the needs and aspirations of the people of Highfields.

6.35 Looking to the future, the review sought councillors' views of the relationship they

anticipated the City Council having with HCA when its Transforming Neighbourhood Services initiative across the city finally arrives in Highfields.

The council gave as its reason for introducing the transforming neighbourhood services programme:

- Significant cuts in government funding mean we will not be able to continue to run services (such as libraries, community services, youth centres, housing offices, adult learning and local customer service points) as we do now.
- We want to work with communities to make changes and to deliver effective - joined up services.
- We are reviewing how neighbourhood services are run to make sure that they are affordable and can respond to local people's needs.

The options the council was consulting upon were:

- reducing the number of buildings we own
- merging services into shared buildings: this has worked well elsewhere in Leicester and has led to longer opening hours
- involving local people in running some services
- introducing more self-service and payment facilities.

#### [Leicester City Council](#)

6.36 At the Scrutiny Commission in August 2015, a Highfields councillor asked Peter Soulsby why the HCA had not been included in the Transforming Neighbourhood Services review that the City was undertaking.

6.37 The Minutes of that meeting records the City Mayor's answer as:

'This reflected the fact that 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'.

6.38 The Minutes goes on to say that;

'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 services 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'.

6.39 In the South, West and North West of the City where Transforming Neighbourhood Services (TNS) has also been implemented and Leicester East where it is about to be, there were suitable LCC buildings which could be utilised for co-locating various services within the one building and provide Leicester's equivalent of a 'one stop shop'. Councillors all agree that the major challenge the City Council will face when Transforming Neighbourhood Services is considered in the Highfields area, most likely in early 2017, is that Highfields Centre is the biggest, most adaptable, best used and best loved community building in the area. It would therefore be difficult to see how the City Council could

overlook it completely, especially since it has been the hub of community activity and service provision in Highfields for decades.

- 6.40 Most councillors felt that HCA should continue to work towards financial independence and be in a better position to be commissioned to deliver services on behalf of the Council as it has the greatest capacity to do so of all providers in the area. The Highfields Centre is seen as a community hub for lifelong learning the intersection of education and leisure and for social provision for the elderly in the community. A number of councillors praised the record the Centre has for promoting intergenerational dialogue and encouraging the elderly to see that they have a wealth of knowledge and experience to share with the young.
- 6.41 Three councillors welcomed HCA's business development arm and hoped that the Highfields Centre would expand its Skills Development provision and work with partners to provide more vocational training and education with a focus on the young unemployed and linking into the Leicester Economic Action Plan. They expressed support for the view that in anticipation of Transforming Neighbourhood Services, HCA should revisit its business plan and undertake a feasibility study of income generation streams including, for example:
- Taking the Public Library into the Centre and using the current library space for running a café with internet access
  - Providing housing advice and services in addition to the advisory, advocacy and representation service the Centre already offers
  - Providing training in entrepreneurship and business development
  - Working with other organisations in the area to guide young entrepreneurs as they incubate their businesses
  - Training translators and interpreters
  - Providing tuition in core curriculum subjects and in computer coding
- 6.42 They and other councillors expressed sadness at the current situation where the number of hours the HCA could provide services has had to be reduced and rooms were under-utilised while there was a need for provision of services for all age groups in the community, including a social education curriculum for young people.
- 6.43 The reduction of the Centre's opening hours also had an unintended consequence for those councillors who held their surgeries at the Centre. It would appear that a lack of communication about alternative arrangements on account of the changed opening hours resulted in one councillor turning up for his surgery only to find the Centre closed. They therefore held the surgery in the local library adjacent to the Centre that evening and eventually moved the surgeries to the library altogether.
- 6.44 The councillors claimed to have received no communication from HCA about the unavailability of the Centre after 6.00pm on a Friday and had effectively been displaced. Since they needed to have a reliable location agreed so that they could publicise their surgeries to local people, they said they had no option but to relocate to the Library.
- 6.45 For their part, HCA provided the review with the background to this disruption of access to councillors' surgeries at the Centre:

- a) As a part of the Economic, Effective, Successional and Extendable (EESE) measures the HCA introduced consequent upon the loss of £527,000 per annum of LCC income resulting from the City Mayor's actions, the Centre's 'core' opening hours were reduced. On Fridays, for example, the Centre is now formally open from 9am – 1pm and 6pm – 9.30pm. The Centre took steps to ensure that those new core opening times were widely communicated.
- b) Similarly, the Centre closure days were increased from 22 days to 34 days per annum.
- c) Of the five bookings for councillor's surgeries on the first Friday of each month from January 2016 to July 2016 inclusive, the councillors had attended the first three and the other two (April and June) coincided with the Centre being closed for the Easter and Spring breaks respectively.
- d) Additionally, beginning in 2013, during the 4 week Ramadan period the Highfields Centre closed at 6pm during the week, as there was little take up of activities programmed for those evenings.
- e) Although there was no booking in place effected for Friday 1<sup>st</sup> July, it appears that one councillor turned up at the Centre, found the building closed and presumably with his co-councillor, decided to move their surgeries to the Library.
- f) HCA feels that in retrospect they could have ensured there had been more effective communication to the councillors of the increased closure dates, but equally the councillors could have, as they had done in previous years, called Centre managers or gone into the Centre to enquire about their surgeries, especially given the adaptations HCA needed to make as a consequence of LCC's actions.

6.46 What is interesting about this turn of events is that it suggests that the local councillors were not as engaged with the Centre as they might have been, given that it was the main provider of services to their constituents, services which were significantly curtailed as a result of funding decisions made by the City Mayor. By their own admission, those councillors were less than robust in their support for the HCA in its negotiations with the City Council.

6.47 Moreover, the fact that they did not feel able, individually or as a group of local councillors, to convey to the City Mayor the positions they espoused to the TNS review (as in 6.35 – 6.39 above), presumably because of fear of the consequences of being 'off message', leads one to suspect that it was more politically expedient for them to hold their surgeries in the library, rather than work with the Centre to find a solution to the early closing issue.

6.48 Given the experience all the local councillors have had of the HCA and services provided at the Highfields Centre for three decades, as well as the range of services they envisage HCA providing in the future, it is a matter of great concern that those local representatives did not trust one another enough, even to attempt to operate as a group and represent the interests of their constituents by calling for a frank, open and objective discussion with the City Mayor about the future relationship between LCC and the Highfields Centre as the major provider of services to those constituents.

6.49 As for the £200,000 'carrot' local councillors were led to believe that organisations in Highfields would receive as a consequence of LCC funds being withdrawn from HCA (5.72 above), the Minutes of the Scrutiny Commission meeting noted:

'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 has ceased in 2013 and so what was in question was additional funding. As such, there were no funds to ring-fence'.

## **7.00 Jon Ashworth MP, HCA and the City Council**

7.01 The September 2015 issue of Highfields Community Association News reported that at the HCA's Adult Certificate Presentation Evening 2015, Jon Ashworth MP gave out the certificates and congratulated each and every learner for their efforts. He commented:

'I am deeply proud of you, proud of the staff, tonight's your night, enjoy it', and in recognising the work of the Centre and its staff, Jon gave his assurance to support the Highfields Centre.

He said **'If Highfields Centre didn't exist, we'd have to invent one!'**

(Emphasis added)

7.02 Jon Ashworth has supported the work of HCA and has been consistent in his belief that the Highfields Centre contributes significantly to the lives of the people of Highfields.

7.03 The Centre not only provides neighbourhood services to his constituents, it delivers high end advice, advocacy and representation to a growing number of local people who experience problems with immigration, visas, residency and welfare rights. Arguably, the work that Highfields Centre and its staff do to right wrongs, deliver rights and support the defenceless in the communities of Highfields is of material advantage to Jon Ashworth as their Member of Parliament in that it releases his own workload. It is difficult to overemphasise the impact that that defence against inflexible bureaucracy, decision making based more on stereotypes than on individual merit, institutional racism and general administrative malpractice has upon individuals, their life chances and their extended families.

7.04 Jon Ashworth intervened repeatedly in the matter of funding for HCA following Community Governance in December 2010 and especially in the 'transitional period' leading up to November 2013 when the original three year contract between LCC and HCA expired and in the following months (see 5.11 x, 5.20, 5.29, 5.31 and 5.32 above). It is clear, however, that Peter Soulsby behaved as if he was under no obligation to respond to the repeated appeals Jon Ashworth made to him on behalf of the Highfields Centre. As far as accountability of those in public office and those providing services to the public, be they corporate entities or public service organisations, are concerned, Members of Parliament are generally regarded as the citizen's own 'ombudsman' who can advocate on their behalf

and seek explanations as to the treatment the citizen is experiencing. Peter Soulsby was one such Member of Parliament before he elected to run to be Mayor of Leicester. Yet, he chose to ignore the repeated communications Jon Ashworth sent him on behalf of the HCA.

7.05 Against that background and given the clear statement of the remit of this review that I sent to him requesting his contribution to the review, I found it hugely disappointing that Mr Ashworth did not see his way to so contribute. Nor, did his constituency director, Mr Gavin George.

7.06 **Could it be that both men's knowledge of the political regime in Leicester, the character of Mayor Soulsby and the lack of accountability that he enjoys as elected Mayor caused them to decide that they could not risk a situation in which they might be required to be objective and critical of the City Mayor?**

Sadly, I was not given the opportunity to put that question to them.

7.07 I would like to think, however, that Mr Ashworth cannot be entirely happy with the situation in Leicester and with the fact that Mr Soulsby feels able to treat him as a Member of Parliament so dismissively and with impunity. At the very least, I would expect Mr Ashworth to spare a thought for lesser mortals in his constituency who seek to communicate and reason with Mr Soulsby, especially if he as MP for Leicester South could be treated in the dismissive manner displayed by Mayor Soulsby.

## **8.00 The City Mayor and Democratic Accountability**

8.1 A number of passages in this report suggest a recurring theme and raise concerns about the process of decision making, the difference between the City Mayor and the City Council, scrutiny, the use and abuse of power and democratic accountability in Leicester City Council:

- 'It is a strange call in and there is absolutely no prospect whatsoever of me changing my mind on this'.  
- Peter Soulsby to Leicester Mercury (para 6.10; p.45)
- When HCA pointed out to him that they had met with 3 of his senior officers, he (Peter Soulsby) said they (HCA) should have come to him, as he was the decision maker! (para 5.11 – z; p.27)
- Although the legal advice HCA received was that they should mount a legal challenge to ensure that LCC honour the legally binding guarantee they had given, local councillors warned that that would be counter-productive, in so far as it would doubtlessly unleash the wrath of Peter Soulsby. HCA decided to take no action and eventually met the cost of the building works themselves... (para 5.11 – q; p.24)
- However, local councillors and Jon Ashworth MP's office advised against such action, 'for fear that it would cause unnecessary aggravation with Peter Soulsby'. (para 5.85; p.42)

- ‘... I regret that the situation from the Council’s perspective with regards to HCA is unchanged. I outlined my position when I wrote to them on 29 June 2016 and to their local MP in January of this year. I have enclosed both sets of correspondence. Until there is a clear indication from them that their attitude to a valued public asset has changed then I can see no purpose in any further discussion.  
- Peter Soulsby to Gus John (para 2.7; p.6)
- However I am aware that a **collective response** was sent to you on the 15<sup>th</sup> Sept from the City Mayor therefore I am unable to comment further. (para 2.18; p.10)

8.2 As far as LCC is concerned, the picture emerging from this review is that of a city run not by a Council of elected representatives/councillors who make decisions collectively in the interest of the entire city, having regard to their duty to uphold the law and to discharge their statutory responsibilities, preferably with a sense of moral purpose, but by one person to whom everyone else answers, including elected councillors.

8.3 As the above extracts from the body of this report suggest, everyone except the City Mayor appears to be operating ‘under manners’ (*Jamaican slang meaning under heavy discipline or punishment*). The Mayor’s word is final and Scrutiny Commissions could meet if they wish, but there is ‘absolutely no prospect’ of him changing his mind. Senior officers could work sensitively, diligently and collaboratively with whomsoever they please, but if the Mayor chooses to ignore their efforts and indulge his prejudices by proclaiming falsehoods, they could do nothing about it. Senior officers cannot speak about their work with an organisation and share their views about the interface between that organisation and the City Council unless the Mayor directs them so to do. Even when the Council reneges on its legal undertakings to the detriment of a local organisation, local councillors advise against legal challenges out of fear of the Mayor’s reaction and the backlash that might be visited upon that organisation and doubtlessly upon themselves if it were to be known that they encouraged the organisation to exercise its rights.

8.4 But, this is Leicester, not Pyongyang.

8.5 So, how did Leicester achieve this brand of democratic governance? Why, despite the fact that 52 of the 54 elected councillors that constitute Leicester City Council are Labour, the Labour Party in Leicester and nationally allow this situation to persist?

8.6 Not that long ago, it was customary to hear chief officers in local government show off their Latin and use phrases such as ‘*primus inter pares*’, first among equals, to describe the relationship between, let’s say, a chief executive and their service directors, or between the leader of a council and other council members, whether or not the latter were chairs of service committees. The Leicester version of that, given its elected Mayoral system appears to be ‘*primus sine paribus*’, first without equals.

8.7 But, not only ‘first without equals’, seemingly first with unlimited power and nil accountability.

8.8 In this regard, the various positions adopted by Peter Soulsby on the question of elected mayors are worthy of note.

8.9 In April 1999, the then Leader of Leicester City Council, Sir Peter Soulsby, writing in the Leicester Mercury stated:

'In Leicester, Labour has no plans to change to a completely new system like an elected mayor. Any proposal for such a system would need to be fully debated in public and **we would only change it if it could be shown to make the council more open and accountable and if Leicester people wanted it.**

'Labour is committed to continuing and building on our record of public consultation and involvement. We will work with local people to meet local needs'. (Emphasis added)

– Committed to seeking views of the people, *Leicester Mercury*, 22 April 1999

8.10 If 'a week is a long time in politics', a decade is an eternity, allowing for several incarnations and political trajectories.

8.11 On 24 April 2012, the *Guardian* reported on an interview with Peter Soulsby that included the following:

Peter Soulsby, elected mayor of [Leicester](#), was happy to present a powerful case at a recent Downing Street reception for England's big cities to be governed by directly elected leaders.

**"I put it to them [that] it's the democratic way to provide leadership, that the level of accountability and mandate you've got provides strong governance** at a time when North American and European competitors have all got mayors speaking up for their cities," he recalls.

The former Labour MP for Leicester South, and before that a long-serving city council leader, jokingly describes himself at the meeting as "exhibit A" – the Labour politician now effectively piloting Conservative plans for elected mayors in England's 12 largest cities. David Cameron this week [urged](#) city dwellers to vote yes in mayoral referendums being held on 3 May and told voters they had a "once in a generation chance" to change the way England is run.

Soulsby says: "People come to the UK and, frankly, don't want to meet the 'man with the chain' [the ceremonial lord mayor]. **What a potential investor in Leicester wants to meet is the person who can deliver. And a council leader, or a chief executive, does not look or sound like that sort of person.**"

[Emphasis added]

8.12 The interview also revealed Mr Soulsby's approach to the running of the city and the traditional structure of local government:

Last August, Sheila Lock was "released" from her role as the city council's £174,000 a year chief executive. She took the issue to the high court for a judicial review, arguing that she had been the victim of injustice, but was unsuccessful.

Soulsby strongly denies a personality clash. "I knew that my style of working would not sit easily with having a chief executive," he explains. "I looked closely at her job description and thought, 'No, I'm doing that, it's the job of mayor.' But – and it is a very big but – that is not necessarily going to be the case in other places where they have elected mayors".

Now, the council has a chief operating officer and Soulsby says the number of senior officer posts has been cut by around a quarter, with four strategic directors at the top.

... "What is so significantly different between the job I do now and being a council leader is that a council leader is just that: they lead the council. An elected mayor has a mandate to provide leadership for the city, and that is just so fundamental," he adds.

[Guardian](#) – 24 April 2012

- 8.13 Leicester was the first city outside London to have an elected Mayor. As the Guardian's Peter Hetherington noted:

Soulsby, 63, was elected [Leicester's mayor](#) last May (2011) when the city council used 2007 legislation passed by the last government – not the newly-enacted [Localism Act](#) – to stage mayoral elections a year earlier than most other cities. Liverpool has now followed Leicester's example by opting to go straight for a mayoral election, bypassing the need for a referendum.

Peter Soulsby was therefore seen as qualified to tell leaders of other big cities about how the new mayoral system was working in Leicester.

- 8.14 Mr Soulby does not say in his interview with the Guardian whether he told the gathering at Downing Street why Labour in Leicester abandoned its pledge not to *'change to a completely new system like an elected mayor'*, or how it fulfilled its pledge that *'any proposal for such a system would need to be fully debated in public' and that they 'would only change it if it could be shown to make the council more open and accountable and if Leicester people wanted it'*.
- 8.15 Nor does it say in the interview what evidence he provided to them that *'it's the democratic way to provide leadership (and) that the level of accountability and mandate you've got provides strong governance...'*.

How, for example, is that 'accountability' delivered and to whom?

- 8.16 The Guardian published its interview with Peter Soulsby on 24 April 2012. On 3 May 2012, the Leicester Mercury ran the following story under the headline:

### **Willmott is replaced after criticisms of Leicester's city mayor**

The man in charge of holding Leicester's city mayor Sir Peter Soulsby to account has been ousted from the role after a delivering a series of stinging criticisms.

Former council leader Ross Willmott has chaired the panel of councillors which scrutinises the decisions of the mayor since last May's election. However, after making public criticisms of Sir Peter on various issues, he has been replaced by Ted Cassidy.

Coun Willmott said: "I think I've done a good job over the past year and if some of the group don't want someone like me in post, that's up to them."

Councillor Cassidy was, until January, one of Sir Peter's assistant mayors...

The decision was taken at a meeting on Tuesday to decide who should head the council's committees. Labour members on the city council – excluding the mayor and some of his senior colleagues – vote annually on which councillors should hold key committee positions.

One Labour insider said: "Ross has been a thorn in the side of the city's leadership for the past year. His efforts were partly fuelled by their mutual dislike and the fact that Ross really wanted the mayor's job. Nonetheless, his efforts were good for democracy."

Coun Cassidy said of his new role: "My job is to be a critical friend to the mayor and his team. While I have worked closely with the mayor in the past, my new role is to work on behalf of the whole city."

Sir Peter said he believed Coun Cassidy would do a good job, pointing to his previous experience in top roles. He said: "For years, Ted has held senior positions within the council's top team, and he has extensive knowledge of the issues surrounding regeneration and enterprise."

**"Ross Willmott has helped to establish the scrutiny process as a serious forum for debate and he has drawn on his previous experience as council leader during the time."** [Emphasis added]

[Leicester Mercury](#) - 3 May 2012

8.17 So, Ross Willmott, 'a thorn in the side of the City's leadership' since Soulsby became elected mayor and whose 'efforts were good for democracy' is replaced by Councillor Ted Cassidy who was one of Soulsby's assistant mayors to head up the committee scrutinising Soulsby's decisions and hold the Mayor accountable.

8.18 And as for 'scrutiny', Soulsby's reported remarks about Willmott are telling:

'Ross Willmott has helped to establish the scrutiny process as a serious forum for debate....'

A forum just for 'debate'... No mention of scrutiny or 'accountability' here.

Indeed, it would have been more accurate if Peter Soulsby had told the gathering at Downing Street that the **lack of accountability and mandate you've got as elected mayor provides endless opportunity for autocratic control and leadership.**

8.19 Another significant omission in the Guardian interview was any mention of the role of the other elected representatives of the people of Leicester, 52 of 54 of whom are Labour, like Soulsby himself. If all decision making lies in the hands of the City Mayor and if councillors are constrained to argue their case on behalf of their constituents, or are expected to adopt the Mayor's position on any and all issues or face the consequences, why have locally elected representatives at all?

8.20 This is a question that the people of Leicester have aired ever since Mayor Soulsby's first term in office:

**Leicester Against The Cuts protestor Steve Score says we should get a vote on whether to keep the city's mayoral system**

In 2011, Leicester elected an executive mayor. Today, this one person has more power over council services than all of the 54 equally democratically elected councillors. The previous system, where the councillors elected their own leadership and had more power to make decisions, was replaced without asking the people of Leicester.

In other cities, a referendum was held to decide on the change, most deciding against. In Leicester, we did not get the opportunity to vote.

Yes, the executive mayor is an elected position, but in his four year term of office he can do virtually what he wants.

Councillors are relegated to “scrutinising” decisions. It is true decisions can be overturned, but only if two-thirds of councillors agree.

Why should one individual have so much power anyway? It is far harder for people to lobby and influence the all-powerful Mayor than their local councillor. It means fewer checks on decisions, such as which organisations will benefit from the sale of council land or building for £1, for example. It means when services have less of a say.....

Yes, cuts are being made by national government. But they could be fought against by local politicians if they chose...

*Leicester Mercury, 22 April 2014*

8.21 Another writer, arguing that the people of Leicester should choose whether or not to have an elected mayor, invokes one of Labour’s more respected parliamentarians:

Aileen Orme (“*Time to stop*”, Mailbox, May 12) asks for a referendum on an elected mayor – a referendum that took place in other cities but was blocked by the Labour Party on Leicester City Council.

It is outrageous that Leicester voters were not asked whether or not they wanted a mayor.

At the time mayors were discussed in Parliament in June 2011, Lord Beecham had a lot to say.

I quote from Hansard: “I begin with mayors. At any time in the last 10 years, a mere 5 per cent of the electorate could have requisitioned a mayoral referendum in England’s towns and cities.

“Few have been called, fewer still have approved the idea and neither in referendums not (sic) in any ensuing mayoral elections, except when they have coincided with general elections, has the results been higher turnouts than in traditional local elections.

“I have always been sceptical of the argument that a direct personal mandate is a necessary condition of effective local leadership.

“The concentration of power in a single pair of hands is inherently undesirable and it is also unnecessary; it diminishes the role of other elected members and there is no reason why the grant of more powers to authorities, which would be welcome, should be conditional on there being a mayoral system”

Lord Beecham speaks from wide local government experience.

He is a Labour Party politician, shadow spokesman for communities and local government, a previous chairman of the Local Government Association and a previous leader of Newcastle City Council.

George West, Groby - *Leicester Mercury*, 16 May 2014

8.22 A comment posted (*Guardian*, 24 April 2012) in response to Peter Hetherington’s report of the Soulsby interview noted:

...Sadly the people of Leicester never got an opportunity to vote on whether they wanted to adopt the elected mayoral system. It was forced on them by the ruling Labour City Council after only a 3 week consultation!!! Now Leicester City is a Labour stronghold and unsurprisingly, Sir Peter was elected. In fact, you could call it 'Red Leicester' as the City Council has 3 Labour MPs, a Labour Elected Mayor and 52 of 54 Councillors are Labour.

In our local paper (Leicester Mercury) we have seen Labour Councillors stating that they feel impotent as Sir Peter makes all the decisions.

8.23 A cursory trawl through the *Leicester Mercury's* Mailbox since 2011, produces numerous comments and assessments in a similar vein:

If our illustrious city mayor had been working with private enterprise money, he would have been removed long ago....

Being a one man committee, there doesn't appear to be anyone strong enough in the council to challenge him.

Ray Newcombe, Aylestone - *Leicester Mercury*, 31 December 2013

8.24 As early as May 2012, David Maclean in a rather timely article wrote:

"For all of Sir Peter's grand promises to create scrutiny panels with the same clout as Parliament's select committees, **I believe we now have fewer checks and balances than ever before.**

The chief executive's role – a position which is so often used to temper the whims of council leaders at other authorities – has been made redundant.

Do not expect too many senior officers to clash with him, either. Some tell me **they just want to toe the line after seeing colleagues made redundant in a recent purge at the top.**

It is also worth remembering that it is more than a year since the people of Leicester were told that an elected mayor was to be imposed upon them.

**With a casual disregard for democracy, the citizens of Leicester were told they would have no opportunity to decide the city's fate in a referendum.**

It was for our own good, they said, and would put us one step ahead of other big cities.

Well, on Thursday, residents of 10 of Britain's largest cities voted on whether they, too, wanted to replace council leaders with elected mayors. Guess what? All but one said no.

The people of Coventry, Birmingham, Sheffield, Nottingham, Manchester, Bradford, Leeds, Newcastle and Wakefield looked at the Government's offer and said: "Thanks, but no thanks" [Emphasis added]

[Leicester Mercury](#) - 5 May.2012)

8.25 On 4 May 2014, the Leicester Mercury posted the results of interviews it had done with 6 people regarding the elected mayor system. The following are extracts from what they published:

- James Bowie, operations manager of Belmont Hotel, in De Montfort Street, Leicester, said: "Having an elected mayor has been a good thing for local businesses.  
"There's a single man who everyone can identify as leader of the city – one person to approach if you need to get something done.  
  
"That's important for local business people who are wary of bureaucratic political systems. It's a straightforward set-up that everyone understands."
- Vinod Popat, a Hindu community leader, originally opposed the plans for an elected mayor in the city.

He said: "The mayor has been visible and effective. Decision-making has improved and he is creating city-wide strategies on regeneration and transport.

"But ward councillors have been emasculated and complain that they don't have power. They say they can't do much to assist constituents and communities under a mayoral system."

- Gurpal Singh Atwal , a Hackney cab driver and secretary of the Leicester branch of the Rail, Maritime and Transport Workers Union, said: "Sir Peter has been a listening mayor, a good advocate for our industry. "There are issues we've been trying to get sorted for years and Sir Peter has come in and sorted them out for us.  
  
"I'm encouraged by his plans for the future and his vision for making Leicester one of the country's finest cities."
- Andy Morris, a disability rights campaigner from Thurnby Lodge, said: "I don't think having a mayor has been a good idea. Under the old system I could get in touch with a local councillor and be confident they'd be able to make a difference.  
"Now, unless you can get hold of the mayor himself, you've got no chance of getting anything changed.
- Martin Traynor, chief executive of the Leicestershire Chamber of Commerce, said: "I think having a city mayor has made a tremendous difference in raising the profile of the city, both to external investors and at the highest levels of Government.  
"I frequently meet ministers in London who know who Leicester's mayor is and what his priorities are for the city. Thanks to the mayoral system, the Government now recognises us a forward-thinking city."
- Ross Grant, Tory opposition councillor, said: "It's difficult to say what's been achieved by the mayor that a council leader couldn't have done.  
"I also have an issue with the fact power is so closely concentrated in the hands of one individual. It means we have 50 councillors who are largely irrelevant, yet they still cost city taxpayers about £1 million a year.  
  
"The system is undemocratic, expensive and was never asked for by the people of Leicester."

[Leicester Mercury](#) – 4 May 2012

- 8.26 Peter Soulsby was elected City Mayor in May 2011 and re-elected in May 2015. His long running dispute with HCA, culminating in his retrospective decision to terminate its £200k funding and to not enter into any future funding discussions with it is but one of many controversies that have defined his tenure as elected mayor. He has had allegations thrown at him for bullying, petulance, autocratic conduct, generating fear among councillors and council officers alike and acting aggressively in his dealings with members of the public.
- 8.27 Mr Soulsby is said to have caused upset in the City Council on his very first day as elected mayor when he located himself in a key room in the Chief Executive Officer's suite and allegedly instructed his Mayoral team members to do likewise in their respective departmental suites.
- 8.28 There was controversy, also, about the manner in which he parted company with the chief executive and 7 of the remaining 12 chief officers in his first year in office.

- [BBC Radio Leicester](#) – 17 May 2011
- [Leicester Mercury](#) -17 May.2011
- [Leicester Mercury](#) – 24 December 2011

8.29 The removal of Ross Willmott as Chair of the Overview and Select Committee after delivering a series of stinging criticisms of Peter Soulsby and the bringing of an internal Labour Group disciplinary charge against him for bringing the Group into disreputable were both actions that were thought to be influenced by Mr Soulsby.

[Leicester Mercury](#) – 3 May 2012

8.30 In August 2013, the City Mayor was engulfed in controversy once more when, following an investigation which he himself conducted into allegations that senior officers had been complicit in the cancellation of 5 parking tickets at the behest of a councillor before he became mayor, he determined not to take disciplinary action against the officers concerned.

Mr Soulby's reasoning, as contained in a statement published by the Leicester Mercury was considered to be illogical and unacceptable:

'There appears to have existed a culture between 2008 and 2010, among some senior officers and some senior members that made it possible for rules and procedures to be bypassed.

'Within this culture, it seems that lines of accountability were blurred and boundaries were imprecise.

'However, in the particular circumstances of this case, the bypassing of normal rules led to no advantage whatsoever accruing to officers and my thorough review of the evidence leads me to conclude that there did not exist then, and does not exist now, any evidence to justify disciplinary action against any officer'.

The Council official who 'blew the whistle' after being instructed to 'wipe off' one of the councillor's tickets is reported as saying:

'He (Sir Peter) says there is no need for disciplinary action because no advantage accrued to officers - since when did disciplinary action depend on advantage accruing?'

[Leicester Mercury](#) – 30 August 2012

8.31 In relation to the City Mayor's dispute with Leicester's taxi drivers, Peter Soulsby was accused of 'using bullying tactics'. One 72 year old resident, born and bred in Leicester, sent a letter to the Mercury's Mailbox in which he wrote:

He is recalcitrant and obstinate, does not like to be challenged and when he is challenged, he waves his big mayoral stick in the air and bangs it down, shutting everyone up.

His language is bullying and intimidating and I quote: "What part of 'no chance' does he not understand?" when replying to a request by Mr Usher of the RMT to negotiate over the disciplinary scheme.

He's like a terrible headmaster using threats of punishment if his instructions are not adhered to, without once stopping to think what they might mean to city residents who have trouble finding a taxi anyway.

- 8.32 RMT regional organiser Ken Usher stated that **Sir Peter was acting autocratically** and beyond his authority.

[Leicester Mercury](#) – 14 December 2015

Steve Hedley, the RMT's national assistant general secretary, intervened, noting his shock at Leicester's Labour mayor's resolute recalcitrance: "I think any elected official would at least sit down and meet face-to-face"

[Leicester Mercury](#) – 17 December 2015

- 8.33 Peter Soulsby has also been accused of bullying a campaigner when she asked him questions about traffic congestion and pollution in the city. Councillors present said he rounded on Dayle Flude at a council meeting at Leicester Town Hall and launched into criticism of Mrs Flude, owner of Cank Street Gallery, over her long-running opposition to his Connecting Leicester plans to remodel the city centre. A number of councillors who witnessed this, including Labour members, have said Sir Peter overstepped the mark with the way he spoke to Mrs Flude.

[Leicester Mercury](#) – 28 November 2015

## **9.00 Raising the Profile of Leicester City**

- 9.1 As we saw in 8.25 above, the chief executive of the Leicestershire Chamber of Commerce, told the Leicester Mercury: "I think having a city mayor has made a tremendous difference in raising the profile of the city, both to external investors and at the highest levels of Government.....Thanks to the mayoral system, the Government now recognises us a forward-thinking city."
- 9.2 The City Mayor has had help from some fortuitous events during his tenure and not least from a long dead King of the Realm and a very live and kicking football squad.
- 9.3 The discovery of Richard III's remains in the car park of the city's social services department in August 2012 and the confirmation in February 2013 that those remains were indeed those of the King were moments that did bring Leicester to the attention of the world.
- 9.4 So, too, and arguably more dramatically as far as the nation was concerned, did Leicester City Football Club when they won the Premier League Championship in May 2016, the first time in their entire 132 year history.
- 9.5 A £4.5m Richard III Visitor Centre, one of the City Council's flagship projects, was opened on 26 July 2014 on the site where the King's remains had lain buried for 527 years. On 28 January 2014, the *Leicester Mercury* ran a story about the visitor centre and wrote:

The £4million Richard III visitor centre will become a pilgrimage site for Ricardians, according to the city mayor.

Sir Peter Soulsby spoke about the centre as new artist impressions were released during an event at the Guildhall.

"Its design will be contemplative and allow people to reflect in a peaceful manner – after all, this is the grave of a former King of England and one who has a lot of supporters", Sir Peter Said.

"We all know how passionate people are about Richard III and I expect they will come from great distances to pay their respects - on pilgrimage, if you will".

[Leicester Mercury](#) – 28 January 2014

9.6 Stephen Greenblatt, professor at Harvard and general editor of "The Norton Shakespeare" wrote an Opinion piece in the New York Times headlined: Shakespeare Explains the 2016 Election. Greenblatt examines Shakespeare's characterisation of Richard III in the context of the US presidential election in a manner that would no doubt be of keen interest to those making 'pilgrimage' to the resting place of the King, no less than to the people of Leicester.

9.7 Professor Greenblatt begins his article as follows:

In the early 1590s, Shakespeare sat down to write a play that addressed a problem: How could a great country wind up being governed by a sociopath?

He argues that for his theatrical test case, Shakespeare chose an example close to home: 'the brief, unhappy reign in 15th-century England of King Richard III', who as Shakespeare conceived of him was inwardly tormented by insecurity and rage and haunted by self-loathing and a sense of his own ugliness.

'His success in obtaining the crown depended on a fatal conjunction of diverse but equally self-destructive responses from those around him..., characters who 'sketch a whole country's collective failure.... 'Taken together, they itemize a nation of enablers'.

9.8 Greenblatt identifies different categories of 'enablers', without whom by implication Richard III would not have been able to perpetrate the wrongs he did, which were common knowledge. These 'enablers', some frightened, some incompetent, some distracted and some self-seeking are together responsible for paving the way for the rise of an autocrat:

'...Second, there are **those who cannot keep in focus that Richard is as bad as he seems to be**. They see perfectly well that he has done this or that ghastly thing, but they have a strange penchant for forgetting, as if it were hard work to remember just how awful he is. They are drawn irresistibly to normalize what is not normal.

Third, there are **those who feel frightened or impotent in the face of bullying and the menace of violence**. "I'll make a corpse of him that disobeys," Richard threatens, and the opposition to his outrageous commands somehow shrivels away.

Fourth, there are **those who persuade themselves that they can take advantage of Richard's rise to power**. They see perfectly well how destructive he is, but they are confident that they will stay safely ahead of the tide of evil or manage to seize some profit from it. These allies and followers help him ascend from step to step, collaborating in his dirty work and watching the casualties mount with cool indifference. They are, as Shakespeare imagines it, among the first to go under, once Richard has used them to obtain his end' (emphasis added).

9.9 Professor Greenblatt ends his article by reminding us all that:

Shakespeare's words have an uncanny ability to reach out beyond their original time and place and to speak directly to us. We have long looked to him, in times of perplexity and risk, for the most fundamental human truths. So it is now.

[New York Times](#) – 8 October 2016

- 9.10 This thought provoking and unsettling article was written in the context of the toxic election campaign that ended on 9 November 2016. They have relevance for our analysis of the events that led to what this nation and the world woke up to on 24 June 2016. They have relevance for how we do politics and run our democracies everywhere. They have relevance for the steady erosion of democratic space and the 'rolling back of the state' that Margaret Thatcher started with a vengeance and for which Tony Blair and Labour leaders after him all showed an insatiable appetite.

## 10.00 Elected Mayors and Accountability in the Public Sphere

- 10.1 On 26 April 2012, the *Guardian* published the results of a poll they conducted jointly with ICM. Under the headline: Elected mayors not wanted by two thirds of voters, they reported that '61% across regional, class and party lines say they would prefer to stay with council system'.

The prime minister started the week by urging Britain's big cities to "[join the race](#)" by creating a mayoralty through referendums set for 3 May, but a new Guardian/ICM poll suggests that David Cameron could fall at the starting line in these local ballots.

The survey finds that by a near two-to-one margin of 61% to 34% voters say they would rather stick with "a local council mostly run by councillors from political parties that have a local majority" than adopt "a directly elected mayor" to run things in their area.

The coalition agreement proposed new directly elected mayors in the [12 largest cities outside of London](#), ideally subject to confirmation through a referendum. Leicester has already chosen its mayor and [Liverpool city council](#) has now followed its lead in using new powers to [skip the referendum](#) stage and make a straight switch to mayoral governance.

- 10.2 Significantly, the report noted that the push for elected mayors came from Labour under Tony Blair and those who succeeded him and was taken forward by the Conservative/Liberal Democrat Coalition:

Tony Blair's governments made mayoral referendums a possibility before the coalition renewed the push. Previously, there have been 41 mayoral referendums since the first in May 1998. Fifteen have voted yes, and 26 no.

One early yes was in Doncaster in 2001. But this year, the borough is staging [a second referendum](#) on whether to abolish the post. Its current mayor, Peter Davies, from the rightwing English Democrats party was elected in 2009, a year before Whitehall [imposed commissioners on the council](#) in response to concerns about its performance.

[Guardian](#) – 26 April 2012

- 10.3 Margaret Thatcher won the election in May 1979 and immediately started a programme of reform which was to see her vastly reduce the powers of local government and introduce market economics on a grand scale. Neo-liberalism as government ideology flourished during 18 years of Thatcherism and was fully embedded by 1997 when Labour swept into power under the leadership of Tony Blair. Blair adopted and extended many of Thatcher's

policies and whereas, for example, Thatcher had enabled parents and school governing bodies to go for grant-maintained status and manage their own budgets, albeit remaining part of local education authorities' families of schools, Blair introduced academies, a class of schools that operate entirely outside local authority control and governance. Local authorities nevertheless retain responsibility for ensuring that there are sufficient school places and that provision is made for children assessed as having special educational needs.

- 10.4 The academies programme was further extended by the Coalition government and in particular by its Secretary of State, Michael Gove, who not only introduced Free Schools, but proceeded to convert more and more primary and secondary schools into academies.
- 10.5 Two major criticisms of the academies programme are that they siphon off money from other schools and their typically private sponsors are advantaged by being given huge public assets and government funding, while remaining semi-autonomous/autonomous and having no accountability in the public sphere, save for Ofsted inspections and the publication of their examination results. They exclude more students than all other schools, including looked after children and those with special educational needs.
- 10.6 Those semi-autonomous providers of schooling are not required by government to demonstrate a commitment to eliminating educational disadvantage and the social exclusion that is a concomitant of it. By insisting that it is necessary to 'roll back' the local state and give schools and school boards their freedom, central government is displacing the crucial role of elected municipal government in guaranteeing the defence of the individual against invidious forces that do not necessarily respect the rights and entitlements of those who cannot fend for themselves, or who constitute the excluded in society. Rather than government acting as a safety net for the latter, therefore, they are left solely at the mercy of 'the market'.
- 10.7 The notion that you can run a school as if you're running a corporation, or that a school under local authority control and facilitated by and answerable to elected representatives of the people is incapable of performing as well as, or better than an academy is at the heart of these school reforms.
- 10.8 It is the same thinking that underpins the push to have councils led by elected mayors. Government introduced the notion of 'super heads' and executive directors who could improve not just their own school, but groups of schools. The lack of accountability in the public sphere means that there is not much between such school managers and governing bodies and the secretary of state for education. Many such schools do not see the need to comply with the requirements of equality and human rights legislation, for example, and are not sanctioned for failing so to do. Parents experiencing problems or malpractice from them are generally unable to access people to whom they could complain, or through whom they could seek redress. That lack of accountability empowers the school, its managers and its governing body and leaves parents and students disempowered and frustrated by what they experience as an oppressive bureaucracy.
- 10.9 As far as elected mayors are concerned, no government including that of Blair, have stipulated the checks and balances that must be in place and that must be monitored for performance to ensure that an elected mayor is held to account and that there is no room for capricious, wilful, whimsical and abusive conduct, or for malfeasance and abuse of power and privilege.

- 10.10 This is not just desirable. It is essential. Good governance demands it and the electorate deserves it.
- 10.11 It is essential even more so where, as is the case in Leicester, one political party has an absolute majority, with no opposition to hold the ruling group to account, let alone the elected mayor. **In a situation where the elected mayor is a time-served politician who knows their Party and its dynamics, who knows their fellow councillors and what to expect from each of them, who has a reputation as someone to be feared and who is regarded by his peers as ‘bullying’ and ‘manipulative’, the likelihood of opposition coming from ‘critical friends’ within the same Group is clearly not great.**
- 10.12 With an unwritten constitution, Britain simply cannot allow individual mayors to assume that the definition of their power is the limitation of their personalities. Sir Peter Soulsby seems to state as much by suggesting that his own working style will dictate how he develops a relationship with other branches of local government, including the CEO.
- 10.13 The attempts of successive governments to emulate private sector models of leadership forget the crucial point, that CEOs are accountable to their Boards and everything is communicated back to shareholders. Using that analogy, it is very difficult to see anything that resembles a Board, acting in the best interests of shareholders or, in this instance, the community.
- 10.14 It behoves the government, therefore:
- to ‘stress test’ all eventualities and ensure that there are systems in place for reining in the power of elected mayors who are clearly not accountable to any person or group within their own council
  - to define the role of local councillors in Councils run by elected mayors
  - to ensure that elected mayors personally, and not just the council and its officers, embrace the responsibility for providing evidence of their compliance with equality and human rights legislation and especially for meeting the Public Sector Equality Duty of the Equality Act 2010

## **11.00 Findings and Conclusions**

11.1 The remit for this review was:

To review Leicester City Council’s relationship with Highfields Centre in the last 20 years, with a particular focus on the period since achieving community governance status in 2010.

- 11.2 The review has established that the Highfields Community Association remains a dynamic hub of life-long learning activities and community engagement in Highfields. It is a major provider of services to the local community and operates to do so in partnership with Leicester City Council.
- 11.3 The HCA and Highfields Centre are seen by the communities they serve as being responsive to the changing demographics in the area and to operate flexibly in meeting the diverse needs of the entire community. The Centre is regarded very much as a family centre, providing among other things family-centred learning and social development.

- 11.4 Although the HCA received the bulk of its funding from LCC prior to 2010 in exchange for the provision of a range of services six, often seven, days a week, it remained 'ahead of the game' as far as identifying needs and socio-economic trends within Highfields was concerned. What's more, it played and continues to play a strategic role in the partnerships and local area forums that focus upon the development of social and cultural capital and the economic base in the area.
- 11.5 Despite the fact, therefore, that it was not then and is not now possible to identify LCC's strategic plan for develop the community of Highfields and addressing the diverse needs of its population, particularly given the level of social and economic deprivation in the area, HCA has consistently sought to define its own role and engage with the local population in prioritising and meeting its needs.
- 11.6 Having operated in Highfields for over four decades, HCA has a thorough understanding of the area, its strengths and its challenges. It has a very able, committed and loyal body of staff whose focus is principally on service to the local community. The majority of them are people who were once users of HCA's services and whose careers the organisation helped to build. They in turn feel privileged to be able to provide for a new generation and different groups of users of all ages, investing in their futures and influencing their current aspirations just as much as HCA once did for them.
- 11.7 HCA has painstakingly built a productive and mutually respectful working relationship with LCC officers and with all local politicians. In the past, the Centre and its governing body have worked with officers and councillors to iron out difficulties and solve problems, especially in relation to budget cuts and the welfare of staff employed by LCC and deployed in the Centre.
- 11.8 Similarly, the Centre cultivated purposeful relationships with the universities and colleges in the city and planned progression routes for school leavers and adult learners alike. It provided opportunities for field placements for students, as well as on-the-job training and professional development for many of its own staff. Over the years, the Centre has kept abreast of government and local authority policy on a wide range of issues appertaining to its work and the provision it makes to the community. It has engaged in local and national debates on matters such as youth unemployment, youth justice, apprenticeships, multiculturalism, inter-faith dialogue, immigration and asylum, economic regeneration, anti-racism, schooling outcomes and much more besides.
- 11.9 As such, HCA is a city asset with a wealth of knowledge and experience and an understanding of community development and multi-ethnic engagement that Leicester could export, so that other cities and towns might be assisted in dealing with their own changing demographics and the challenges that they pose.
- 11.10 It would appear, however, that this is not how HCA is regarded by LCC now and it was not uppermost in the minds of councillors and officers when HCA determined it had come of age and wanted to renegotiate the relationship it had with LCC and opt for community governance status.
- 11.11 HCA experienced a degree of hostility to the idea both from council officers and from politicians. That assumed major proportions once Peter Soulsby was elected Mayor, albeit he was full of praise for the work HCA did when he was a Member of Parliament for Leicester South.

11.12 It is clearly the case that council officers were working amicably with the Highfields Centre staff in sorting out matters arising from the application for community governance status, both before and after it was granted. It is also clear that Mr Soulsby took to the airwaves and went to the press with claims that were not accurate, that affected the view the public had of HCA and its staff vis a vis the City Council and that did not reflect the joint work HCA and council officers had been doing.

11.13 This review has examined the detail of those engagements and has concluded that Mr Soulsby has absolutely no basis for proclaiming, as he has done to the media repeatedly:

"In all my years of experience of working with the council and in local government this has been the most difficult group I have ever experienced.

"They really haven't wanted to enter into any sensible discussion with us, behaving as if they have a right to be given this very large cheque and allowed to spend it however they wish."

11.14 Not only was this patently untrue, it was irresponsible and unworthy.

11.15 Similarly, given how Mr Soulsby conducted himself during the protracted negotiations about the renewal of the service agreement following the expiry of the original in November 2013, it really was a form of bullying for the Mayor's office to insist upon this clause in the draft new agreement:

'You shall maintain a positive, supportive working relationship with the Council in public and in private'.

For the Mayor's office to then tell the Scrutiny Commission that the clause requiring HCA to 'maintain a positive working relationship with the Council in public and in private... was added because of the experience during funding negotiations of HCA's adversarial approach to the Council as their principal funder' was simply further evidence of bullying conduct, especially given the disrespect with which the Mayor treated both the HCA managers and Jon Ashworth MP who intervened with the Mayor on the Centre's behalf.

11.16 Based on the evidence we examined, it is difficult to escape the conclusion that there was something wilful, if not vindictive and deliberately obstructive about a number of decisions taken by the Mayor's office, namely:

- the car park abutting on to the Highfields Centre
- the building works that pre-dated community governance, which LCC had a legal obligation to complete
- the decision not to allow HCA extra time to submit a revised business plan
- the insistence that it was part of the original agreement that HCA would be financially independent after the first 3 years, despite the Mayor not producing any evidence to substantiate that claim
- the relocation from the Centre of services that had been built up there, without regard for the impact of that on the users concerned
- the misrepresentation of HCA's position on room hire and the representation of the organisation as money-grabbing and expecting LCC to write a blank cheque

- the unqualified claims in respect of the Centre's reserved fund and the suggestion that HCA is 'stashing away' monies it receives from LCC
- the total lack of acknowledgment of the fact that there were several months' delays due to Mr Soulsby's failure to deal with matters presented to him by officers subsequent to careful and detailed work with HCA staff, during which time the Centre was thrown into confusion about its funding

- 11.17 Some of those delays were not in the least surprising for a Mayor who it would appear is insistent upon micro-managing everything to do with HCA and the Highfields Centre and whose officers struggle to get a decision from him even after they have done the preparatory work with the total cooperation of the staff at the Highfields Centre.
- 11.18 Reading the Leicester Mercury extensively before commencing this review, as well as other reports about Mr Soulsby's mayoralty, one could not help but be struck by the tone of his remarks about others and similarly those of others about him. It is a matter of concern that an elected mayor who combines the roles of Council Leader, Chief Executive and the outward facing representative of/ambassador for the City of Leicester could engage in such exchanges in the media.
- 11.19 It is even more concerning that the Mayor appears to be surrounded by a culture of fear that clearly constrains both elected representatives and officers. Given the challenges facing the population of Highfields, it is surely not right that a group of councillors serving those communities feel constrained to talk freely among themselves about the area, the City Council's role in relation to it and the way the HCA works with its communities, let alone to tell the Mayor how they feel the relationship between LCC and HCA might be rebuilt.
- 11.20 There are numerous matters in this report which it would have been enormously helpful to have comments upon both from the Mayor and from Council officers. The Mayor replied on all LCC officers' behalf to my letters requesting interviews. I have prepared this report, therefore, having regard to the documents Mr Soulsby sent me and those from LCC that were part of HCA's records.
- 11.21 The Highfields Centre is a major resource in Leicester City and serves a population that is increasingly vital to the social, cultural and economic future of the City. It has a great deal of history to draw upon and a lot to teach and to share, especially with other projects and communities elsewhere in Leicester. My plea is that the Mayor will make every effort to facilitate the Highfields Centre to continue providing key services to the people of Highfields, working in a genuine partnership and as LCC has done even in the recent past, supporting HCA in its efforts to generate income from sources other than the Council.
- 11.22 It is surely unacceptable that the HCA is seeking to establish a business development arm and to use available channels to draw down government and other funding without the endorsement of Leicester City Council and its elected Mayor. The people of Highfields deserve better from their political and civic leaders. Delivering better services and enhancing the quality of life and the life chances of the people in those communities is in my view both a political responsibility and a moral imperative.

11.23 Finally, this report raises a number of critical issues regarding the elected mayor construct. Leicester was the first city outside London to adopt the system. I believe the city owes it to itself, its population and the country to conduct a full appraisal of the implementation of the system and of its impact upon governance, service delivery, the confidence of the citizenry in its political leaders and managers and above all, democratic representation and democratic participation.

11.24 This has been a review of one major community based organisation and its relationship with the City Council. Insofar as it has given rise to a number of serious concerns about the dynamics of that relationship and to matters that have far wider implications for the relationship between people and those whom they elect to represent them, I hope it will be viewed as a 'case study' of the elected mayor system in one provincial city.

## **12.00 Recommendations**

- i) That all the staff and volunteers at the Highfields Centre be given a token, however modest, of the HCA's appreciation of their hard work, dedication and loyalty during the hiatus that followed LCC's suspension of HCA's funding and decision to have no further engagement with the Centre.
- ii) That the HCA governing body convene a meeting with the Uplands Schools and discuss the resumption of HCA's use of the car park and whatever financial matters arise from that. In addition, the meeting should be used as an opportunity to strengthen links and discuss broader synergy between HCA and Uplands Schools in terms of the services provided to students, families and the community by all three institutions, as pillars of the community.
- iii) That a joint delegation of the Schools' Governors and the HCA Governing Body meet with local councillors and request that the Councillors within whose ward the Centre and schools fall, lead that delegation to meet with the City Mayor and officers to reinstate the contract
- iv) That LCC be reminded that Planning Permission was granted for the extension of the Highfields Centre based in part on evidence that the car park would be available to the Centre, especially after school hours and at weekends
- v) That HCA revisit its Business Plan in the light of the planned use of the refurbished Centre and the new income streams that those refurbishments would generate
- vi) That HCA grows its Business Development arm and determine what business development activities will take place at the Centre itself and what services it will seek to sell externally, including exploring scope for a closer relationship with the private sector (hosting leadership training and diversity awareness workshops etc), the University of Leicester and De Montfort University, Leicester City Football Club and Leicestershire Police
- vii) That HCA decide which neighbourhood services it will continue to offer at the Centre, which will attract funding based upon the profile of the groups to whom those services are targeted and which will be offered on a pay-as-you-go basis

viii) That fund raising targets are set to enable a review of the management structure at the Centre to consolidate the actions already effected as a part of the EESE measures (see 6.45 a) above) to achieve the following:

- Furzana Khalifa to be Joint Head of Centre (Lifelong Learning & Neighbourhood Services) with responsibility for the day to day management of the Centre
- Alfred Bawak to be Joint Head of Centre (Business Development & Income Generation) with responsibility for growing the Business Development arm; working with corporates to secure Corporate Social Responsibility commitments and regular gifting, providing entrepreneurship training & handholding, etc.)
- Priya Thamotheram to be Senior Joint Head of Centre, with responsibility for providing oversight, monitoring policy developments, providing training and professional development for external agencies, including schools; providing executive coaching/mentoring to organisations and acting as a roving ambassador for HCA

ix) That a feasibility study is done, in-house, to scope what the Highfields Centre might look like as a Transforming Neighbourhood Services (TNS) hub/one-stop-shop, including bringing the Library into the Centre and using the current Library space for a café with internet access; having discussions with LCC and others about services they currently provide; linking with De Montfort University and the University of Leicester about full and part time courses

x) That once such a study is completed, a meeting is called of local councillors to discuss the results and a commitment is extracted from them to discuss TNS in Highfields and the feasibility of the Highfields Centre as the TNS hub for the Highfields area.

xi) That in the light of the issues raised in this review, especially in 9.0 – 11.00 above, this report or a summary of it be sent to the Department for Communities & Local Government with specific reference to the issue of democratic accountability and the elected mayor structure

xii) That this report be sent to Jeremy Corbyn MP (Leader, Labour Party), with a request that he take a personal interest in what is happening in Leicester as far as the operation of the elected mayor system is concerned and review the Labour Party's position on elected mayors.

xiii) As the review concerns the actions of a Labour city council, the report should be sent to:

- (a) Dawn Butler MP, shadow minister for Diverse Communities, as an example of the effects of service cuts on these communities and how decisions are made about such cuts in the case of a city with an elected mayor
- (b) Teresa Pearce MP, shadow secretary of state for Communities and Local Government, as it concerns the key issue of accountability and democratic

process at local level, and an accusation of broad failings amongst Labour councillors, potentially due to a threatening work environment,

(c) Diane Abbott MP, shadow Home Secretary, as it concerns failings within local government at a time of austerity, when the need for efficient interaction and cooperation between councils and service providers is more urgent

xiv) The report has serious implications for how a Big Society push needs to be challenged in instances where the transitional structures are not in place to help service providers adapt to changes and put in place sustainable models for using community assets to the best advantage of their communities. As such, HCA should seek to engage with Locality and with the Local Government Association and together consider the implications of this review for communities and local government.