



Not for Publication:

Please note that it is only appendix 3 to this report which contains exempt information – the report itself is an open report.

Appendix 3 to the report is exempt under Access to Information Procedure Rule 10.4 (3) information relating to the financial or business affairs of any particular person (including the authority holding that information).

Report of The Director of Environment and Neighbourhoods Directorate

Meeting: Inner North East Area Committee

Date: 6th September 2010

Subject: Community Centres Report (all area committees)

Electoral Wards Affected:

ALL

X

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Council
Function

Delegated Executive
Function available
for Call In X

Delegated Executive
Function not available for
Call in Details set out in the
report

Executive Summary

The management of Community Centres became a delegated function of area committees in 2006/07. Delivering the Community Centres function in the current financial climate will be extremely difficult. With budgets under increasing pressure over the next few years, it will be difficult to meet the expectations that were originally set out to Area Committees when this function was created.

A review of all the Area Committee delegated and enhanced functions will take place in the Autumn to assess progress to date and look at practical arrangements which make the functions more robust. It will also begin to look at how service efficiencies can be made through better integration and, in some service areas, rationalisation of locally based

services. Central to the review will be the aim of putting Area Committees at the very heart of local decision making and service accountability.

The portfolio of centres to be managed by the Area Committees was created by the transfer of centres from the former Neighbourhoods and Housing and Learning and Leisure Directorates. The sponsoring service is currently the Regeneration Service. There are currently 71 centres across the city, 24 of which are leased out to voluntary organisations while 47 are directly managed by the Council.

This report provides Area Committees with details of their actual expenditure for the 2009/10 financial year, information on the 2010/11 budget allocations for their centres, details of maintenance issues that have been dealt with by Corporate Property Management, rental support awarded to leased centres and other issues associated with the local portfolio of the Committee and the development of local action plans. The area committee is asked to consider the issues raised in the report and agree actions as appropriate.

Purpose Of This Report

1. This report provides:
 - Actual spend against budgets for 2009/10
 - Budget allocations for 2010/11
 - Details of investment made via Corporate Property Management service (CPM) in 2009/10
 - Rental support to leased centres for 2010/11
 - Area specific information for each of the centres in the portfolio

Background Information

2. The Community Centres delegated function forms part of Leeds City Council's constitution, which provides the framework within which the council conducts its business and makes decisions. The constitution describes who is responsible for making decisions and how decisions are taken.
3. A detailed report outlining the delegation description was presented to all 10 Area Committees in October/November 2009. The delegation includes:
 - The management of controllable revenue budgets
 - Making investment decisions from their own Well Being budgets and applications for capital from the Councils Major Maintenance Fund
 - Responsibility for setting charges and discounts for centres in their area within a common framework, and agree a schedule of charges for implementation.
 - Allocating capital receipts arising from the disposal of a community centre to address category 1 (immediate) and 2 (essential) backlog maintenance on other Community Centres within the same area.
4. In addition, Area Management Teams on behalf of the Area Committees were given responsibility for the following functions:

- Liaising with users, user groups, Members and Area Committees on issues relating to centres in their area
- Developing proposals for re-shaping the portfolio
- Developing capital schemes and funding packages
- Monitoring the service level agreement for centres in their area and capital and revenue budgets
- Ensuring that leases and licenses are in place and reviewed periodically
- Developing, implementing and overseeing the administration of a new schedule of pricing and discounts for centre usage

2009/10 Budget Position

5. Table 1 sets out the year end budget position for 2009/10 for the city wide portfolio – budget v actual + income, while Table 2 shows the position for Inner North East area committee for the same period. Appendix 1 provides detail of the budget v actual + income for each centre.

6. Table 1 – City Wide Year End Out-turn 2009-10

COMMUNITY CENTRES - OUTTURN POSITION 09/10				
TOTAL COMMUNITY CENTRES	<u>Budget 09/10</u>	<u>Outturn 09/10</u>	<u>Variance</u>	
	£	£	£	
Controllable				
Caretaking Costs	1,015,180	919,605	-95,575	
Premises Costs	581,330	555,937	-25,393	
Supplies & Services	41,140	161,141	120,001	
	1,637,650	1,636,683	-967	
Income				
Internal	-260,590	-173,292	87,298	
External	-265,270	-210,100	55,170	
	-525,860	-383,392	142,468	
Net Controllable	1,111,790	1,253,291	141,501	
Non-Controllable				
CPM Management Fee	241,630	240,122	-1,508	
NNDR (Business Rates)	197,810	193,689	-4,121	
Insurance	26,100	27,390	1,290	
CPM Maintenance Charge	467,590	458,207	-9,383	
Capital Charges	1,082,230	1,212,460	130,230	
	2,015,360	2,131,868	116,508	
Net Budget	3,127,150	3,385,159	258,009	

7. Table 2 – Inner North East Year End Out-turn 2009-10

INNER NORTH EAST	<u>Budget 09/10</u>	<u>Outturn 09/10</u>	<u>Variance</u>	

		£	£	£	
Controllable					
	Caretaking Costs	42,280	41,455	-825	
	Premises Costs	53,720	38,313	-15,407	
	Supplies & Services	390	607	217	
		96,390	80,375	-16,015	
Income					
	Internal	-23,320	0	23,320	
	External	-10,330	-2,965	7,365	
		-33,650	-2,965	30,685	
Net Controllable		62,740	77,410	14,670	
Non-Controllable					
	CPM Management Fee	13,280	13,190	-90	
	NNDR (Business Rates)	23,280	23,281	1	
	Insurance	860	880	20	
	CPM Maintenance Charge	17,420	17,420	0	
	Capital Charges	68,560	65,707	-2,853	
		123,400	120,478	-2,922	
Net Budget		186,140	197,888	11,748	

Savings to be retained

8. It has been agreed that Area Committees can retain net revenue savings from across their portfolios, to support investment priorities within local centres. Table 2 identifies that the net revenue balance for the Inner North East area committee at the end of 2009/10 was in deficit to £11,748. This means that there are no net revenue savings to be retained.

9. City wide budget information for 2010/11

Budget Heading	Controllable £,000	Non-Controllable £,000	Total £,000	Notes
Caretakers	£1,034,560			
Premises	£562,420			
Supplies & Services	£84,650			Licenses & telephones
Income (internal)	- £193,340			LCC depts.
Income (external)	- £332,130			
Management Fee		£242,320		CPM
NNDR (business rates)		£192,760		
Insurance		£39,950		
Capital charges		£1,214,580		
CPM Maintenance		£387,570		Budgets now devolved to

budget				CPM
CPM City Buildings Charge		£257,880		Morley Town Hall
Central Recharges		£151,690		Legal, professional fees etc
Grand Total	£1,156,160	£2,486,750	£3,642,910	

* Overheads budget for central recharges and support e.g. legal / professional fees, are not included within this budget.

10. The non-controllable budgets are managed by finance and include; capital charges, business rates, insurance and CPM service management costs.
11. For 2010/11 CPM have levied a management charge of £242,320 for services provided to directly managed centres. This will be allocated to community centres in proportion to their overall spend on staff and running costs. Centres with higher operational costs will therefore attract a higher proportion of the management fee. If Centre A's staffing and running costs represent 5% of the total community centre budget then they will attract 5% of the management fee. If Centre B's running costs represent 10% of the total community centre budget then they will attract 10% of the management fee. This would continue until the full 100% has been allocated.
12. The Regeneration Service and CPM have recently renegotiated a Service Level Agreement (SLA) which sets out the roles and responsibilities covered by each service in relation to the management of community centres within the portfolio.

Area Committee 2010/11 budget information

13. For 2010/11 the Inner North East Area Committee has been delegated (controllable budget) £87,870. A summary of the budget for each centre is outlined in the table below.

Centre Name	Delegated Budget 2010/11	Notes
	£	
Mandela	74,680	
Palace	13,590	
53 Louis Street (leased)	-400	

14. Appendix 2 of this document provides a detailed breakdown of the controllable budgets delegated to each of the centres in the committee's portfolio.

Income

15. All Area Committees have now agreed their pricing and lettings policies for the hire of space in community centres, the policies will be implemented from 1st October 2010.

16. In order to support Area Committees to generate income to invest in improvements to their local portfolio, it was agreed that a new procedure is put in place from 1st April 2010, which enables Area Committees to retain new income over and above the agreed income targets (based on previous years income).
17. For 2010/11 the Inner North East Area Committee has an income target across the whole portfolio of £11,830. Subject to the overall revenue budget balancing, any income achieved over and above this amount, will be retained by the committee in 2011/12.

Capital Budgets

18. A ring-fencing arrangement for capital receipts arising from the disposal of community centre assets was agreed by Executive Board in 2006 and was incorporated into the Capital Strategy and Asset Management Plan 2007-08. This allows for up to 100% of the receipt to be retained by Area Committees to address category 1 (immediate) and 2 (essential) backlog maintenance on other Community Centres within the same area.
19. There has been no disposals in 2009/10 in Inner North East..
20. Area Committee proposals need to be supported by an individual business case which should be compiled prior to finalising the sale of the asset, for consideration by the Asset Management Board (AMB). Proposals with a total value of less than £100K require AMB support and final approval by the Director of Resources. Proposals for more that £100k require Executive Board approval. Further advice will be provided to Area Committees to develop their proposals on a case by case basis.

Rental Support

Rental Support for Leased Out Centres

21. A rental support programme for leased centres is currently administered by the Regeneration Service through an annual assessment process and is based on a market rental assessment of the property. In the Inner North East Area the following organisation benefit from this arrangement:

Organisation	Centre	Market rent assessment	Rental Support Approved by RMT (30 April 2010)	Rent payable 2010/11	% of rent payable
Feel Good Factor	53 Louis Street	£10,800	95%	£540	5%

Rental Support for Permanent Users of Office Accommodation and Activity Space

22. The Executive Board report of March 2006 specifies that Rental Support Agreements are put in place for organisations that are providing community services from Community Centres which meet local priorities.

23. Market rental assessments have now been carried out for all permanent occupiers of accommodation, including offices and activity space, in community centres. The confidential table at appendix 3 provides details of the organisations, activities and the value of the market rental assessment (MRA). It also outlines whether the organisation currently pays a fee, not necessarily the MRA rate, for the space they occupy. Appendix 3 to the report is exempt under Access to Information Procedure Rule 10.4 (3) 'information relating to the financial or business affairs of any particular person (including the authority holding that information)'. The public interest in maintaining the exemption outweighs the public interest in disclosing the information as the market valuation of office space within its community centres is confidential between Leeds City Council and the client user.
24. As is evident from the table, most organisations do not pay for space occupied. Work is ongoing to develop a fair charging policy for organisations with permanent use of accommodation. This will be presented to a future area committee meeting for discussion.

Maintenance Update

25. The CPM Service, Resources Directorate is responsible for building maintenance of all Council buildings and miscellaneous land (except schools and ALMO housing property) and provides facilities management for community centres. All revenue maintenance budgets have been consolidated to form a corporate building maintenance budget which has been managed by CPM since 1 April 2009. As a result, the repair maintenance of community centres is no longer part of the delegated function for Area Committees.
26. The table below provides information on the CPM budget and expenditure:

Environment and Neighbourhoods - Regeneration & Area Management

Community Centres as at 10 August 2010					(Actual Costs)	2009/10	1st Quarter 2010/11
					1 April 2009 to 25 March 2010	26 March 2010 to 30 June 2010	
					Actual	Actual	
Chapelton, Louis Street No 53	03509LOU000	AA3050	ASSET/4926/BLDG	Community Centre	0	0	
Mandela Centre	03509/MAN/000	AA2015	ASSET/0154/BLDG	Community Centre	1994	265	
Palace Project	03509/PAL/000	AA2022	ASSET/0159/BLDG	Community Centre	6110	52	

27. Below is a list of works undertaken by Corporate Property Management within the Inner North East community centres portfolio in 2009/10.

Site Name	Asset Management Condition Survey Date	Completed/ Grade				To Do	Not Req'd	Comment	General Maintenance Work Completed	Date Electrical Testing Completed	Electrical Testing Cost	Heating Service Cost	Fire Alarms/ Em Ltg Cost	Other Works Completed
		A	B	C	D									
Chapelton, Louis Street No 53						1		LEO FRI - no CPM responsibility	17th Edition Electrical testing completed 2009	2009	£640			
Mandela Centre	May-02		1									£620	£1,024	
Palace Project	Feb-01		1									£225	£768	

Outline planned works for 2010/11

28. Work has been identified to be carried out in both Palace and Mandela Community centres during 2010/11, this includes the installation of new flooring to the main entrance area on the ground floor of Mandela Centre, an upgrade of the CCTV system and installation of a new door entry system to address safeguarding issues at the centre.
29. Palace is to benefit from the heating system being extended to the second floor to make the rooms more lettable in the future and new signage and uplighter will be installed to the external wall. All of the planned works are being funded through the Chapel Allerton members Ward Based Initiatives funding.

Update on Inner North East Area Committee Portfolio

29. Action plans are currently being developed for both community centres in the control of the area management team, with the input of the Mandela steering group for the Mandela Centre.
30. The Mandela centre held a successful open day in April 2010 attracting over 100 people to the centre. The event held over 3 days during the school holidays provided an opportunity for people to access activities run from the centre and showcase some of the positive work. The event was part funded through the Area Committees well being funding.
31. Following a period of unrest around the Palace community centre activities are now being delivered by Youth Services, Junior YIP, Invisible Circle and various other users. Once the centre is further improved on the second floor groups (already identified) will be able to use additional office space and usage of the centre will increase, at which point a user group will be set up and regular meetings held to further enhance provision.
32. The layout and gradient of the staircases at the Palace limit the range and number of activities that can be delivered from the centre and thus negatively impacting on the rental income that can be generated. There is potential to significantly improve and resolve both of these issues by investing in redesigning of the building. Should support be given to this being progressed when and if capital funding becomes available with a view to delivering a regeneration project at the centre.

Performance Management and Reporting

Baseline Position and key targets for the Service

30. Area Committees will receive mid year and year end budget update reports. Reports on key issues affecting centres in the committee's area will be provided alongside these.
31. From April 2011 reports will be available on the level of bookings in each centre, potential income and level of waived fees. This will enable area committees to identify centres that are well / under used etc which can help inform future management and development plans.

Reporting Arrangements

32. Performance will be reported to area committees twice a year, at the June/July and Nov/Dec committee cycles.

Equality Considerations

33. There is a perception that some centres are only accessible to some sections of the community. All centres need to demonstrate that they comply with the Council's equality commitments. This applies to both directly managed centres and leased centres. Advice and guidance and appropriate monitoring procedures need to be developed and implemented to better address this issue. This work will be incorporated within the centre action plans as they are developed.

Implications for Council Policy and Governance

34. The community centre issues detailed in this report comply with agreed Council policy and governance arrangements.

Consultation

35. Members and centre users have been consulted on the delegation of community centres for a number of years. Discussion has also taken place with the 10 Area Chairs, Area Management Teams and colleagues from Corporate Property Management (CPM) in compiling this report.

Legal and Resource Implications

36. The Community Centres delegated function allows the Area Committees to retain revenue savings which are made within the financial year, to enable them to deliver on their investment priorities, as identified within their local action plans or Area Delivery Plan.

Conclusions

37. Both of the centres managed by the Inner North East Area Committee are currently running at a deficit and consideration needs to be given to how that deficit may be reduced in future years.

Recommendations

38. The Inner North East Committee is asked to agree the content of this report and to comment on any issue raised.

Appendix 1:

	Expenditure			Income			Net
	<u>Budget</u> 09/10	<u>Outturn</u> 09/10	<u>Variance</u>	<u>Budget</u> 09/10	<u>Outturn</u> 09/10	<u>Variance</u>	<u>Variance</u>
	£	£	£	£	£	£	£
Palace Youth Centre	7,850	10,028	2,178	-1,000	-2,318	-1,318	860
Mandela Centre	88,440	70,359	-18,081	-32,650	-3,347	29,303	11,222
53 Louis Street	100	-12	-112	0	2,700	2,700	2,588
	96,390	80,375	-16,015	-33,650	-2,965	30,685	14,670

Appendix 2:

INNER NORTH EAST	<u>Caretakers</u>	<u>Premises</u>	<u>Supplies</u>	<u>Total Expend</u>	<u>Intl Income</u>	<u>Extl Income</u>	<u>Total Income</u>	<u>Net Cost</u>
PALACE - SHEPHERDS LANE	5,990	9,600	0	15,590	0	-2,000	-2,000	13,590
MANDELA C.C.	47,190	36,620	200	84,010	0	-9,330	-9,330	74,680
53 LOUIS STREET	0	100	0	100	0	-500	-500	-400
TOTAL INNER NORTH EAST	53,180	46,320	200	99,700	0	11,830	11,830	87,870