



Report of the North East Area Manager

North East (Inner) Area Committee

Date: 4th February 2008

Subject: Pricing and Lettings Policy for Community Centres

Electoral Wards Affected:
Chapel Allerton

Ward members consulted
(referred to in this report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Council Function

Delegated Executive Function available for Call In

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

Executive Summary

This report proposes details of a revised Pricing and Lettings Policy which the Area Committee is asked to endorse. It outlines the centres which would be affected by the implementation of the revised pricing policy and includes details of a draft discount schedule. The proposed policy will impact only on directly managed Council facilities and not those leased to community organisations.

The report also seeks the support of the Area Committee for a three month consultation period to commence from 25th February 2008 in order for all centre users and the wider community to gain a clear understanding of these proposals.

Purpose of this report

1. This report outlines a draft new Pricing and Lettings Policy to be implemented across Inner North East Leeds on behalf of the Area Committee. The policy details how much groups would be charged for the use of the community facilities to be managed by the Inner Area Committee to ensure they become financially viable and stable. The report also seeks the support of the Area Committee for a three month consultation period to commence from 25th February 2008 in order to ensure that all centre users and the wider community are well informed and have a clear understanding of the proposals.
2. Implementing this policy will ensure that the Area Committee is effectively managing these resources in line with departmental and City Council priorities and ensure a policy that is consistent.

Background information

3. Previous reports to the Council's Executive Board and the Area Committee have covered the community centres review and the agreement of proposals to transfer responsibilities for community centres to the Area Committees. Two directly managed centres, the Mandela Centre and The Palace Youth Centre, will be transferred. Further work is being completed by the Regeneration and Partnerships Team on the portfolio of centres which are transferring from the former Learning and Leisure Department. This involves analysing 2006/07 actual budgets in order to ensure that accurate budgets at a centre level are put together. It is anticipated that this work will be completed shortly and a report will then be taken to Executive Board in April to add these to the Area Function Schedule and formally delegate them to the Area Committee.
4. In line with this new responsibility, the Area Committee is asked to agree to the principle of introducing a consistent charging policy for all centres under its portfolio to be complemented by a discount policy which ensures that community groups and organisations are able to use the facilities at a free or discounted rate depending on the activities being held and their benefit to the community.
5. As outlined in the report to the Area Committee in June 2006, a number of responsibilities will also be transferred to the Area Management Team to carry out on behalf of the Area Committee, these are
 - Liaising with users, user groups, local members and management committees on issues relating to centres in their area
 - Developing proposals for re-shaping the portfolio in the area
 - Developing capital schemes and funding packages
 - Monitoring the service level agreement with Corporate Property Management for centres in the area and monitoring capital and revenue budgets

- Ensuring where relevant, the leases and licences are in place and reviewed periodically
 - Developing, implementing and overseeing the administration of a new schedule of pricing and discounts for centre usage.
6. To drive forward the responsibilities asked to be carried out in terms of the management of Area Committee facilities, Area Management teams across the city have been asked to re-visit previous work carried out on the development of a revised community centres letting policy to ensure that it is appropriate to each area.

Previous work done on a city-wide lettings policy

7. In October 2004, Executive Board considered a draft revised lettings and pricing policy and agreed that there should be a city-wide consultation exercise undertaken. This took place up to Spring 2005. Over 110 responses were received which reflected the variations in existing policy across the different centres with some groups having had free use and free accommodation for some time while others were paying a contribution for their use. The main comments arising from the consultation were about charges and discounts rather than the principles of the policy.
8. The current system for the hire of these centres is underpinned by a policy which was inherited from the former Learning and Leisure Department. There is a complex pricing structure with prices varying for each building and room/space occupied. This has resulted in inconsistency across the city e.g. a user in one centre using a large space may have free use, whereas a similar user elsewhere may be charged for a small space.
9. There have been significant usage and income variations in centres from year to year under current arrangements. While a clear and consistent charging policy with increased promotion may increase usage and generate an income for the centres, it was considered that a number of users may not be happy with the proposed arrangements and Executive Board agreed that the Area Management teams use the proposals as a model for their area and do further work and local consultation. This will also allow the Area Committees to take account of local issues and the budgetary parameters and priorities of the Committee in setting its local pricing policy.

Community Centres in Inner North East Leeds

The Mandela Centre

10. One of the findings from the Chapeltown Community Facilities Review highlighted the opportunity to raise the profile of the Mandela Centre as a designated centre for young people in Chapeltown. Work is underway to develop an expanded programme of educational, vocational, career and social activities to meet the needs of young people in the area. It is recognised that wider consultation with the local community be carried out regarding the future development of the Mandela Centre taking into account non youth activities currently delivered there. Users of the

Mandela Centre that contribute to its development as a youth hub for Chapeltown play a valuable role in community life and the delivery of services at a local level. Most of these users are independent with their own constitutions and organisational arrangements some operate with a small fee being charged for delivering an activity.

11. Of the 16 regular users of the Mandela Centre, 5 are charged for the rooms they occupy. The total income gathered for 2006/07 was £9,330. There are 3 users of the centre who are using space as an operational base with exclusive use of particular space. In the case of 2 of these, no formal agreements are in place or charges levied. Funding streams have changed in recent years and a clearer accountability for activities is delivered through the funds allocated to some of these groups. Despite this, these groups may not have the resources to pay a full market rent for the space being used. To standardise the situation Executive Board have agreed that:
- Leases or licences are put in place for all users occupying a space in a centre as an operational base
 - All other use is covered by a lettings and pricing policy for hiring space
 - Market rent assessments are made and service charges assessed for each user that is providing community services that meet local priorities.

The Palace Youth Centre

12. There are 2 regular users of this centre. To alleviate pressure on the budget, the caretaking service has been reduced and key holding agreements put in place with current users. The total income gathered for 2006/07 was £517.

A draft lettings policy for Inner North East community centres

13. An analysis of the actual budgets for the centres indicates that the current lettings situation can continue as the gross budget is enough to meet annual running costs. However, this does not allow for any additional expenditure for improvements. As indicated in previous reports to the Area Committee, the budget for operating community centres has been under pressure for a number of years. Some efficiencies in caretaking and cleaning have assisted the budget situation and the Area Management Team is liaising with ward members and current users of the centres to identify further opportunities for making savings. The Area Committee would be able to utilise any revenue savings or increased income to support investment programmes or help fund activities.
14. The main aim of the revised lettings policy is to create a standardised charging system for all council community facilities in the area and create opportunities to generate increased income for the centres to address a high level of backlog maintenance costs. This has arisen largely due to inadequacies in the current system underpinned by a policy that has not been reviewed for 10 years. The income will assist with the running costs associated with the buildings and where possible go towards enhancements to the facilities.

15. It is important to stress that any charging policy would be accompanied by a discount policy. This will ensure that user groups who are providing community services that meet local priorities will benefit from free or subsidised lettings. A discount policy will also provide greater clarity for the rationale and “cost” to the Area Committee for allowing discounted or free use.

Charging for office space

16. There are some organisations using space in community centres as an office base. These range from Council Departments to voluntary or community groups. It is proposed that an annual service charge is calculated based on the total cost to operate each square metre of the facility. Currently, Corporate Property Management is in the process of confirming all room sizes and it is not possible to present the Area Committee with the exact values. The organisations currently using the Mandela Centre as an office base are Leeds City Council Youth Services and two voluntary organisations under contract to provide a service. Currently there are no commercial organisations using inner North East community centres as offices. There is an agreement in place with the Youth Services allowing them free use of community centres for existing activities for young people. Negotiations are taking place between the Regeneration Partnerships Team and the former Learning and Leisure Department to agree a charge that reflects the running costs of the building and it is anticipated that from October 2008 the Youth Service will be charged for the office space they occupy.
17. The exact charges for each organisation using community centres as an office base will be calculated on a case by case basis following the receipt of information from the Corporate Property Management. The proposal would be for a lease agreement to be then entered into with all relevant organisations.

Charging for events, activities and meetings

18. The following draft pricing structure has been developed based upon existing costs to use Council community centres as outlined in the draft pricing policy. A benchmarking exercise has been undertaken which looks at other non council facilities in the area to ensure any schedule of charges put together are reasonable and comparable to other buildings available for hire across inner North East Leeds. Costs have been altered to reflect inflation costs and the rising costs of utilities. Following corporate level discussions and with other Area Management Teams, it has been agreed that these standard charges are implemented across the city to ensure an efficient and consistent lettings management of the facilities by the Lettings Unit. These charges are based on the size of rooms within the centres. The table details the current and proposed base charges per hour, excluding any discount.

Room band	Current standard charge in Leeds City Council directly managed buildings across the city	Proposed standard charge for Leeds City Council directly managed buildings in Inner North East Leeds
Band A – large, up to 40ft x 40ft (1600sq ft)	£25.00	£25.00
Band B – Medium, up to 30ft x 30ft (900 sq ft)	£17.50	£18.00
Band C – Small, up to 20ft x 20 ft (400 sq ft)	£10.00	£12.00
Band D Kitchens	Variable	£5.00
Band E Store rooms	Some centres apply charges	None

19. Minimal use of a kitchen, e.g. to make refreshments for a meeting, will be included in the standard charge. More extensive use will be covered by booking a kitchen under the Band D charge rate. It is important to note that these proposed charges are exclusive of any discount scheme that the Area Committee would want to introduce.
20. It is proposed that a standard charge of £650 is levied for weddings. If venues are to be used for parties, the hire rates will be the proposed standard lettings charge for any user, plus the costs of caretaking, cleaning and security provided for the function.

Charges for FE Colleges/Adult Learning

21. In relation to charges for FE colleges and Adult Learning, corporate level discussions have been undertaken with colleges and adult learning institutions. Charges have been agreed based on £2.50 per hour, Monday to Friday for small and medium rooms and £10.00 per hour for large rooms and weekend / council holiday use. For lettings that exceed 2000 hours per year an annual service charge will be calculated as described in paragraph 16 of this report. The charge will be 25% of this cost.

Discount Structure

22. To complement the pricing structure outlined above, it is proposed there will be a series of discounts applied to various groups. Different levels of support will be given to groups depending on their relevance in providing a service which addresses the priorities identified in the Area Delivery Plan. Quite simply, the greater compatibility with key outcomes, the greater level of support. The schedule

of discounts is detailed in Appendix 1. Recognising that that some groups will be unable to pay the lettings fees, it is proposed that they can apply for a subsidy from the Area Committee. Criteria for the lettings subsidy would be based on the relevance of the group's activity to the Area Delivery Plan. It is proposed that initially the Area Committee considers covering the cost of the subsidy through the operational budget for the facility taking into account its budget parameters. In the event of ongoing pressures on the operational budget, due to variations in caretaking, energy costs and varying levels of income from lettings, it is further proposed that the Area Committee consider giving approval for expenditure through its Well-Being budget.

Consultation and Implementation

23. The proposed draft policy is the basis for further consultation. The schedule of discounts is untested and may require some revision following further discussions corporately with the Lettings Unit and the Regeneration Partnerships Team, also with current centre users. Area Management Teams are working with the Lettings Unit to develop a database which will automatically calculate the level of discount based upon the type of user group. This is to ensure that there is no additional administrative burden for the Area Management Teams. In addition to this, a disputes resolution policy is also being developed for the lettings process.
24. To ensure that the policy is easy to understand and apply from a customer perspective it is suggested that posters outlining the charges are displayed in each facility so users are fully aware how much they would be expected to pay for room hire. It is suggested that the Well-Being Fund working group and Area Management Team develop the discount schedule further and consider how decisions are made about discounts, subsidies, the scope for one-off exemptions and the use of Well-being funds to assist groups.
25. It is further suggested that a 3 month consultation period is undertaken to ensure that current users and the wider community are well informed and have a clear understanding of the policy. A further report outlining the outcome of this consultation and the final Lettings and Pricing Policy to be implemented will be presented to the June Area Committee meeting with a view to implementation from October 2008.

Implications for Council Policy and Governance

26. There are no implications, as the range of community centre issues detailed in this report fit with agreed Council policy and governance arrangements.

Legal and resource implications

27. There are no legal implications arising from the contents of this report.
28. There could be some budgetary impact in terms of increased or reduced income for community facilities. Any increased income should be re-invested into the facilities to make them of a higher standard for all users. If the income levels were to fall, efficiency saving measures would have to be explored to see how these costs could be recovered.

29. In terms of staffing resources, an officer from the Area Management Team will oversee the implementation of the new policy with the Lettings Unit, who will continue to be responsible for the management of lettings for all directly managed community facilities across the city.
30. Caretaking, cleaning and facilities management services will continue to be provided by Corporate Property Management.

Recommendations

31. The Area Committee is asked to:
 - Approve the development of the proposed Pricing and Lettings Policy based on the principles outlined in this report.
 - Agree to the Well-Being Fund working group developing the policy further
 - Agree to a 3-month community and user consultation period following approval of the draft policy with a view to implementation from October 2008.