



Report of The Director of Environment and Neighbourhoods Directorate

Meeting: Outer North West Area Committee

Date: 9 November 2009

Subject: Community Centres Report (all area committees)

Electoral Wards Affected:

ALL

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

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. 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 a position statement on progress to implement this delegation focusing on the following key areas; budgets, property management and maintenance, rental support and pricing and lettings policy, issues associated with the local portfolio of the Committee and the development of local action plans .

The area committee is asked to comment on and agree the issues covered in this report.

1.0 Purpose Of This Report

1.1 This report provides:

- A service overview and outline of the role of Area Committees in relation to this delegated function
- Service budget information – revenue and capital
- A briefing note on the new Corporate Property Management service (CPM)
- An update on the implementation of the pricing and lettings policy and database.
- Proposals regarding rental support to voluntary and community organisations
- Area specific information including annual budget forecasts for each of the centres in section 6 of this report

2.0 Background Information

2.1 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.

2.2 Service Description

The service includes a portfolio of centres across the city. Revenue budgets associated with the operation of the Community Centres are delegated to Area Committees to manage. Non-controllable costs such as capital asset charges, buildings insurance, business rates and CPM management fees are not managed by Area committees, but these budgets are reported on a regular basis. Maintenance budgets are now managed centrally by Corporate Property Management.

2.3 Description of Delegated Function

A report to Executive Board in March 2006, set out the proposed delegated function for the Council's Community Centres to be implemented by the 10 Area Committees. A full version of the delegated function is attached at appendix 1, in summary it includes the following responsibilities:

- To make investment decisions from their own Well Being budgets and make applications for capital from the Council's Major Maintenance Fund in the normal way.
- Area committees be given the responsibility for setting charges and discounts for centres in their area within a common framework, and agree a schedule of charges for implementation.
- Capital receipts – for a proportion of any receipt arising from the disposal of a community centre to be retained by Area Committees to address category 1 (immediate) and 2 (essential) backlog maintenance on other Community Centres within the same area.
- Revenue budgets associated with the operation of Community Centres. Further information on this element of the delegation is included in sections 3 and 6 of this report.

2.4 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

3.0 General Issues

3.1 The transfer of Community Centres from three former service areas to the Regeneration Service has taken place over the last three years. This has involved considerable work in aligning budgets and operational requirements, and understanding the resulting financial position and implications for services moving forward, so reporting on these issues has not been possible until recently.

3.2 Good progress has been made in moving the service from a position where it was operating beyond the budget provision by identifying operating inefficiencies and closing underused and poorly maintained Centres. However, it is acknowledged that further work is required to realise the full extent of this delegated function and thereby empower Area Committees to take a leading role in utilising their community assets to better meet local needs.

3.3 Budgets

Fixed budgets for each centre have now been finalised for 2009/10 and work has commenced on setting the 2010/11 budgets. This has to date been difficult to achieve due to the complexity of bringing together different service budgets, and insufficient historical information on actual expenditure. However, budget estimates for 2009-10 have now been established, based on the close monitoring of expenditure in 2008-09.

3.4 The total Community Centres budget for 2008-09 was £3,006,660. In 2009/10 the total budget for the whole service has increased slightly to £3,127,150. This is mainly to enable the service to meet rising operational costs. A summary of budgets for the Outer North West Area Committee for 2009/10 is included at section 6 of this report, with a more detailed breakdown provided at appendix 2.

3.5 Controllable and Non-Controllable Budgets

The Community Centres budget contains various budgets headings, some of which are controllable by Area Committees, and some which are not. The table below outlines the overall budget for the service highlighting which of the two categories headings fit in to:

Budget Heading	Controllable £,000	Non- Controllable £,000	Total £,000	Notes
Caretakers	£1,109		£1,109	
Premises	£717		£717	
Supplies & Services	£15		£15	Licenses & telephones
Income (internal)	-£243		-£243	LCC depts.
Income (external)	-£341		-£341	
Management Fee		£242	£242	CPM
NNDR (business rates)		£198	£198	
Insurance		£26	£26	
Capital charges		£1,082	£1,082	
CPM Maintenance budget		£321	£321	Budgets now devolved to CPM
Grand Total	£1,257	£1,870	*£3,127	

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

3.5.1 The budgets that sit within the controllable category relate to the operational budgets which have been delegated to the Area Committees, these include; caretaking, supplies and services, premises costs and income. The non-controllable budgets are managed by CPM finance, and include; capital charges, business rates, insurance and CPM service management costs. Actual expenditure against the budget estimate for both controllable and uncontrollable headings will be reported to Committees.

3.5.2 Appendix 2 of this document provides a breakdown of the controllable and non-controllable budgets for the Outer North West Area Committee.

3.6 Revenue Budgets

It was agreed in the 2006 Executive report that revenue savings made from delegated Community Centres budgets should be retained by Area Committees to reinvest in their local portfolio within the approved Council budget allocations.

3.6.1 Prior to commencing the transfer of Community Centres to Area Teams / Committees in 2006, the city's Community Centres had been operating at a substantial deficit against the agreed budget allocation.

3.6.2 Officers have been working with local Members to identify operating inefficiencies which have enabled the actual costs to run Community Centres to now balance against the approved budget. Savings that have contributed achieving this position include:

- Sale of the Pakistani centre and transfer of the lease for the Bangladeshi Community Centres (Inner East)

- Reduction in caretaking at Harehills Place (Inner East), Mandela Centre (Inner North East), key holding St Gabriels (Outer South),
- Closure of Wyther (Inner West) and transfer of Greenhill Community Centres to adult services (Outer West)

3.6.3 Due to the negative budget position across the portfolio, it has not been possible to delegate individual budgets to Area Committees until now. But with effect from 1st April 2009, Area Committees will retain net revenue savings made across their local portfolio within the agreed annual allocation.

3.6.4 Officers will continue to work with Area Committees to identify revenue savings which will improve the efficiency of the service and provide better value for money. These savings will be protected for use in the year following that which they are achieved e.g. savings made in 2009/10 will be available to spend in 2010/11. The amount of revenue savings that will be available for Area Committees will be confirmed on completion the budget closure procedures (June 2010). This is to enable finance staff to deal with any overspends within the local portfolio and to ensure that budgets balance.

3.6.5 The ability to retain revenue savings will provide Area Committees with additional resources to deliver on their investment priorities, as identified within their local action plans or Area Delivery Plan. Revenue improvements which the Area Committee could consider include:

- Providing transitional support to local voluntary groups wishing to take on the management responsibility of local centres to deliver local services
- Increase the use of local centres by:
 - Making internal improvements e.g. painting / decoration, to make the centres more appealing to potential users
 - Replacement / upgrade of equipment
 - Support to local organisations to enable them to deliver more services from community facilities which improve usage and/or attract new users and address local priorities
 - Training and advice to user groups and / or organisations leasing centres to improve their business planning skills and engender a more entrepreneurial culture across the portfolio which supports income generation and sustainability

3.7 Income

At present all community centre income is used to directly offset expenditure against each centre. In order to support Area Committees to generate income to improve their local portfolio, it is proposed that a new procedure is put in place from 1st April 2010, which enables Area Committees to retain all new income.

3.7.1 This new procedure is currently being worked through with finance officers and the details will be brought back to Area Committees in the January cycle of meetings.

3.8 Capital Budgets

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.

- 3.8.1 Area Committee proposals will 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 than £100k require Executive Board approval. Further advice will be provided to Area Committees to develop their proposals on a case by case basis.

3.9 Corporate Property Management (CPM)

The CPM Service, Resources Directorate, was formally established on 1 January 2008 and 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 need to undertake the repair maintenance of community centres will no longer be part of the delegated function for Area Committees. A briefing note outlining the role of CPM is attached at appendix 3.

- 3.9.1 CPM deal with three different types of building issues:

- Facilities Management – day to day running of centres
- Maintenance - Responsive and planned building works using both revenue and capital
- Implementation of refurbishment work all on LCC owned buildings to improve service delivery, mostly funded by Services.

3.9.2 Maintenance – Responsive and Planned revenue budget.

Responsive maintenance – repairs should be raised with the on site caretaker, or Area Buildings Manager where this is not possible, and they will then be reported to the CPM Helpdesk for action. Responsive maintenance would include emergency repairs e.g. broken windows, building security, electrical failure, flooding etc.

Planned Maintenance – CPM will undertake planned maintenance on an annual basis e.g. electrical, asbestos and legionella testing and monitoring, gas servicing etc as well as a planned programme of repairs eg decorating, structural repairs etc.

Backlog maintenance, capital budget – Larger scale works to bring the centre up to required standards / meet government legislation e.g. replacement of a roof, DDA compliance etc. In order to address this issue Area Management Teams are asked to prioritise community centres for backlog maintenance works, as well as identifying the future of centres as part of their Asset Management Plans. This will enable work to be prioritised for inclusion in the CPM annual maintenance

programme. Consultation with Area Committees will take place through the development of local action plans (outlined in section 7) to feed in to this process.

A schedule of current backlog maintenance for centres in the Outer North West area is attached at appendix 4.

3.9.3 CPM is currently developing a programme of planned maintenance works for the city which will be brought to the first cycle of Area Committee meetings in 2010/11. This will be accompanied by a schedule of maintenance works undertaken within each Area Committee portfolio over the previous 12 months.

3.9.4 **Refurbishment** - works identified by Area Committees to make improvements which do not form part of normal maintenance arrangements, e.g. reconfiguration of internal spaces to increase usage, upgrading equipment or fittings – kitchens etc, require a budget to be identified prior to work commencing. Processes are in place to implement improvements / refurbishments to Community Centres, and advice will be provided to Area Committees on a case by case basis.

4. Rental Support

4.1 Rental Support for Leased Out Centres

A rental support programme to 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. Subsidy is provided to organisations leasing centres through income forgone to the Council. In Outer North West the following groups / organisations received support:

- Greenacre Hall – 50% subsidy £2,625, rent payable at 50% £2,625
- Guiseley Theatre – 90% subsidy £16,006, rent payable at 10% £1,779

Rental support subsidy awarded in Outer North West total - £18,631 in 2009/10

4.1.2 It is proposed that moving forward, funding decisions to support groups leasing LCC owned community centres is devolved to the Area Committees (timescales to be agreed with each AC).

4.1.3 Assessment criteria will be developed to ensure there is a consistent approach applied across the city, which links to the development of services which meet community need as identified in the Area Delivery Plan.

4.2 Rental Support for Users of Office Accommodation

Historically, voluntary and community organisations occupying office space in Community Centres have done so informally, and space has been provided free of charge. This needs to be addressed through a formal lease or license agreement and, in accordance with audit commission guidance, groups are required to move towards paying a fair contribution for the space they occupy. Future rental changes will be assessed through a market rental assessment, which may result in some groups being asked to pay charges which they do not have the resources to pay for and require continuing support.

- 4.2.1 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. It is proposed that a city wide Rental Support scheme is developed for implementation from 1 October 2010 by Area Committees. This will enable a full market rental assessment to be undertaken for all centres in the portfolio.
- 4.2.2 All existing users of office accommodation will be notified in October 2009 that changes to the current arrangements will apply from 1st October 2010. A rental support scheme which assesses how the organisation is meeting the identified needs of local people and affordability will then be developed and implemented.
- 4.2.3 It is proposed that organisations that do not meet the new criteria for support, will move to a three year transitional arrangement from 1st October 2010. Payment of the full market rental will then commence at 35% in year 1, 65% in year 2 and 100% in year 3.
- 4.2.4 Existing arrangements / charges will apply until the new scheme is implemented.
- 4.2.5 A small task group will be established to work through the proposals which will be reported to Area committees in early 2010.

5 Pricing and Lettings Policies

Area Committees have played a key role in developing local pricing and lettings policies for centres within their areas. All policies have now been agreed across the city and consultation has taken place with users.

- 5.1 Due to the different discounts being offered by committees, it has been necessary to develop a new lettings database that can accommodate the variable charges that will be applied. The new database has now gone live after completing a test period to 30 September 09.
- 5.2 Area Committees will be required to clearly display the pricing schedule in every centre where the policy applies. Guidance was issued to Area Teams in July 2009 on the procedures that need to be followed to undertake this task.

6.0 Outer North West Area Committee Community Centres Portfolio

The Community Centres portfolio for Outer North West, alongside the total budget allocation for 2009/10 is outlined below:

Area Committee – Outer North West 2009/10			Budgets			
Centres	Ward	Status	Controllable	Non-controllable	Income	Total Net Budget
Cross Green Otley	Otley & Yeadon	LCC Managed	£52,960	£21,390	£200	£74,150
Otley Civic Centre	Otley & Yeadon	Leased Out	£1,790	£81,380	£0	£83,170

Yeadon Town Hall	Otley & Yeadon	LCC Managed	£106,120	£106,980	£44,000	£169,100
Weston Lane YC	Otley & Yeadon	LCC Managed	£30,070	£12,900	£400	£42,570
Stanhope Drive	Horsforth	LCC Managed	£22,500	£16,630	£800	£38,330
Guiseley Theatre	Guiseley & Rawdon	Leased Out	£90	£6,570	£1,980	£4,680
Greenacre Hall	Guiseley & Rawdon	Leased Out	£1,730	£17,390	£0	£19,120
Total			£215,260	£263,240	£47,380	£431,120

A full breakdown of the estimated budget vs actual expenditure to 31st July 2009 for each of the centres within the portfolio is attached at appendix 2.

6.1 For 2009/10 the total net revenue budget is £431,120, actual expenditure to 31st July 2009 is £47,801. Efficiency savings made against this budget in 2009/10 will be retained by the Committee for 12 months commencing 1st April 2010. Budget reports will be provided twice a year.

6.2 Issues for Outer North West Area Committee Portfolio

Stanhope Drive Youth Centre will be closing when the new Horsforth Youth Centre at the former Horsforth Library is complete. The work is expected to be completed in 2010. Existing groups will require re-locating to the new facility and Horsforth Children's Centre. Stanhope Drive Youth Centre will not close until the new facility is complete.

Weston Lane - this centre is under used at present and there is a need to encourage greater community use of the building.

7.0 Further Roles and Responsibilities of the Area Committee

Action plans will be developed for all local centres by the Area Management Teams. The plans will be a useful tool to inform Area Committee decisions on the management of Centres. Issues that Area Committees may want to consider in the development of these plans include:

- using performance information to identify occupancy levels, services delivered and efficiency savings;
- development of marketing strategies to promote centres to users who do not access them currently;
- robust investment proposals which feed in to and influence the forward work programme of the central investment budget
- rationalisation of centres so that resources can be directed at those most used;
- developing proposals for asset transfer, through sale or lease, to voluntary / community / faith groups who are better equipped to deliver services that meet local need.

7.1 To assist in the development of action plans and to ensure that issues relating to local centres are properly considered, Area Committees may wish to consider

establishing a community centre sub-committee involving appropriate Area Management Officers, the CPM Area Buildings Manager and the lead Member with responsibility for Community Centres. In some areas this is already happening and has proved to be an effective way of building local capacity and understanding of local centre issues.

8.0 Performance Management and Reporting

8.1 Baseline Position and key targets for the Service

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 as and when required.

8.2 Corporate Property Management will provide buildings investment information to Area Committees a minimum of once a year. This information will be provided to Area Committees early 2010/11.

8.3 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.

8.4 Reporting Arrangements

Performance will be reported to area committees twice a year, at the Sept and January committee cycles.

8.5 Elected members can further enhance their consultative and influencing role through ward based meetings with Area Management Officers who meet regularly with finance and CPM.

9.0 Equality Considerations

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. It is proposed to complete this work and make information available to Area Committees in June 2010.

10.0 Implications for Council Policy and Governance

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

11.0 Consultation

Members and centre users have been consulted on the delegation of community centres for a number of years. However, due to the complexity of bringing budgets together from a number of different service areas, it has not been possible to report on budgets specific information for individual centres until very recently. Discussion has also taken place with the 10 Area Chairs, Area Management Teams and colleagues from Corporate Property Management (CPM) in compiling this report.

12.0 Legal and Resource Implications

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.

13.0 Conclusions

This reports sets out the current position regarding progress to implement the delegation of Community Centres in the Outer North West Area. Good progress has been made to better understand the operational, budgetary and maintenance issues affecting all of the Community Centres within the portfolio. This will be built upon as the delegation is implemented over the next twelve months so that a greater understanding of the needs of each centre and its users is established. The development of local action plans and the provision of improved performance management information, which will be available from April 2010 when the new lettings database is implemented, will enable a more robust, effective and sustainable service to be developed in the longer term.

14.0 Recommendations

The Outer North West Area Committee is asked to agree the content of this delegation and to comment on any issue raised.

List of background documents:

Community Centre Exec Board Report March 2006
Communtiy Centre Pricing and Lettings Policy Area Committee Report April 2009
Delegated Functions Exec Board Report June 2009