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Report of The Director of Environment and Neighbourhoods Directorate

Meeting: West (Inner) Area Committee

Date: 8th September 2010

Subject: Community Centres Report

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. 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.

1.0 Purpose Of This Report

1.1 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

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 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.

2.3 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

2.4 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.

3.0 2009/10 Budget Position

3.1 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 East area committee for the same period. Appendix 1 provides detail of the budget v actual + income for each centre

Table 1 – City Wide Year End Out-turn 09-10

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	

Table 2 – Inner West Year End Out-turn 09-10

INNER WEST	<u>Budget 09/10</u>	<u>Outturn 09/10</u>	<u>Variance</u>	
	£	£	£	
Controllable				
Caretaking Costs	36,430	35,687	-743	
Premises Costs	32,300	31,958	-342	
Supplies & Services	0	1,341	1,341	
	68,730	68,986	256	
Income				
Internal	-25,490	-25,490	0	
External	-4,830	-4,825	5	
	-30,320	-30,315	5	
Net Controllable	38,410	38,671	261	
Non-Controllable				

	CPM Management Fee	10,250	11,200	950	
	NNDR (Business Rates)	4,470	4,462	-8	
	Insurance	430	440	10	
	CPM Maintenance Charge	8,560	8,560	0	
	Capital Charges	37,280	43,599	6,319	
		60,990	68,261	7,271	
	Net Budget	99,400	106,932	7,532	

3.2 Savings to be retained

It has been agreed that Area Committees can retain net revenue savings from across their portfolios, to support investment priorities within local centres. The table at 3.0 identifies that the net revenue balance for the Inner West committee at the end of 2009/10 was in deficit to £7,532. This means that there are no net revenue savings to be retained.

3.3 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 budget		£387,570		Budgets now devolved to 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	

3.4 The non-controllable budgets are managed by finance and include; capital charges, business rates, insurance and CPM service management costs.

3.5 For 2010/11 CPM have levied a management charge of £242,320k 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.

- 3.6 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

- 3.7 For 2010/11 the Inner West Area Committee has been delegated (controllable budget) £30,160. A summary of the budget for each centre is outlined in the table below.

Centre Name	Delegated Budget 2010/11	Notes
	£,000	
Strawberry Lane	28,500	
Sandford	-870	
Fairfield (leased)	2,530	
New Wortley (leased)	0	

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

- 3.8 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. 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). For 2010/11 the Inner West Area Committee has an income target across the whole portfolio of £41,530. 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

- 3.9 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.
- 3.10 There has been no disposals in 2009/10 in Inner West.

- 3.11 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. Members are asked to note that the issue of capital funds generated by capital receipts is subject to the current capital funding review.

4.0 Rental Support

4.1 Rental Support for Leased Out Centres

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 West Area the following organisations benefit from this arrangement:.

Organisation	Centre	Market rent assessment	Rental Support Approved by RMT (30 April 2010)	Rent payable 2010/11	% of rent payable
Fairfield Partnership Company Ltd	Fairfield CC	£13,850	90%	£1,385	10%
BARCA	Sandford Community Centre	£9,400	90%	£940	10%

4.2 Rental Support for Permanent Users of Office Accommodation and Activity Space

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.

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.

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.

5.0 Maintenance Update

- 5.1 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.

5.2 Details of works undertaken within the community centres portfolio in 2009/10 is attached in appendix 4.

6.0 Update on Inner West Area Committee Portfolio

6.1 In May 2010, the Area Management Team and Neighbourhood Services Team (NST) met to develop an action plan for Strawberry Lane Community Centre. The following issues have been identified and solutions are being sought:

- Control of heating and ventilation could be improved
- Signage is not accurate and needs replacing
- A number of accessibility issues need addressing, both internal and external
- External lighting is inadequate
- Room use needs to be maximised.

7.0 Performance Management and Reporting

8.0 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 alongside these.

8.1 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.

8.2 Reporting Arrangements

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

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. This work will be incorporated within the centre action plans as they are developed.

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. 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

- 13.1 This report provides Area Committees with details of the actual expenditure for the community centres in their area 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.
- 13.2 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.
- 13.3 The Area Committee is asked to consider issues raised in the report and agree actions as appropriate.

14.0 Recommendations

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

Background papers

None

Appendix 1:

Budget v actual + income for each centre in Inner West

	Expenditure			Income			Net
	Budget 09/10	Outturn 09/10	Variance	Budget 09/10	Outturn 09/10	Variance	Variance
	£	£	£	£	£	£	£
Sandford Community Centre	60	1,343	1,283	-940	-940	0	1,283
Strawberry Lane Centre	64,750	63,882	-868	-25,490	-25,490	0	-868
Fairfield Community Centre	3,920	3,761	-159	-1,390	-1,385	5	-154
New Wortley Centre	0	0	0	-2,500	-2,500	0	0
	68,730	68,986	256	-30,320	-30,315	5	261

Appendix 2:

Breakdown of the controllable budgets delegated to each centre in the Committee's portfolio

INNER WEST		Caretakers	Premises	Supplies	Total Expend	Intl Income	Extl Income	Total Income	Net Cost
	SANDFORD C.C.	0	70	0	70	0	-940	-940	-870
	STRAWBERRY LANE	42,850	24,850	0	67,700	-19,200	-20,000	-39,200	28,500
	FAIRFIELD CC (LEASED)	0	3,920	0	3,920	0	-1,390	-1,390	2,530
	NEW WORTLEY	0	0	0	0	0	0	0	0
	TOTAL INNER WEST	42,850	28,840	0	71,690	-19,200	-22,330	-41,530	30,160