



**Not for Publication:** Appendix 3 of the report only – Access to Information Procedural Rule 10.4 (3) – information relating to the financial or business affairs of any particular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: East (Outer) Area Committee

Date: 19<sup>th</sup> October 2010

### Subject: Community Centres Report

#### Electoral Wards Affected:

Garforth & Swillington  
Kippax & Methley  
Temple Newsam  
Cross Gates & Whinmoor

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.

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. Central to the review will be 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.

## **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 Outer 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**

<b>COMMUNITY CENTRES - OUTTURN POSITION 09/10</b>				
<b>TOTAL COMMUNITY CENTRES</b>	Budget 09/10	Outturn 09/10	Variance	
	£	£	£	
<b>Controllable</b>				
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	
<b>Income</b>				
Internal	-260,590	-173,292	87,298	
External	-265,270	-210,100	55,170	
	-525,860	-383,392	142,468	
<b>Net Controllable</b>	1,111,790	1,253,291	141,501	
<b>Non-Controllable</b>				
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	
<b>Net Budget</b>	3,127,150	3,385,159	258,009	

**Table 2 – Outer East Year End Out-turn 09-10**

		<u>Budget</u>	<u>Outturn</u>	<u>Variance</u>
<b>OUTER EAST</b>		<u>09/10</u>	<u>09/10</u>	
		£	£	£
<b>Controllable</b>				
	Caretaking Costs	96,500	88,698	-7,802
	Premises Costs	59,300	58,739	-561
	Supplies & Services	560	4,978	4,418
		156,360	152,415	-3,945
<b>Income</b>				
	Internal	-18,660	-17,307	1,353
	External	-21,060	-17,559	3,501
		-39,720	-34,866	4,854
<b>Net Controllable</b>		116,640	117,549	909
<b>Non-Controllable</b>				
	CPM Management Fee	25,160	24,000	-1,160
	NNDR (Business Rates)	15,870	19,310	3,440
	Insurance	2,580	2,640	60
	CPM Maintenance Charge	35,660	35,660	0
	Capital Charges	93,450	118,104	24,654
		172,720	199,714	26,994
<b>Net Budget</b>		289,360	317,263	27,903

### **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 Outer East committee at the end of 2009/10 was in deficit to £27,903. This means that there is no net revenue saving to retain.

### 3.3 City wide budget information for 2010/11

<b>Budget Heading</b>	<b>Controllable £,000</b>	<b>Non- Controllable £,000</b>	<b>Total £,000</b>	<b>Notes</b>
Caretakers	£1,034,560			
Premises	£562,420			
Supplies & Services	£84,650			Licenses & telephones
Income (internal)	<b>- £193,340</b>			LCC depts.
Income (external)	<b>- £332,130</b>			
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
<b>Grand Total</b>	<b>£1,156,160</b>	<b>£2,486,750</b>	<b>£3,642,910</b>	

- 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 £242,320 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.
- 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.

### 3.7 Area Committee 2010/11 budget information

For 2010/11 the Outer East Area Committee has been delegated (controllable budget) £121,800. A summary of the budget for each centre is outlined in the table below.

<b>Centre Name</b>	<b>Delegated Budget 2010/11  £,000</b>	<b>Notes</b>
Allerton Bywater Y & A Centre	12,330	
Allerton Bywater Welfare Hall	5,780	
Fieldhead	27,500	
Kippax YC	14,330	
Methley Village Centre	18,640	
Micklefield YC	18,500	
St Gregory's Y & A Centre	22,740	
Firthfields (leased)	1,680	
Garforth Welfare Hall (leased)	240	
Kippax CC (leased)	60	

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

### 3.8 Income

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 1<sup>st</sup> 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 1<sup>st</sup> 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 Outer East Area Committee has an income target across the whole portfolio of £52,790. Subject to the overall revenue budget balancing, any income achieved over and above this amount, will be retained by the committee in 2011/12.

### 3.9 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.

3.10 There has been no disposals in Outer East In 2009/10.

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

## 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 Outer 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
Firthfields Community Association	Firthfields CC	£10,000	90%	£1,000	10%
Garforth Community Association	Garforth Welfare Hall	£23,600	90%	£2,360	10%
Kippax Community Association	Kippax CC	£9,500	100%	£0	0%

### 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

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.

- 5.1 Appendix 4 gives a break down of expenditure for work undertaken in community centres in 2009/10 and the first quarter of 2010/11.

## **6.0 Performance Management and Reporting**

- 6.1 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 alongside these.
- 6.2 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.
- 6.3 Performance will be reported to area committees twice a year, at the June/July and Nov/Dec committee cycles.

## **7.0 Equality Considerations**

- 7.1 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.

## **8.0 Recent issues relating to Outer East Community Centres**

- 8.1 ***St Gregory's Youth & Adult Centre.*** The kitchen facilities were recently condemned after the flue and ventilation system were found to be inadequate. After making inquiries with Corporate Property Management (CPM) it was determined that these facilities were not covered by the maintenance budget as the kitchen had been installed without acquiring the necessary adoption by the department managing the centre at the time of installation. The funds to renew the kitchen (£12,500) have now been sourced from Swarcliffe PFI credits.
- 8.2 ***Micklefield Youth & Adult Centre.*** A similar position has arisen here where CCTV cameras were installed as part of the major refurbishment of the centre in 2003. The improvements were funded from a Yorkshire Forward grant with one item being the installation of CCTV cameras. This system has been surveyed and judged to be beyond economic repair. The cost to replace is £8,000. At this moment there appears to be no obvious source of funding to replace these cameras.
- 8.3 ***Fieldhead Carr Community Centre.*** The user group continues to try and attract new users and new activities. There have been a few challenging issues to deal with between users of the centre, the challenges are mainly based upon long time users now having to share space with new users. The centre had considerable investment from the Area Committee Well Being Budget in 2009/10.
- 8.4 ***Allerton Bywater Welfare Hall.*** This community centre had been leased until the start of 2009 when it was returned to the council after the community organisation running the centre had financial difficulties. A meeting recently took place with the bowling club and cricket club who are interested in taking on the lease jointly. If there

are further development Ward Members for Kippax & Methley will be kept up to date with progress.

## **9.0 Implications for Council Policy and Governance**

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

## **10.0 Consultation**

10.1 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.

## **11.0 Legal and Resource Implications**

11.1 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.

## **12.0 Conclusions**

12.1 The report gives a budget statement for the community centre's in the Outer East portfolio and highlights the current position regarding rental support for organisations that have permanent occupation of office and/or activity space within community centres and explains that this issue is being looked into with a further report coming back to Area Committee later in the year. The report also gives details of maintenance undertaken in 2009/10 and planned work for 2010/11. Area Committee is also informed of that capital receipts obtained from the sale of any of its community centres are ring fenced to invest in its remaining community centres should that situation ever arise.

## **13.0 Recommendations**

13.1 The Outer East Committee is asked to agree the content of this report and to raise any questions.

## **Background Papers**

- Community Centres report to Executive Board, March 2006
- Community Centres report to Area Committee, February 2008
- Community Centres report to Area Committee, October 2008
- Community Centres report to Area Committee, March 2009
- Community Centres report to Area Committee, July 2009
- Community Centres report to Area Committee, December 2009

## Appendix 1:

	Expenditure			Income			Net
	Budget 09/10	Outturn 09/10	Variance	Budget 09/10	Outturn 09/10	Variance	Variance
	£	£	£	£	£	£	£
St Gregory's Centre	54,000	51,988	-2,012	-29,550	-28,494	1,056	-956
Micklefield Youth Centre	17,120	15,759	-1,361	-2,610	-60	2,550	1,189
Kippax Youth Project	14,220	11,300	-2,920	0	0	0	-2,920
Allerton Bywater Youth Project	18,130	16,996	-1,134	-4,880	-4,643	237	-897
Methley Village Centre	23,140	18,820	-4,320	-1,000	-1,058	-58	-4,378
Fieldhead Centre	26,370	24,967	-1,403	-200	-136	64	-1,339
Firthfields Community Centre	2,620	3,802	1,182	-1,000	0	1,000	2,182
Garforth Welfare Hall	620	1,848	1,228	-480	-475	5	1,233
Allerton Bywater Hall	70	4,045	3,975	0	0	0	3,975
Kippax Community Centre	70	2,890	2,820	0	0	0	2,820
	156,360	152,415	-3,945	-39,720	-34,866	4,854	909

## Appendix 2:

OUTER EAST	Caretakers	Premises	Supplies	Total Expend	Intl Income	Extl Income	Total Income	Net Cost
ST GREGORY'S CENTRE	43,850	21,060	630	65,540	-32,800	-10,000	-42,800	22,740
MICKLEFIELD YOUTH CENTRE	11,970	9,040	100	21,110	0	-2,610	-2,610	18,500
KIPPAX YOUTH PROJECT	10,970	3,360	0	14,330	0	0	0	14,330
ALLERTON BYWATER YOUTH PROJ	11,640	5,390	0	17,030	-4,500	-200	-4,700	12,330
METHLEY VILLAGE CENTRE	14,070	5,220	350	19,640	0	-1,000	-1,000	18,640
FIELDHEAD CENTRE	10,440	17,260	0	27,700	0	-200	-200	27,500
FIRTHFIELDS CC (LEASED)	0	2,680	0	2,680	0	-1,000	-1,000	1,680
GARFORTH WELFARE HALL	0	720	0	720	0	-480	-480	240
ALLERTON BYWATER HALL	0	5,780	0	5,780	0	0	0	5,780
KIPPAX CC (LEASED)	0	60	0	60	0	0	0	60
<b>TOTAL OUTER EAST</b>	102,940	70,570	1,080	174,590	-37,300	-15,490	-52,790	121,800