

Meeting:	Grants Advisory Panel
Date:	6 th July 2006
Subject:	Community Lettings
Responsible Officer:	Director of Financial and Business Strategy
Contact Officer:	Chander Vasdev
Portfolio Holder:	Business Development
Key Decision:	No
Status:	Part I

Section 1: Summary

Decision Required

That the Grants Advisory Panel:

1. Notes the difficulties that have been encountered with the community lettings system;
2. Agrees to delay the transfer of community lettings into the main grants system for the time being;
3. Agrees to revise the charging and payment policy for community lettings from 1 September 2006 to facilitate the transition to the grants system;
4. Agrees to apply the criteria for grants to education lettings from 1 September 2006 to facilitate the transition to the grants system.

Reason for report

To ensure a smooth transition for community lettings and minimise the adverse impact of changes on voluntary groups.

Benefits

1. The delay will give schools and managers of Council premises currently using the Central Lettings system, more time to put in place the necessary administrative systems and hire charges structure for handling applications for letting.
2. It will enable the Council to explain to community groups more fully the implications of the changes.
3. Community groups not qualifying under the new strategy will have more time to fundraise to pay for lettings, or find alternative premises.
4. It will give the Council more time to rationalise the existing reimbursement policy for schools and also gradually reduce the concession given to the organisations on the published rates.

Cost of Proposals

None arising from the proposals in this report.

Risks

Agreeing the recommendations does represent a risk of criticism from the voluntary sector for further delays and confusion.

Implications if recommendations rejected

Most community groups' applications will have to be scaled down and may be forced to suspend their activities. This may have implications for the Harrow Strategic Partnership and for the Council's relationship with the voluntary sector with a risk of adverse publicity.

Section 2: Report

2.1 Brief History

- 2.1.1 In October 2002 Cabinet decided that Community Lettings would be transferred to the Grants Advisory Panel as from 1st April 2004. The intention was to abolish the community lettings system and bring the support to the voluntary sector provided through this route into the main grants system.
- 2.1.2 Under the current lettings system, which is administered by staff at the Teacher's centre, voluntary organisations apply to use a room in a school or other council premises, the Council makes the necessary arrangements, and the council pays the school for direct costs such as electricity, pays the caretaker's overtime via the payroll, and then invoices the organisation for part of the cost.
- 2.1.3 This system has a number of disadvantages:
- It is very cumbersome from an administrative point of view and this year there have been major problems with the billing system, which increases the risk of bad debts.
 - There is no means of controlling the expenditure - organisations can apply at any time during the year and we never refuse! The budget has been consistently overspent in the last few years.
 - The extent of the support to the voluntary sector is not transparent.
- 2.1.4 In due course, the move to a grants based system will eliminate the problems above and should be cost neutral – the Council will give the voluntary organisations a grant towards the rent of the space (which equates to the current subsidy provided) and they will deal direct with the school or premises of their choice. The net cost to the Council and the voluntary groups should be unchanged.
- 2.1.5 Under the new system voluntary groups will be free to hire premises wherever they like in the borough - they won't be restricted to using schools or other council premises.
- 2.1.6 However, the implementation of the new system has been fraught with difficulties. In particular:
- Schools have been slow to set their charges and they have not applied concessions to their rates for voluntary groups. These concessions are required to ensure that the new system has the same financial impact on all parties as the old system;

- Some schools have commented that the current arrangement does not cover their costs and they would like to increase their charges accordingly;
- The grants criteria preclude any support for religious activities. There are some isolated cases where education lettings were provided for this purpose, and the Council has received a small number of complaints from religious groups about this aspect of the change to the system. It should be noted that the Council has consulted very widely on both the grants criteria and the changes to the education lettings system over the last year or so and did not receive objections to this aspect of the policy at the time;
- The process has been overly complex as applicants for grants have been asked to specify which premises they will be hiring and how much they cost.

2.1.7 Given the difficulties outlined above, there have been several delays to the implementation as summarised below:

- Cabinet 14.10.04- Agreed New Strategy for supporting the Voluntary sector in Harrow;
- Grants Advisory Panel 22.11.04 – Agreed to defer the implementation of the new policy on lettings until 1st September 2005;
- Grants Advisory Panel 28.05.05 – Agreed to defer the implementation of the new policy on lettings until 1st September 2006;
- Grants Advisory Panel 8.03.06 – Agreed to defer all Community Lettings Grant applications received to the meeting to be held on 6th July 2006 as most applications lacked financial information;

2.1.8 Recently it has become clear that these issues are still not resolved and it is recommended that the transition from concessionary lettings to grants is deferred to allow the Council to:

- Set a new scale of charges for community lettings and payments to schools with effect from 1 September 2006 which is much simpler and consistent;
- Gradually reduce the concession to voluntary groups and increase the payments to schools and other premises;
- Apply the main grants criteria to education lettings from 1 September 2006 (with the exception of groups who are already using premises for religious activities);

- Review the application process.
- 2.1.9 These measures will make the eventual transition to the grants system much easier for voluntary groups and schools.
- 2.1.10 The charges for rooms and halls will be reviewed and simplified.
- 2.1.11 The current payments to schools for utilities and other costs vary greatly. It is proposed that a new streamlined set of costs be implemented from 1 September 2006.
- 2.1.12 At the same time the concession given against the published hire charges for voluntary groups will be reduced from 85% to 70% on 1 September 2006, to 60% on 1 April 2007, and 50% on 30 September 2008.
- 2.1.13 The additional revenue from the increased charges will be used to make additional payments to schools and other premises to ensure they can cover their costs.
- 2.1.14 To further aid the transition the grants criteria will be applied to concessionary lettings from 1 September 2006. An exception will be made for groups who currently hire premises for religious activities. However, this will only be until 1 September 2008 to allow groups to make alternative arrangements but in the meantime they will be expected to meet the increases as detailed in 12 above.
- 2.1.15 Finally, the application process will be simplified so that when the transition is made organisations will use the normal grants process. They will not have to specify use of particular premises or provide detailed hire charges, instead they will set out the nature of their activities. If a grant is approved the group can make its own arrangements for hire of premises.

Preparation and applications

- 2.1.16 Throughout the last couple of years there has been considerable consultation and communication – nevertheless there still appears to be confusion amongst voluntary groups about the changes.
- 2.1.17 Officers had a number of meetings to prepare a process for handling applications for lettings by schools as well as dealing with grant applications in respect of lettings. Officers also carried out a survey of Harrow schools to establish whether schools:
- a) Currently arrange their own bookings;

- b) Charge their own rates;
- c) Would be prepared to operate a uniform rate, if one were to be recommended by the Council;
- d) Would be prepared to share booking/ lettings admin with one or more neighbouring schools.

2.1.18 About 20 schools responded to the survey. The results were mixed, but what became clear, was that schools needed more time to prepare. Equally, officers have had a number of telephone enquiries from community groups on how the new system will operate. Again, it seems that many groups, even though consulted during the review, are still unclear as to how the new system will work in practice.

2.1.19 In order to implement the new grant based scheme on 1st September 2006 applications were invited from the community groups with a closing date of 18th April 2006. Under the current scheme some 116 groups are hiring the premises but only 63 groups submitted their applications for the grant. The total amount requested for came to £332,437 against an estimated budget of £65,000.

2.2 Options Considered

2.2.1 Covered in 2.1 above.

2.3 Consultation

2.3.1 A letter was sent on 14th December 2004 to all hirers of education premises and to all Harrow schools informing them that the strategic review of grants has been agreed by Cabinet and that, in line with the transitional arrangements, the current lettings system will be extended to 1st September 2005, to enable schools, managers of community premises and community groups to prepare for the new Community Lettings policy.

2.3.2 The Manager of the Harrow Teachers' Centre wrote in December 2004 to the hirers of school / youth centre premises explaining the booking arrangements to cover the period to 31st August 2005 and enclosed the necessary booking forms to enable groups to book by the deadline of 31st January 2005.

2.3.3 A letter was sent to Harrow schools on 18th January 2005 for the survey mentioned at above. A further letter was sent to all Harrow schools and manger of youth centres on 13 February 2006.

- 2.3.4 Under the new strategy, a number of groups will no longer qualify for Council support. It is uncertain as to whether these groups are yet fully aware of the implications of the changes. The proposed delay will enable officers to identify and contact all groups to be affected.

Next Steps

- 2.3.5 Subject to the Grants Advisory Panel agreeing the recommendations set out in this report, officers will write to all current users of community lettings and grant applications explaining the decision and apologising for all the inconvenience.
- 2.3.6 Officers will also continue to work with schools to ensure a smooth transition.

2.4 Financial Implications

- 2.4.1 No direct financial implications as the changes proposed will be met from existing resources. Additional revenue from voluntary groups will be passed onto the schools or other premises to ensure they can cover their costs.

2.5 Legal Implications

- 2.5.1 No legal implications associated with this report.

2.6 Equalities Impact

- 2.6.1 Under the new policy on lettings a number of community groups, especially those carrying out religious activities, will not qualify for Council support. Some of the groups to be affected will be from Black and Minority Ethnic communities. The proposals in this report will give the groups affected more time to make alternative arrangements before the changes become effective. Conversely, the delay in introducing the new scheme may disadvantage new groups not currently using the provision, because of lack of funding.

2.7 Section 17 Crime and Disorder Act 1998 Considerations

- 2.7.1 The organisations that may be recommended for funding are expected to comply with all relevant legislation. They are expected to have Health & Safety policies and procedures, Child Protection policies (where applicable), procedures for the Protection of Vulnerable Adults (where applicable). Relevant organisations are expected to play an active role on relevant committees of the Safer Harrow Management Group. Some of

the organisations deal with crime prevention, crime and anti-social behaviour issues and ways to combat them.

Section 3: Supporting Information/ Background Documents

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