

Meeting:	Grants Advisory Panel
Date:	4 September 2007
Subject:	Community Lettings Update
Key Decision: (Executive-side only)	No
Responsible Officer:	Javed Khan - Director of Community & Cultural Services
Portfolio Holder:	Anjana Patel –Community and Cultural Services
Exempt:	Part 1
Enclosures:	<u>Appendix 1:</u> Letter 31st July 2006 to all Schools & Education Lettings Users <u>Appendix 2:</u> Letter dated 21 st March to all Head Teachers <u>Appendix 3:</u> Copy of presentation made at Head Teachers & Director's Conference on 15 th March 2007.

SECTION 1 – SUMMARY AND RECOMMENDATIONS

This report provides information only on the Community Lettings scheme for the Grants Advisory Panel.

RECOMMENDATIONS:

Members are requested to note the progress to date and to consider and comment on the content of the report.

REASON: To provide an update on the progress to date.

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, 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 at the published hire rates.
- 2.1.3 This system has a number of disadvantages:
- It is very cumbersome from an administrative point of view and in the past there have been major problems with the billing system, which increases the risk of bad debts.
 - There are no means of controlling the expenditure – i.e. organisations can apply at any time during the year and their request is always accepted. 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. The Council will give the voluntary organisations a grant towards the rent of the space and they will deal direct with the school or premises of their choice.
- 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 and did not receive objections to this aspect of the policy at the time.

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

- On 14 October 2004, Cabinet agreed a new strategy for supporting the voluntary sector in Harrow.
- On 22 November 2004, the Grants Advisory Panel agreed to defer the implementation of the new policy on lettings until 1 September 2005.
- On 28 May 2005, the Grants Advisory Panel agreed to defer the implementation of the new policy on lettings until 1 September 2006.
- On 8 March 2006, the Grants Advisory Panel agreed to defer all Community Lettings Grant applications received to the meeting to be held on 6 July 2006 as most applications lacked financial information.
- On 6 July 2006, the Grants Advisory Panel recommended that:
 - A new streamlined set of costs be implemented from 1 September 2006 in order to simplify the current method of payments to schools for utilities.
 - The concession given against the published hire charges for voluntary groups is reduced from 85% to 70% on 1 September 2006 and to 60% on 1 September 2007.
 - In order to address the budget overspend situation the concession is limited to existing users only.
 - To further aid the transition, the grants criteria are applied to concessionary lettings from 1 September 2006. An exception should be made for groups who currently hire premises for religious activities. However, this will only be until 31 August 2008 to allow the appropriate groups to make alternative arrangements.
 - Finally, the application process should be simplified so that when the transition is made, organisations will use the normal grants process. The organisations will not need to answer the questions that are not relevant and simply state "N/A".

2.2 Options Considered

2.2.1 Throughout the last couple of years there has been considerable consultation and communication with both the schools and the voluntary organisations.

- 2.2.2 Following the Grant Advisory Panel meeting of 6 July 2006 a letter was sent to all current users of community lettings and grant applicants, explaining the decision and apologising for the inconvenience. Copy attached at Appendix 1.
- 2.2.3 A presentation was made to all Head teachers on 15 March 2007 at the Head teacher and Directors' Conference to explain the change process with a proposal to rationalise the utility reimbursement costs; £35.08/hr for high schools and £15.49/hr for First & Middle Schools. These charges being an average figure based on the actual reimbursements made to schools in 2006/07 plus an 18% inflationary increase. The rate is lower for F&M schools as their buildings are smaller compared to high schools.
- 2.2.4 This was followed up with a letter dated 21 March 2007, a copy of which is attached at Appendix 2. A copy of the presentation slides is attached at Appendix 3.
- 2.2.5 From the feedback received from some schools, the indications are that they are likely to set their hire charges at a much higher level compared to the Council's rates.
- 2.2.6 The annual education lettings budget currently available is £127,000. This will be inadequate bearing in mind that the school charges are likely to be much higher than the costs incurred by voluntary organisations under the Council scheme.
- 2.2.7 In order to even out the workload for the grants team, it has been decided that the grant application forms in respect of lettings will be sent out during the 1st week January 2008 with a report to the Grant Advisory Panel in April 2008 pertaining to grants for the academic year 1st September 2008 to 31st March 2009.

2.3 Consultation

- 2.3.1 Over the last couple of years a wide range of consultation has taken place with the schools as well as the voluntary groups including written communication, meetings and presentations.

2.4 Financial Implications

- 2.4.1 There are no direct financial implications, as the changes proposed would be met from existing resources, but as explained in paragraph 2.2.6 the budget is now likely to be over subscribed, and the Grants Advisory Panel are not able to exceed the budget available.

2.5 Legal Implications

- 2.5.1 There are 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. As a result of delays in the implementation, the proposals in this report will give the groups affected more time to make alternative arrangements before the changes become effective. Consequently, the delay in introducing the new scheme may disadvantage new groups not currently using the provision, and therefore not qualifying under the grant scheme.

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 - STATUTORY OFFICER CLEARANCE

Chief Finance Officer	<input type="checkbox"/>	Name: Sonal Shah
		Date: 17 th August 2007
Monitoring Officer	<input type="checkbox"/>	Name: Helen White
		Date: 17 th August 2007

SECTION 4 - CONTACT DETAILS AND BACKGROUND PAPERS

Contact: Parveen Vasdev, Principal Grants Officer (ext. 7625)
Charlotte Clark, Senior Grants Officer (ext. 2335).

Background Papers: None

IF APPROPRIATE, does the report include the following considerations?

1.	Consultation	No – Not required for this report
2.	Corporate Priorities	YES
3.	Manifesto Pledge Reference Number	ACEF

Appendix 1

31st July 2006

To all Schools & Education Lettings Users

Dear Sir/Madam

Re: Education Lettings

You may be aware that in 2004 Harrow Council conducted a Strategic Review of support to voluntary organisations, which involved extensive consultation with the voluntary sector in Harrow. The intention was to abolish the current education lettings system and bring the support to the voluntary sector provided through this route into the main grants system from 1st September 2006.

Under the grants scheme the community groups would hire premises directly from the school or community centre of their choice and apply to Harrow Council for any grant funding required.

However, in implementing the new grants scheme a number of difficulties have been experienced. In some cases the schools have been slow to set their charges or the charges were too high for the community groups or the application process for grants was perceived to be overly complex.

The Grant Advisory Panel on 6th July 2006 considered these issues and recommended to delay the transfer of community lettings into the main grants system for the time being. The delay will allow schools and managers of Council premises more time to put in place the necessary administrative systems and hire charges structure for handling applications for letting, and also to allow community groups, not qualifying for a grant under the new strategy, more time to make alternative arrangements.

Furthermore the Council has not reviewed the letting charges for a long time and it is proposed that the concession given against the published rates be reduced from 85% to:

- 70% from 1st September 2006
- 60% from 1st September 2007
- 50% from 1st September 2008

Grants Advisory Panel has also agreed that community groups engaged in religious activities will be made an exception and allow them to continue running their activities during this transition period. i.e. until 31st August 2008. It is expected that such organisations will be in a position to make alternative arrangements.

It should be noted that for any new applicants the Education Lettings would be subject to the same grant criteria and qualifying conditions as for the main grant, a copy of which is attached. The existing Education Lettings criteria will apply to all current users.

The application packs for booking your premises for the period 31st August 2006 to 31st March 2007 will be posted to you within the next few days. Please return the completed forms to the address given as soon as possible.

Due to the budgetary constraints the Community Groups will not be allowed to apply for any more space than what has been used in the period from 1st September 2005 – 31st August 2006.

I sincerely apologise for any inconvenience caused to your organisation.

Yours faithfully,

Chander Vasdev
Service manager
Business Community and Grant Funding

Tel: 020 8420 9249

Appendix 2

21st March 2007

To all Head teachers

Dear Colleague

Re: School Lettings

Following my presentation at the Head teachers and Directors meeting on 15th March, I would like to confirm the following points.

Reimbursement rates

Currently the Council pays gas, electricity plus a premium to each school for the hire of the premises. The reimbursement rates vary from school to school. This system is very cumbersome from an administrative point of view. Therefore, it is proposed that with effect from 1st April 2007, the reimbursement rates could be rationalised as follows:

- High School £35.08/hr (£29.73)
- Other Schools £15.49/hr (£13.12)

The figures shown in brackets are the current average rates. The High School rates are higher as their buildings are larger than other schools. I hope that this proposal will be acceptable to all schools.

Change to Grants Scheme

It is the Council's intention to abolish the Education Lettings on 31 August 2008 and implement the Grants scheme from 1 September 2008. As you may be aware, school lettings have been heavily subsidised by the Council and Schools for many years and this is no longer a viable option. However, as a huge increase in charges would have resulted in many of the organisations collapsing outright, the Council has been gradually increasing the amount they pay. A copy of the Council's hire rate chart as at 31st August 2008 is attached for guidance purposes only. Schools are not expected to subsidise voluntary organisations but schools might consider it kindly and helpful to start with a lower charge in the first year and then start to increase the charges gradually on an annual basis. It is quite likely that some organisations will need to withdraw altogether from hiring school premises if the charges are too high. The timetable for grant applications will be as follows:

- Application packs 1st wk August 2007
- Application return date 28 September 2007
- Grant Panel Meeting Dec 2007/Jan 2008

As you know under the grant scheme the voluntary organisations will be making their bookings for the hire of the space directly with the schools and that they will need to know the costs for their grant application, **it is therefore imperative that all schools are in a position to quote the charges at the time the organisations are completing their grant applications.** There is a Grant budget in excess of £100,000 for this purpose, which is a generous amount considering the present financial position of the Council.

I hope that I have provided all the relevant information regarding the change to Grants scheme, however should you have any queries please let me know.

Yours sincerely,

Chander Vasdev
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Community Links & Grant Funding
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