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<b>Report To:</b>	<b>Education &amp; Communities Committee</b>	<b>Date:</b>	<b>30 October 2018</b>
<b>Report By:</b>	<b>Grant McGovern Head of Inclusive Education, Culture &amp; Communities</b>	<b>Report No:</b>	<b>EDUCOM/98/18/GM/HS</b>
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<b>Subject:</b>	<b>Governance of Community Halls</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this remitted report from the Audit Committee is to advise the Committee of the current arrangements for governance of community halls managed on behalf of the Council by Inverclyde Leisure and local community groups.
- 1.2 This report will outline proposals to bring a consistency of approach to governance across all of Inverclyde's community assets by taking account of advice published in Audit Scotland's report into the management of Arm's-Length External Organisations (ALEOs).
- 1.3 The report informs the Committee that Inverclyde Council's recent management restructure has provided an opportunity to review existing governance arrangements across community facilities and thereby ensure a consistency of approach and equity in support and guidance to those self-managed community facilities and those supported by Inverclyde Leisure.

## 2.0 SUMMARY

- 2.1 On the removal of 'ring-fencing' around a number of funds in 2011, including Inclusion and More Choices, More Chances, the Council decided to conserve these funds within the 'Regeneration Programme' and subsequently commissioned a number of organisations to provide 'Community Based Services'.
- 2.2 The decision to commission "Community Based Services" resulted in a community facilities structure that provided management and support in some facilities by Inverclyde Leisure and others to become self-managed community facilities.
- 2.3 This report provides details on all funding models and the governance arrangements currently in place for each community facility. It identifies some improvements that can be made to current practice and proposes to restructure the governance model for self-managed community facilities.
- 2.4 Members should note that the annual report on the Governance of External Organisations from the Chief Finance Officer will be presented to the Policy and Resources Committee meeting on 13 November. This paper outlines the minimum governance required by officers for community facilities and external organisations based on their risk profile.

## 3.0 RECOMMENDATIONS

- 3.1 It is recommended that Committee:

- a. notes the issues identified around the current governance model for self-managed community facilities;
- b. agrees to amendments of the governance model for self-managed community facilities as outlined in Section 7; and
- c. agrees to a review of the outlined governance arrangements to develop a model that is proportionate, coherent and provides a consistency of approach.

**Grant McGovern**  
**Head of Inclusive Education, Culture and Communities**

## **4.0 BACKGROUND**

- 4.1 In 2011 the Council agreed a review of commissioning as part of a Savings Workstream. The Council decided to conserve these funds within the 'Regeneration Programme' and subsequently commissioned a number of organisations to provide 'Community Based Services'.
- 4.2 That decision resulted in a community facilities structure that provided management and support in some facilities by Inverclyde Leisure and others to become self-managed community facilities.
- 4.3 On 1 April 2013, the budget of £806,000 associated with these contracts was transferred to Safer & Inclusive Communities and the contracts extended to 30 September 2013.
- 4.4 The Service was provided with information about the performance of the contractors by the Economic Development Service in the form of their final monthly monitoring report against the agreed budget and performance indicators. A review checklist was drawn up for use in meetings with contractors. This was designed to secure more detailed information about the operation of the current contracts and to assess their potential 'fit' with emerging expectations and requirements.
- 4.5 Community facilities in Inverclyde fall into four main categories:
1. Town halls managed by Inverclyde Leisure
  2. Community centres managed by Inverclyde Leisure
  3. Tenant and resident halls supervised by Inverclyde Leisure
  4. Self-managed community centres and tenants and residents halls
- 4.6 Funding models for community facilities in Inverclyde fall into three main categories:
1. Inverclyde Leisure managed (let income plus council management fee)
  2. Self-managed tenants/residents halls (let income plus council subsidy/grant)
  3. Self-managed centres (let income plus council funding dependent on SLA)
- 4.7 Four centres, Auchmountain Resource Centre, Clune Park Resource Centre, Paton Street Community Centre and Boglestone Community Centre (part of the centre is operated by Boglestone Community Association) operate slightly outside these categories in that running and staffing costs are met by the Council and Inverclyde Leisure respectively. However a local management committee retains income and does not contribute directly to the core operating costs of the centre but funds some of the activities provided there. Details of individual facility funding arrangements are attached in Appendix 1.

### **Inverclyde Leisure Managed**

- 4.8 In 2010, Inverclyde Council transferred a number of centres to Inverclyde Leisure for them to manage on the Council's behalf. Inverclyde Leisure provides staffing to manage the day to day operations of the centres and is responsible for the utility costs of all centres which are reimbursed to them via the management agreement between both parties. Paton Street Neighbourhood Centre, Clune Park Resource Centre, Auchmountain Community Centre, Upper Gourock Community Centre (Kirn Drive) and Crawfordsburn Centre all have an allocation of staff to support the operational activities. Some centres have management committees however these committees hold no financial liability.
- 4.9 In addition to the above, extensive use is made by the community of the school estate,

particularly by sports organisations. A wide range of HSCP and Council Services is also provided through these facilities. In all cases, lets are demand-led mostly by 'custom and practice'. Access to all facilities, including the school estate but excluding self-managed halls, is via Inverclyde Leisure's Booking Office.

### **Self-Managed Tenants'/Residents' Halls**

- 4.10 Park Farm Community Hall, Grieve Road Community Centre, Fancy Farm Community Hall, Meadowlark Community Hall, Larkfield Tenants' Hall and Wemyss Bay Community Hall are all voluntarily run community facilities with relevant committees which are responsible for all utility costs. Inverclyde Council is responsible for the maintenance of the buildings. Some of these premises have leases with the Council.

Park Farm Community Hall is earmarked to become a nursery in 2018. Fancy Farm Community Hall is earmarked to be closed and Grieve Road Community Centre is to become the only operational community facility in Ward 7 in accordance with the decision taken at the Education & Communities Committee on 4 September 2018.

Boglestone Community Centre was transferred to Inverclyde Leisure in 2001 as a sport and community facility. It also has a voluntary committee which holds no financial liability.

Devol Centre was closed in 2015 and is currently occupied by Building Services.

### **Self-Managed Centres**

- 4.11 Self-managed centres are those where a committee is in place and the committee is legally and financially responsible for all staffing and operating costs involved within their centre. The following centres receive a substantial amount of funding from Inverclyde Council to support their operating activities: Branchton Community Centre; Youth Connections; Craighend Resource Centre; Kilmacollm Community Centre; Broomhill Community Hub; Inverkip Community Centre and Gibshill Community Centre.

## **5.0 CURRENT GOVERNANCE ARRANGEMENTS**

### **Inverclyde Leisure**

- 5.1 Current governance arrangements with Inverclyde Leisure involve Officers meeting regularly to discuss the management agreement which includes discussion around all services that Inverclyde Leisure provides on behalf of the Council; included within this are the community facilities. Inverclyde Council Officers and elected members are invited to the committee meetings for each of the voluntary management committees. Inverclyde Leisure staff are also in attendance. For Inverclyde Leisure managed centres and the self-managed tenants'/residents' halls, governance is devolved to Inverclyde Leisure except where there is a different source of funding given to the management committee, i.e. GTVO funding.

### **Community Based Services**

- 5.2 Craighend Resource Centre, Branchton Community Centre and Youth Connections all receive funding from the Council. All three organisations have signed Heads of Terms which require recording and reporting on community engagement, identifying community needs, delivering services and working with community partners in service delivery.
- 5.3 Heads of Terms indicate governance meetings are to take place on a quarterly basis. Governance meetings are scheduled by CLD Officers with either the board of the organisation, or with appropriate senior officers. These meetings will focus on operational progress, planning, and compliance with Heads of Terms or other service specifications in force from time to time. Financial scrutiny during these meetings is focussed on delivery of outcomes agreed in the Inverclyde's funding allocation.

- 5.4 Current practice for Branchton, Craighend and Youth Connections is that each centre invoice monthly in arrears. This invoice is supported by a monitoring return which collates data on opportunities/programmes/events provided within the centre, footfall and shows progress being made towards achieving agreed outcomes.
- 5.5 Kilmacolm, Inverkip, Gibshill and Broomhill were previously managed by Safer Communities Officers and would invoice quarterly in advance. Following a management restructure, responsibility for these centres now lies with CLD Officers. There is a need for these centres to be brought into line with the existing arrangements for other centres and this is currently being addressed. Reporting outcomes and monitoring returns are currently being prepared for each centre.

It is a requirement for all centres to submit audited accounts to both Inverclyde financial services and, if appropriate, to OSCR on an annual basis. On receipt, accounts are passed to finance for review and action taken where concerns are raised.

## **6.0 ISSUES IDENTIFIED**

- 6.1 Information on events and courses held in self-managed tenants'/residents' halls is not readily available however it is clear that a number of these halls are struggling to be sustainable in terms of lets and volunteers willing to serve on the management group. In recent years, Park Farm Hall has closed, albeit Inverclyde Leisure is using the building on occasion and Strone/Maukinhill Tenants' and Residents' Hall is currently occupied by the Auchmountain Glen Volunteer Group. Upper Larkfield Tenants Hall is operating with the support of Larkfield Housing Association. Ward 7 has struggled to maintain 3 centres – reducing to only one and Kirn Drive has historically low occupancy.
- 6.2 Whilst undertaking a review of all self-managed centres, it has been identified that it would be beneficial for a review of governance procedures to be undertaken. This will involve periodical testing of financial and footfall statistics to ensure accuracy in reporting.
- 6.3 Training has previously been offered and given to all committees. We recognise that there are new committee members within each centre therefore training will be mandatory for all members to ensure full support to them in their community role.
- 6.4 Funding and Service Level Agreements are required, and due to be completed and signed by all self-managed centres accepting the conditions attached for each year of funding which they receive.
- 6.5 Income generated by voluntary self-managed committees via café, laundry services, etc. is spent within the centre at the committee's discretion. The Council has no sight of the income raised in these instances at the present time. Our recommendation is to review all funding received by voluntary committees.

## **7.0 PROPOSED CHANGES**

- 7.1 As mentioned earlier in the report, following the Council's recent management restructure and the responsibility for additional centres which now lies with CLD Officers, this has provided an opportunity to review existing governance arrangements for all self-managed community facilities and those supported by Inverclyde Leisure. Within this period of review, officers will ensure that, where relevant, centres adhere to OSCR regulations.
- 7.2 There will be consistency with all self-managed centres receiving four governance meetings each year. Further meetings will be held with the centres as and when it is deemed necessary to discuss any operational activity. The Internal Audit Team will accompany CLD officers on all initial visits to assist in strengthening the approach to taken to governance monitoring. Guidance is being taken from the 'Code of Guidance on Funding External Public Bodies and Following the Public Pound'.

- 7.3 During these review meetings, attention will be given to address the capacity of each facility to continue operating in the event that Council funding was reduced or costs incurred increase.
- 7.4 Quarterly monitoring Returns will be required for all self-managed facilities and a review of target outcomes will be undertaken to ensure goals are meaningful. Monthly financial figures will be closely reviewed and evidence of spend sought where any areas of concern are identified. A review of financial paperwork will also be undertaken periodically within each centre.
- 7.5 Funding and Service Level Agreements will be in place for all self-managed centres and these will be reviewed annually.

## 8.0 IMPLICATIONS

### 8.1 Finance

#### Financial Implications:

The costs below were approved as part of the Council's 2018-19 budget and are included for the benefit of members.

#### **Annual Running Costs**

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments
Community Halls	Branchton	2018/19	117,292		
	Craigend		120,000		
	Youth Connections		120,000		
	KNCCC		75,700		
	Gibshill		32,000		
	Inverkip		52,500		
	Broomhill		16,000		
	Halls only	Inverclyde Leisure		392,080	

### 8.2 Legal

Legal Services have been consulted in regards to the Heads of Terms and the new Funding and Service Level Agreements.

### 8.3 Equalities

Has an Equality Impact Assessment been carried out?

YES (see attached appendix)

NO

**8.4 Repopulation**

N/A.

**9.0 CONSULTATION**

9.1 The Chief Internal Auditor has been consulted on this paper.

**10.0 BACKGROUND PAPERS**

10.1 N/A.

## APPENDIX 1

### Community Halls 2018/19

Centre	Contract Value	Inverclyde Ward	Centre Category	Charity/Voluntary	Governance
Branchton Community Centre	£117,292	Ward 6 - South West	Self-Managed	Charity/Voluntary	Monitoring Returns submitted monthly
Craigend Resource Centre	£120,000	Ward 3 - Central	Self-Managed	Charity/Voluntary	
Youth Connections	£120,000	Ward 6 - South West	Self-Managed	Charity/Voluntary	Quarterly meetings held
Kilmacolm Community Centre	£75,700	Ward 1 - East	Self-Managed	Charity/Voluntary	Formal Accounts submitted to Inverclyde Council yearly
Inverkip Community Centre	£52,500	Ward 6 - South West	Self-Managed	Charity/Voluntary	
Broomhill Community Hub	£16,000	Ward 3 - Central	Self-Managed	Charity/Voluntary	Formal Accounts submitted to OSCR yearly
Gibshill Community Centre	£32,000	Ward 2 - East	Self-Managed	Charity/Voluntary	
<b>Inverclyde Leisure</b>				Charity	
Paton Street Neighbourhood Centre		Ward 7 - South	IL Managed	Voluntary	Premises managed and staffed by Inverclyde Leisure on behalf of Inverclyde Council
Clune Park Resource Centre		Ward 2 - East Central	IL Managed	Voluntary	
Auchmountain Resource Centre		Ward 3 - Central	IL Managed	Voluntary	
Upper Gourock Community Centre (Kirn Drive)		Ward 5 - West	IL Managed		
Crawfurdsburn Community Centre		Ward 3 - Central	IL Managed	Voluntary	
Boglestone Community Centre		Ward 1 - East	IL Managed	Voluntary	
Park Farm Community Hall		Ward 1 - East	Now Closed	Voluntary	Premises managed by Inverclyde Leisure on behalf of Inverclyde Council - maintenance of buildings
Grieve Road Community Centre		Ward 7 - South	Self-Managed / IL	Voluntary	
Fancy Farm Community Hall		Ward 7 - South	Self-Managed / IL	Voluntary	
Meadowlark Community Hall		Ward 6 - South West	Self-Managed / IL	Voluntary	
Larkfield Tenants Hall		Ward 6 - South West	Self-Managed / IL	Voluntary	
Wemyss Bay Community Hall		Ward 6 - South West	Self-Managed / IL	Voluntary	

**Total funding from Inverclyde Council to Inverclyde Leisure to manage the above facilities = £392,080**