

## **ABERDEEN CITY COUNCIL**

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COMMITTEE: Communities, Housing and Infrastructure

DATE: 18 March 2015

DIRECTOR: Pete Leonard

TITLE OF REPORT: Funded Projects and Leased Community Centres

REPORT NUMBER: CHI/14/076

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### **1. PURPOSE OF REPORT**

This report seeks approval for expenditure in relation to the Funded Projects for 2015/16, including seeking agreement for a number of actions following on from a review of funded projects carried out as part of the Community Learning and Development review.

The report also seeks approval for implementing a recommendation of a recent Internal Audit Report in respect of leased community centres.

### **2. RECOMMENDATION(S)**

It is recommended that the Committee:

- a) Approves the expenditure in relation to the Funded Projects for 2015/16 as set out in the Financial Implications section (3.1) of this report
- b) Instruct officers to enter into an initial three year\* Service Level Agreement with each of these projects identifying confirmed projected funding for 2015/16 and indicative annual project funding for 2016/17 and 2017/18 (based on status quo). \*18 month Service Level Agreement for Middlefield Community Project.
- c) Instruct officers to consult with Community Projects about the potential of developing a pilot Community Anchor Organisation Model and report back to a future committee on the findings of this consultation exercise.
- d) Agree that a joint working group be put in place to develop a single Service Level Agreement and reporting arrangement in

respect of the various Council funds being distributed to the Community Projects.

- e) Instructs officers to withhold payment of Development Grant to Community Centre Associations who have not signed up to the Management Agreement and lease/ licence to occupy by 31 March 2015. In the event that these Associations formally enter into the new agreement by 30 June 2015 and complete the signing of the agreements by 30 September 2015, the Development Grant will then be processed, backdated to 1 April 2015.

### **3. FINANCIAL IMPLICATIONS**

#### **3.1 Funded Projects**

The total Communities budget for the commissioned projects for 2015/16 is £679,408. This amount is contained within the approved budget for the service, however the expenditure for these projects requires to be approved by Committee. The projects have been funded at comparable levels for a number of years.

The funding for each organisation is as follows:

- Aberdeen Lads Club: £123,957
- Fersands and Fountain Community Project: £232,677
- Middlefield Project: £104,766
- Printfield Project: £65,812
- St Machar Parent Support Project £112,416
- Workers Educational Association: £39,780

This report asks the committee to approve the allocation of the expenditure as set out above. The organisations listed above include the budgeted income from the Council within their business plan for 2015/16. Any delay to the payments could result in cash flow difficulties for these organisations.

In light of the challenges that annual funding brings to these organisations, it is recommended that these organisations move onto a three year funding cycle, with funding being confirmed for each financial year in line with the Council's budget setting process.

When the funding from Aberdeen City Council is considered in its entirety, the levels of funding provided to each of these organisations fall into the category of receiving Annual Funding greater than £75,000 per annum under the Council's Local Code of Practice for Funding External Bodies and Following the Public Pound. (See Table 1: Funded Organisations)

#### 4. OTHER IMPLICATIONS

##### Legal Implications

Legal assistance will be required for the development of three year Service Level Agreements with the Funded Projects.

Legal assistance will be required for those Leased Community Centre Associations wishing to enter into the new-style Lease and Management Agreement.

#### 5. BACKGROUND/MAIN ISSUES

##### 5.1 Funded Projects

The Council has historically provided funding to a number of organisations to deliver community learning and development activities on behalf of the Council. These organisations are all unincorporated charitable bodies (with the exception of WEA).

The services provided by the funded projects include childcare, youth work, adult learning, community development and capacity building.

Within these funded projects an element of the funding received is used for underpinning management and administrative costs which enable these projects to access funding/services beyond that of the funding from ACC into their areas of work.

Details of the projects and their various City Council funding streams are set out below (with the exception of WEA, all projects work within a set geographical area):

| Name of Funded Organisation      | Funding from Aberdeen City Council (2014/15)  | Total ACC Funding | Comments  |
|----------------------------------|---|-------------------|---|
| St Machar Parent Support Project | £112,416 (CLD <sup>1</sup> )<br>£31,499 (FAF <sup>2</sup> )<br>£1,064 (HPG <sup>3</sup> ) | £144,979          | St Machar Parent Support project was established in 1994 to “improve the educational attainment and performance of children in deprived areas of Aberdeen City through supporting parents and children who experience difficulties because of their social, educational and economic circumstances”. It is a voluntary project with charitable status<br>It provides a summer playscheme, |

<sup>1</sup> CLD – Communities Funding

<sup>2</sup> FAF = Fairer Aberdeen Funding

<sup>3</sup> HPG = Holiday Playscheme Grant

|  |  |          |   |
|--|--|----------|---|
|  |  |          | youth work and adult learning and welfare support targeting the St Machar Associated Schools Group.   |
| Printfield Community Project                                       | £65,812 (CLD)<br>£26,624 (FAF)<br>£369 (HPG)<br>£7,797 (Surestart)<br>£15,000 (Childcare Strategy–joint with Fersands Project) | £115,602 | Provides youth work activities including clubs, after school club provision and play schemes for school age children. The project delivers adult learning and operate a social enterprise charity shop. The project provides support to the local community, including their management committee and Printfield Forum, to engage in community development. |
| Fersands and Fountain Community Project and Fersands Family Centre | £232,677 (CLD)<br>£9,200 (FAF)<br>£33,000(PEF <sup>4</sup> )<br>£1,535 (HPG)<br>£12,000 (Childcare Strategy)                   | £288,412 | Provide a range of childcare, parent and child services, as well as youth work services and adult learning  |
| WEA (Workers' Educational Association)                             | £39,780 (CLD)<br>£28,563 (FAF)<br>£39,556 (SC&W <sup>5</sup> )   | £107,899 | Provides adult and family learning across Aberdeen City. This includes working with marginalised adults and the elderly.  |
| Middlefield Community Project                                      | £104,766 (CLD)<br>£54,538 (FAF)<br>£56,000 (PEF)<br>£15,000 (Surestart)<br>£369 (HPG)<br>£82,908 (SC&W)                        | £313,518 | Provides youth work activities and also work with adult learners. The project also provides a range of childcare services.  |
| Aberdeen Lads Club   | £103,597 (+£20,000 <sup>6</sup> ) (CLD)<br>£2,900 (FAF)<br>£19,000 (Childcare Strategy)  | £145,497 | Provides after school care. Youth work activities including play schemes are also provided. The organisation also provides a community café. Aberdeen Lads Club leads the partnership that runs Feeling Great events across several regeneration areas. They provide support to the local community to engage in community development.                     |

*Table 1: Funded Organisations*

In line with Standing Orders formal permission is sought for providing payments to these organisations for the provision of services.

## 5.2 Findings from Community Learning and Development Review:

<sup>4</sup> PEF = Pre School Funding

<sup>5</sup> SC&W = Social Care and Wellbeing

<sup>6</sup> Additional £20,000 was approved for Aberdeen Lads Club at 2014/15 Council Budget Meeting. Finance has confirmed that this additional amount remains in the budget for this project for 2015/16

## Review of Funded Projects

One of the elements of the CLD and Libraries review, carried out in 2013/14, examined the external investment into Community Learning and Development services.

The data gathered during the review sought to ensure that:

- a) Investment levels in Community Learning and Development and Fairer Aberdeen funded projects in priority regeneration areas is equitable across those regeneration areas
- b) Future Aberdeen City Council investment is used effectively to deliver local and national priority outcomes, based on a solid foundation and ensures best value, and
- c) Partners receive the appropriate officer support to deliver improved services and outcomes and to build capacity in the community to further develop aspects of Community Learning & Development.

The Review of external investment was carried out via a combination of fact finding meetings with projects and review of project documentation.

Key questions considered were:

- **Partner Profile** – What is currently provided by the Funded Organisation? Where in the City is this provided? How is the provision funded?
- **Strategic planning** – What are the aims and objectives of the Organisation? Is a Business Plans are in place? What are the Organisations Strengths, Weaknesses, Opportunities and Threats?
- **Partnership Working** – Who are the Organisations Local and National partners?
- **Quality** – What performance management systems are currently in place? How are their outcomes monitored and evaluated?
- **Capacity**- What is the organisations current and potential capacity?
- **Alternatives**- What potential exists for the organisation to develop new and innovative ways of delivering Community Learning & Development priorities?

The review identified a number of key issues:

- **Internal Governance Issues**
- **Complexity of, and short term nature of funding arrangements**

- **Complexity of information and reporting processes**
- **Inequalities in terms of geographical coverage**

Options for improving these issues have been identified as below:

### **5.2.1 Internal Governance**

The review identified that some aspects of internal governance within the projects could be improved.

To support the improvement of internal governance, assistance with training needs analysis and accessing training and development opportunities for Management Committees and staff is being provided. This assistance is being provided through Council Officer support and in partnership with Aberdeen Council for Voluntary Organisations and Business Gateway.

Given the geographical nature of the projects, there is some perceived duplication of functions which could provide opportunities for a more joined up approach to the delivery of local services. Linked to the proposed Community Empowerment Bill and the move towards a locality planning approach, there are potential opportunities to pilot a Community Anchor Organisation Model to support the collaborative delivery of a range of community based services using a “one stop shop” approach. It is recommended that consultation takes place with the Community Projects to discuss this proposal, including how this might work in practice, risks and opportunities.

### **5.2.2 Short Term Nature of Funding Arrangements**

The review identified that the annual funding arrangements for these projects, can actually hinder these organisations in their delivery, as a significant proportion of time and resource is spent planning for the possibility of the Council ceasing to provide funding at the year end. It is therefore recommended that the Council moves to a three year Service Level Agreement (SLA) period, to help give these organisations more security and allow them to more effectively future plan.

In light of the Haudigan development, which will result in significant changes to the communities served by the Middlefield Project, as well as potential changes in the extent of the services being delivered by Middlefield Community Project as a result of a requirement to relocate, it is recommended that the SLA for Middlefield Project aligns with the current proposals to relocate the project from its current location by end of December 2016.

In order to further encourage the funded organisations to focus on the delivery of outcomes, it is also recommended that there is a move towards an “outcome” based commissioning model for external investments. This would involve developing a process whereby

community organisations can bid towards delivering agreed priority outcomes. The development of this model will require to be discussed with the community organisations, along with the implementation of a process to identify, from a localities perspective, the priority outcomes. This process will be further developed and brought back to an appropriate committee for approval, prior to being implemented.

### **5.2.3 Information and Reporting Processes**

The review identified that the projects currently receive funding from up to seven different Council funding sources: Communities Project Funding; Fairer Aberdeen Funding; Holiday Playscheme Grant; Pre-school Funding; Surestart funding; Childcare Strategy Funding; and Social Care and Wellbeing funding. Each of these funding streams require the projects to report on various outcomes and deliverables. It is identified that through the development of a single Service Level Agreement and combined reporting process, the Council could effectively meet its Following the Public Pound policy requirements, and the organisations would have more time available to focus on delivering the agreed outcomes, rather than utilising resources on reporting to different parts of the Council, at various times. A single SLA and reporting arrangement would allow the various Council services to receive their required information within a single, shared reporting arrangement. To progress this, it is recommended that a joint working group is put in place.

### **5.2.4 Equity of Geographical Coverage**

The review has identified that some geographical areas within the city receive inequitable amounts of Council funding in respect of delivering Community Learning and Development outcomes.

For example, the CLD projects operating within the Woodside area, receive around £405,000 per annum; the Tillydrone area receives around £145,000 per annum; and the Middlefield area receives around £315,000 per annum. Notably there are no funded projects within Torry or Seaton. (Although the Council has recently allocated between £300,000 and £500,000 per year to support the delivery of Big Noise Torry.)

The Council's recent restructure has highlighted a move towards a localities based approach which will see a prioritisation of resource and support, linked to the identified needs and capacity of communities within Aberdeen.

It is recommended that consultation on the following options is undertaken, alongside localities based community planning in priority neighbourhoods to: free up resources to deliver in areas where the need is greatest; ensure a greater equity in spread of resource and service provision; support increased capacity building; support increased sharing of knowledge and best practice across communities:

- Identify clear priority outcomes for deprived localities and invite potential community providers to bid into funding to deliver against these outcomes.
- Consider other forms of funding support which may be available (i.e. Common Good funding?)
- Consider the priority outcomes in localities and for communities of interest against the core resources available through the Council to deliver adult learning, youth work, child care and capacity building (in the context of need and recognition that resources to deliver these services are also available from other sources).
- Consider explicitly linking the funding allocated to localities to the 0 – 15% SIMD figures, and identified community priorities.
- Develop clear links to the refreshed Single Outcome Agreement.

### 5.3 Leased Community Centres

At the Audit and Risk Committee on 26 June 2014, the Committee considered an Internal Audit report on Community Centres. (The full report is attached at Appendix A).

The report identified at that time that there were still 9 out of 25 Community Centres which have not signed up to the revised lease and Management Agreement. Since the completion of the audit, a further 4 Community Centre Management Committees have signed up to the new arrangements. The remaining 5 Community Centres are on “old-style” long term leases, which the audit report notes are “not fit for purpose”. The audit report recommended that “the Council takes measures to ensure that all leased community centres sign up to the new agreements as soon as possible. This could include the Council’s right to withhold the payment of the Development Grant in certain cases (Medium Risk).”

**The Committee resolved:**

- (i) to note the content of the report and endorse the recommendations for improvement; and
- (ii) to request that the Service take an urgent decision in relation to the recommendation that the Council make a choice as to whether it takes on responsibility for carrying out the PVG checks, or whether it allows management committees to process PVG checks through an external organisation, to enable this part of the recommendation to be progressed as soon as possible and to delegate to officers appropriately.

Prior to internal audit report the Management Committees were contacted asking if they would like to move over to the new lease arrangements, (which includes the requirement for the council to pay a development grant to these Management Committees): Letters were sent out by Legal and Democratic Services in June 2013 asking if they would make contact with the Council to progress to the new lease. Further contact was then made by Legal and Democratic Services in August

2013 advising that there was no requirement to pay the development grant and advising that the council may choose not to provide this grant.

Since the date of the audit, the following actions have been taken in respect of those Centres operating on long term leases:

The groups occupying the buildings on the old style lease have been formally contacted formally, approximately every two months, to encourage the move across to the new style lease:

|                 |   |
|-----------------|---|
| 21 August 2014  | Email and letter detailing audit report, committee decision and offering assistance.  |
| 27 October 2014 | Email and Letter asking groups to participate in monitoring process (as a means to help reduce any fears they may have in the move towards the new arrangements.) |
| 9 December 2014 | Email and Letter reminding groups to return the monitoring paperwork or advise if they are not participating.   |
| Ongoing         | Various informal conversations with members of the management committee and the Community Centre Liaison Officer.   |

### 5.3.1 Current Status

Five Community Centres are yet to sign up to the new-style lease and Management Agreement. These five centres are all on the old-style lease which is not fit for purpose:

- **Kingswells Community Centre** – currently participating in the Compliance Monitoring process (in respect of the new lease/management agreement)
- **Hanover Community Centre** – currently participating in the Compliance Monitoring process (in respect of the new lease/management agreement)
- **Danestone Community Centre** – reminder sent about Compliance Monitoring process on 9 December 2014. There has been no response from Danestone Community Centre.
- **Ferryhill Community Centre** – reminder sent about Compliance Monitoring process on 9 December 2014. No formal response about the compliance monitoring process, however through informal conversations, the Chair of Ferryhill Management Committee has confirmed that they are seeking to progress towards the new lease

and Management Agreement. As the Chair is an elected member, in order to progress, the current chair would require to step down from his office bearer role and a new chair put in place.

- **Airyhall Community Centre** – reminder sent about Compliance Monitoring process on 9 December 2014. Airyhall have said that they will participate “in the new year”.

The old style documentation does not require the provision of a development grant but does state, “the City Council will make a financial contribution towards the annual cost which shall be determined at the beginning of each financial year.”

This clause provides an opportunity for the Council to provide a financial incentive for these Associations to sign up to the new, fit for purpose, lease and management agreement and ensure that there is equity in the treatment of management committees across the city given that the development grant is paid as a condition of the new lease arrangements.

## 6. IMPACT

Corporate – This report relates to ‘Aberdeen – the Smarter City’

- We will work with our partners to seek to reduce the levels of inequality in the city.
- We will enhance the physical and emotional wellbeing of all our citizens by offering support and activities which promote independence, resilience, confidence and self-esteem.
- We will improve access to and increase participation in arts and culture by providing opportunities for citizens and visitors to experience a broad range of high quality arts and cultural activities.
- We will aim to have a workforce across the city which has the skills and knowledge to sustain, grow and diversify the cultural economy.
- We aspire to be recognised as a City of Culture, a place of excellence for culture and arts by promoting Aberdeen as a cultural centre hosting high quality and diverse cultural events for the whole community and beyond.
- We will embrace the distinctive pride the people of Aberdeen take in their city and work with them to enhance the sense of well-being here, building strong communities which look out for, and look after one another.

This report also relates to the Combined Community Plan and Single Outcome Agreement as follows:

- Protecting children and vulnerable adults

- People of all ages take an active part in their own learning to achieve their full potential Learning and training is appropriate and accessible to learner's needs
- Children and young people access positive learning environments and develop their skills, confidence and self esteem to the fullest potential
- Children, young people and their families/carers are involved in decisions that affect them. Their voices heard and they play an active and responsible role in their communities
- Educational attainment in Aberdeen is continuously sustained and improved
- Children and young people actively participate in their communities and have optimum involvement in decision making
- All children, young people and their families have access to high quality services when required and services provide timely, proportionate and appropriate response that meeting the needs of children and young people within Getting it Right for Every Child, (GIRFEC) requirements
- Improve the quality of life in our most deprived areas
- Citizens are increasingly more active in their communities regardless of age, gender, sexual orientation, ethnic origin, where they live, disability or faith/religion/belief and contribute to 'active citizenship'
- Develop pathways to participation which enhance the diversity of local representation at and engagement with regional, national and international arts, heritage and sporting events
- Our public services are consistently high quality, continually improving, efficient and responsive to local people's needs

Public - This report will be of interest to the media and community of Aberdeen.

## **7. MANAGEMENT OF RISK**

In respect of the leased community centres, the old style lease has been identified as not fit for purpose. The new style lease and management agreement seeks to reduce risk in a number of ways including: setting requirements in relation to children and vulnerable adults; and clearly setting out the roles and responsibilities of Management Committees so that there is no ambiguity.

The recommendations around funded projects seek to ensure that the Council's resources are allocated in a planned and proactive manner, to meet identified priority needs.

## **8. BACKGROUND PAPERS**

## **9. REPORT AUTHOR DETAILS**

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