

**Document Pack**  
**Committee and Members' Services Section**  
**3<sup>rd</sup> Floor, Adelaide Exchange**  
**24-26 Adelaide Street**  
**Belfast BT2 8GD**



28<sup>th</sup> January, 2009

**SPECIAL MEETING OF DEVELOPMENT COMMITTEE**

Dear Councillor,

The above-named Committee will meet in the Council Chamber, 3rd Floor, Adelaide Exchange on Tuesday, 3rd February, 2009 at 10.00 am, for the transaction of the business noted below.

You are requested to attend.

Yours faithfully

PETER McNANEY

Chief Executive

**AGENDA:**

1. Routine Matters
  - (a) Apologies
2. Rape Crisis and Sexual Abuse Centre (Pages 1 - 8)

In pursuance of the Committee's decision of 14<sup>th</sup> January, to receive a deputation from the Rape Crisis and Sexual Abuse Centre regarding its request for funding (report herewith)

**Belfast City Council**

Report to:	Development Committee
Subject:	Rape Crisis Centre – Request for extension of 2 year exit funding agreement
Date:	3 February 2009
Reporting Officer:	Marie-Thérèse McGivern Director of Development ext. 3470
Contact Officer:	Catherine Taggart Community Development Manager ext 3525 John Nelson Community Services Area Manager (East) ext 3541

**Relevant Background Information**

At its November meeting, Committee considered a request from the Rape Crisis and Sexual Abuse Centre (RCSAC) to extend BCC financial support agreed in 2006 in response to their 'extenuating circumstances'. The support, which was time limited, was agreed as £14,600 per annum in each of the financial years 2006/07 and 2007/08.

Committee agreed to defer consideration of the matter to enable legal and other advice to be obtained with a view to the matter being considered further at a special meeting of the Committee.

The information requested was considered by committee at its December meeting and took the form of:

- Details of officer support provided to allow the RCSAC both time and technical assistance to address the concerns raised by the Department of Health in order that they might re apply for departmental funding. (See Appendix 1)
- Legal advice in relation to the ability of Council to provide financial or other assistance to the Rape Crisis and Sexual Abuse Centre under the following two headings:
  1. Can the Council provide financial support to an organisation in a situation where its latest audited accounts demonstrate that its current liabilities significantly exceed its total assets?
  2. Can the Council alternatively offer technical support to the group for the purpose of enabling its books to be audited for the last financial year in order that Council and other potential funders will then be able to make a proper assessment of its actual financial position?

The Director of Legal Services joined the meeting for the item and a summary of his advice is attached as Appendix 2.

### **Key Issues**

In further consideration of the request for additional funding from the RCSAC Committee considered the contributing issues:

- RCSAC do not meet the eligibility criteria for Community Service large grant provision;
- the BCC support package agreed reflected a time-limited response to specific circumstances and included exit funding and officer support in the form of technical support to address concerns raised by their core funder, the Department of Health;
- the lack of available up to date audited accounts and information indicating that current liabilities exceed total assets.

Committee indicated a willingness to assist the organisation to address its financial difficulties and agreed to offer the following support:

1. to provide assistance, either by way of the appointment of an external auditor or by the provision of in-house expertise up to a value of £6,000, to the Rape Crisis and Sexual Abuse Centre to enable its accounts for the year 2007/2008 to be audited, subject to the organisation formally agreeing to work with the Council in the preparation of a Recovery Plan for the Centre and to the Centre agreeing to become affiliated to Advice Northern Ireland or Citizens Advice; and
2. should the organisation agree to these conditions, a report be submitted to the Committee at its meeting in April, 2009 on the outcome of the audit of the accounts and the Recovery Plan for the Centre, at which time the Committee will re-consider the request for further financial assistance.

Community Services Officers met with representatives from RCSAC to outline the offer. In the interim, the group have benefited from a substantial financial donation. They have also agreed a number of proactive steps which includes the establishment of a specific fundraising committee and the engagement of independent financial accountants to audit their accounts. These will be presented when available.

In response, Committee agreed to invite a presentation from the RCSAC at this special meeting.

### **Resource Implications**

#### Financial

No provision has been made for financial support within the 2008/09 budget or the 2009/10 revenue estimates.

<b>Recommendations</b>
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Committee are asked to consider information presented by RCSAC in support of their request for financial assistance.
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<b>Documents Attached</b>
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Appendix 1 – Details of Officer Support Appendix 2 – Legal Advice
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<b>Abbreviations</b>
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RCSAC – Rape Crisis and Sexual Abuse Centre
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## Appendix 1

### Details of officer support to Rape Crisis Centre

This support was given in order to allow the RC&SAC both time and technical assistance to address the concerns raised by the Department of Health in order that they might re apply for departmental funding.

1. Officer support and access to dedicated training to address the specific financial and administrative systems deficiencies – this was through Community and Leisure finance section. RC&SAC failed to accept this indicating they felt that Council systems and financial procedures were not appropriate to their needs
2. In response to the above, RC&SAC were invited to identify an alternative source who could deliver training of a nature appropriate to their needs. BCC could then confirm the proposed training's suitability and pay for it through the requisition system.
3. RC&SAC did not identify an alternative provider. The officer therefore indicated that an appropriate amount from the £14,600.00 per annum allocation could be used towards securing relevant, financial and administrative training for the group.
4. Prior to the financial award of 2006/07, Community Development Officer support was given to address basic financial systems such as petty cash procedures, production of income and expenditure records, funding applications and organising Annual General Meetings
5. Community Services has maintained ongoing officer contact with the group, particularly around monitoring throughout the 06/07 and 07/08 financial periods. Contact was focused on the need to meet monitoring requirements, to collect information and to advise the group on how to implement improvements.
6. To assist the group to submit information in relation to the current request, unlimited access to named Community Development Worker support was offered for a period of 3 weeks i.e. 24 September to 17 October 2008

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## Appendix 2

### Legal Advice

The Director of Legal Services provided advice to inform the original decision taken by the Community & Leisure Sub-Committee at a meeting on 17 October 2006 in consideration of the general issue of funding to the Rape Crisis and Sexual Abuse Centre. The advice was as follows:

'where a funding application falls outside the criteria established for the relevant grant scheme then Council should normally apply the general principle that the Council as a public body in operating grant schemes must act and be seen to be acting in a manner which is objective, transparent and fair. There may however be circumstances where an application for funding is made to Council which does not fall within the criteria of any grant scheme, but which the Council might wish to support on the basis that there are special or exceptional circumstances which would justify doing so.

Accordingly, Council does have a discretion to consider applications of such a nature, but the Members must exercise particular care in coming to their decision. Prior to taking any decision, the Members should have regard to all relevant matters, including in particular the following:

1. The advice of the officers, particularly advice in relation to any adverse effects that an agreement to award funding might have on the ability of the relevant Department to operate their grant programmes in a stable and fair manner;
2. The issue of whether a decision to award funding might create a precedent for other applications which would result in the Council being placed in a difficult situation at a future date;
3. Whether any other organisation is likely to be able to plead special circumstances of the same general nature; and
4. Any other issues which might be relevant in the particular circumstances.

It is a matter for the Members to come to an informed decision, having taken all the foregoing matters into account. If the Members feel that there are exceptional or unique circumstances relating to the funding application and that the merits of agreeing to the application outweigh any potential negative difficulties, the Members have discretion to make that decision'.

At the November 2008 meeting, the Development Committee asked for further legal advice in relation to the ability of Council to provide financial or other assistance to the Rape Crisis and Sexual Abuse Centre under the following two headings:

- Can the Council provide financial support to an organisation in a situation where its latest audited accounts demonstrate that its current liabilities significantly exceed its total assets?
- Can the Council alternatively offer technical support to the group for the purpose of enabling its books to be audited for the last financial year in order that Council and other potential funders will then be able to make a proper assessment of its actual financial position?



The Director of Legal Service has indicated the previous advice holds and:

'it therefore follows that the Council has the power as a general principle to provide funding to the Rape Crisis and Sexual Abuse Centre provided that Members have taken into account the above listed criteria. Furthermore Legal Services have advised that the vires for the Council being able to make the grant to this group derives from the provisions of S.108 of the Local Government Act (NI) 1972.

On the specific issue of whether the Council can provide funding to an organisation which appears to be in a position of insolvency, officer and legal advice would be that it would not be appropriate for the Council to put any more funding into that organisation. The rationale for that position would be that the provision of further funding to the organisation is like to be abortive in terms of achieving the Council's objectives. This advice would reflect the legal position which is clearly established by case law. Thus in relation to whether or not the Council can provide funding to this organisation in the context of its current financial position, Members should consider whether there is a realistic likelihood that the funding will assist the Council to achieve its particular objective ie the public's access to a professional counselling agency for victims of rape and sexual abuse. From the information available legal advice suggests that it would be difficult to make a further award of funding similar to that of October 2006. There may be an argument to provide a reduced amount of funding if there is a realistic prospect that financial assistance would assist with financial stability allowing the organisation to seek other funding.

In summary, there is presently no sustainable basis for the Council to accede to the Centre's request for advice funding in the amount applied for. Nevertheless if Members reasonably feel there to be a valid business case for doing so then Committee may consider recommending some limited form of assistance to the Centre subject to there being a realistic prospect that the outcome of that assistance will be a meaningful enhancement of the Centre's current difficult position.'