



Belfast City Council

Report to:	Development Committee
Subject:	Ballymacarrett Recreation Centre: Management Arrangements
Date:	12 January 2011
Reporting Officer:	John McGrillen, Director of Development, ext 3470
Contact Officer:	Cate Taggart, Community Development Manager, ext 3525

1	Relevant Background Information
1.1	At its meeting on 6 December 2010, Members asked for further information to inform their consideration of the most appropriate mechanism for the future management arrangements in respect of the Ballymacarrett Recreation Centre. Legal Services were asked to comment on the legal implications of the review outcome, and associated options and information was requested in relation to the level of officer support provided to Connswater Community & Leisure Services Ltd.

2	Key Issues
2.1	<u>Legal Services</u> Belfast City Council entered into a Lease with the Connswater Community and Leisure Services Limited (CCLS) for a three year Term commencing on 20 February 2006. The Lease allowed for a further extension to that three year Term for a further period of three years, on the basis that there was no breach or subsisting breach of Covenant as at 20 February 2009 after the initial three year Term had passed.
2.2	There are also provisions within the Lease such that if the Lessee (Connswater Community and Leisure Services Ltd) wished to remain on the premises for a further three years, notice was to be given to the Council to that effect, such notice being given not less than two, nor more than six months before the expiry of the Term granted under the Lease (i.e. the three year Term from 20 February 2006 until 20 February 2009 which would mean the notice would need to be served somewhere between 20 August 2008 and 20 December 2008).

2.3	This was not done, as one of the key members of the Group died. However, it was decided to permit the Group to remain in the facility under the terms of an extension to the Lease by way of Heads of Terms dated 24 November 2009.
2.4	Under the Heads of Terms it sets out that the Council agreed to an extension of the Lease for a further 12 month period with a review taking place after six months i.e. in and around mid 2010. The Heads of Terms further state that if the Review is successful, that a further Lease extension would be offered to the Group for a further period, to expire no later than the three year extension to the Lease as originally anticipated, namely 19 February 2012.
2.5	That Review was commenced in mid 2010 but could not be completed until recently due to the fact that accounts were not available.
2.6	Unqualified accounts were received on 10 November 2010, however these accounts have not yet been formally considered and signed by the CCLS Board.
2.7	On review of same it appeared that there were a number of items of expenditure within the accounts which would give rise to concern that the Funding Agreement entered into between the Group and the Council had been breached.
2.8	The unapproved capital expenditure and volunteer payments are of concern. Moreover, it appears that despite the intervention of the Council and the opportunity for the Group to demonstrate compliance and capacity, the practices previously identified as improper have persisted to the extent that Members should question whether it would be appropriate to grant any further lease or funding. Whilst the issues identified initially might rather kindly, be characterized as naïve, the fact that the practices continued must give rise to a question as a matter of law as to whether the grant of any further lease or funding would be reasonable.
2.9	In the context of previous discussions of Committee, there may be a desire to see continuity of service provision. This of course needs to be balanced against the identified issues of capacity and potential financial impropriety.
2.10	<p>The following options are those which should be considered:</p> <ol style="list-style-type: none"> <li data-bbox="376 1514 1388 1615">1. To affirm the previous decision of the Committee of an orderly wind down of services, facilitated by the Council, and investigate alternative uses for the site. <li data-bbox="376 1648 1388 1816">2. To continue service provision facilitated (as at present) through the Council, allowing time to engage with the group in terms of capacity building with a view to ascertaining in five months whether the Group has the necessary skill sets to deliver services and run the centre and its affairs in a proper and efficient manner.
2.11	If option 2 is adopted the Group should be required to replace the current Board. The issues regarding expenditure should be deferred to PSNI for investigation.

2.12	<p><u>Officer Supervision and Support</u> As noted, Connswater Community and Leisure Services Ltd took over the management of Ballymacarrett Recreation Centre in February 2006 on the basis of a three year lease. Since then, Council has provided regular Community Development Worker support to this group to assist with its new responsibilities.</p>
2.13	<p>Officers were aware that the management of the centre was a big undertaking for the group and that the transition from being a small neighbourhood group to being a larger Community/leisure provider with a substantial building to manage, would not be easy. One of the groups strengths was that they had a highly committed and motivated manager who had around him a committed team of volunteers who were determined to provide an effective local service.</p>
2.14	<p>They did however need to develop:</p> <ul style="list-style-type: none"> - their management capacity at director level - Their volunteer base - Their marketing strategy
2.15	<p>To support the group in these areas, the Community Development Worker (CDW) organised visits with other similar facilities across the city to share learning and practice.</p>
2.16	<p>In addition CDW support was put in place, initially to meet with the centre manager on a weekly basis. These meetings were developed in order to fulfil 2 functions:</p> <ul style="list-style-type: none"> - To address immediate issues/difficulties/questions - To develop the capacity of the group and to ensure that the structures and skills were in place to meet the governance requirements. This development support started by going through the guidelines and ensuring they were understood and the group were compliant with the requirements in relation to <ul style="list-style-type: none"> - A well run, accountable and capable community group, & - Accounting for Funding from Belfast City Council
2.17	<p>In addition, information and guidance checklists were provided in the form of the DSD document Setting Standards, Improving Performance – Best Practice in Finance and Governance in the Voluntary and Community Sector.</p>
2.18	<p>Subsequent to this initial support, a 6 month review of the operation of Ballymacarrett Recreation Centre by CC&L Ltd was undertaken, concentrating around the area of governance. It looked specifically at:</p> <ul style="list-style-type: none"> - Accountability - Management structures and processes - Financial management - Centre usage and promotion - Complaints received - Wider community links - Difficulties experienced and positive solutions
2.19	<p>It was felt that following this review, the group still needed to be supervised and</p>

	supported, therefore the CDW support was extended until June 2007.
2.20	The total duration of the officer support was therefore for a period of 17 months. For the first year this support was on a weekly basis but as skills and confidences developed it was reduced at the start of February 2007 to fortnightly. While open to the whole Board, these meetings took place with John Cochrane the centre manager at that time and they considered all aspects of support including addressing areas of weakness as identified in the review.
2.21	Due to ongoing monitoring and relationship management, in April 2008 the Community Services Area Manager (CSAM) became aware of and started to address internal difficulties between the Directors and the Centre manager/MARA reps. As a result CDW support was again initiated for the group in the form of monitoring and advice to address this issue. In May 2008 following meetings with both parties, internal issues appeared 'resolved'.
2.22	Unfortunately in June 2008 four Directors, i.e. the Chair, Treasurer and 2 Business reps, resigned from the board. As a direct result, the CSAM and CDW support continued until the end September 2008 and this included the organisation of an AGM at which the election of new Directors took place. The importance of good governance arrangements was emphasised to the committee and reassurance was given by the centre manager that their difficulties had been overcome.
2.23	In February 2009, officers tabled a report to committee outlining the groups request for an extension of their lease. The officer recommendation was to facilitate a 1 year extension and conduct a review of management capacity after the initial 6 months. Officers suggested further capacity support given the recent loss of the volunteer centre manager. This support was not formally requested by the group and the proposed additional resource investment was questioned by Members at the Development committee. It was therefore decided that no extra support would be provided, unless requested by the group.
2.24	Monitoring of the group was therefore maintained at the same level as for other Independently Managed Centres. It is important to note that all previous support would be in excess of that normally allocated to BCC centres which are managed by Independent groups under contract.
2.25	CSAM support and advice was maintained on a monthly basis and whenever it was requested.
2.26	In line the previous committee decision and the signing of the Heads of Terms lease agreement in November 2009, officers initiated a Gate 5 review. The review was conducted by an internal officer team drawn from Property & Projects, Legal Services, Audit Governance & Risk Services (AGRS) and with direct CSAM involvement. It included active assessment and liaison with the new centre manager, Treasurer and the Directors.
2.27	The group had failed to meet their monitoring requirements in relation to 2009/10 financial support within the agreed time-frame and so to assist this process, CDW monitoring support was again put in place during September and October 2010 to facilitate this process and to support CCLS to meet their outstanding monitoring requirements and inform the committee paper.

2.28	In advance of the December committee report, there was no direct request from the group for the current board members to receive dedicated capacity building on governance matters and as a result they have not been in receipt of governance training. The group has since asked that the council consider conducting a training needs analysis and providing associated training.
2.29	The grant funding agreement with the independently managed centres allows for expenditure in relation to staff salaries and formal board training and development programmes to meet identified needs as supported by a business plan.

3	Resource Implications
3.1	As per the agreed interim arrangement, BCC officers are managing ongoing service provision on site. Any programme and additional staff costs are being charged to the 2010/11 grant allocation. All income is managed by BCC staff.

4	Equality and Good Relations Considerations
4.1	There are no related equality or Good Relations considerations

5	Recommendations
5.1	The Committee is asked to consider the noted additional information and agree the most appropriate future management option for the Ballymacarrett Recreation Centre.

6	Decision Tracking
Cate Taggart will action the committee decision.	

7	Key to Abbreviations
CDW – Community Development Worker DSD – Department for Social Development CSAM – Community Services Area Manager AGRS – Audit Governance & Risk Services CCLS – Connswater Community and Leisure Services Ltd MARA – Mersey Street Area Residents Association	