



Belfast City Council

Report to:	Development Committee
Subject:	Management Arrangements for the Ballymacarrett Centre
Date:	14 September 2011
Reporting Officer:	John McGrillen, Director of Development ext 3470
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1.	Relevant Background Information
1.1	The purpose of this report is to further update members on progress against actions agreed at the January and March meetings of Development Committee relating to Connswater Community and Leisure Services Limited (CC&LS) and the future management arrangements for the BCC owned Ballymacarrett Recreation Centre.
1.2	During the interim period to September 2011 committee had agreed that: No lease or contract would be offered to CCLS BCC Community Services officer support would remain in place CCLS to produce a proposed programme of activities, itemised and costed BCC will release funds on a monthly basis based on a schedule of expected transactions and satisfactory verification of expenditure
1.3	Members will recall that concerns had been raised regarding certain historical transactions at CCLS. Officers within Community Services and Audit, Governance and Risk Services have now compiled the relevant information for the Legal Services Manager to recommend appropriate action in relation to these probity issues.

1.4	<p>During this period to September 2011, officers would also work collaboratively with CCLS to address identified strategic and operational management challenges in the following areas:</p> <ol style="list-style-type: none"> 1. monitoring and financial control arrangements and 2. organisational capacity.
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2.	Key Issues
2.1	<p>During the review period, CCLS have continued to work in a voluntary capacity alongside BCC to provide a full service from the Ballymacarrett Recreation Centre. In the absence of a formal tenancy agreement or lease and without independent grant support this has shown a high level of commitment.</p>
2.2	<p>Dedicated staff support has been provided via a Community Development Officer (CDO) with further monitoring and support maintained by direct involvement of the CSUM. In addition, and in line with council having assumed interim management control, a supervisory staff presence has been maintained.</p> <p>This level of facilities management and developmental support has allowed the committee and volunteers to develop an increasing proficiency in doing the work.</p>
2.3	<p><u>Monitoring and Financial Control Arrangements</u> In response to a number of concerns regarding probity issues, the Council's Audit Governance and Risk Services (AGRS) section undertook further work to review three specific areas, namely:</p> <ul style="list-style-type: none"> - the purchase of a minibus in 2008; - capital asset acquisitions during 2008/09 and 2009/10; and - the payment of volunteer expenses during 2008/09 and 2009/10.
2.4	<p>The audit review concluded that the control arrangements at the Centre during the period 2008/09 and 2009/10 had been weak. This had created the conditions that could lead to fraud or financial mismanagement taking place. However, the auditors found that the lack of robust financial procedures, poor quality of written evidence and changes at the Centre Manager level, meant that there was a weak audit trail and clear explanations around the three areas highlighted above. This would make it potentially very difficult for authorities to successfully investigate the probity issues further and take any additional action. AGRS have consulted with Legal Services on this review.</p>
2.5	<p>Further to the requirements listed in para 1.2 BCC community services officers have continued to work with and support CC&LS who have in turn produced monthly programmes and budgets that have, following a period when BCC directly paid all invoices and costs, enabled the group to control on a month by month basis their own expenditure</p> <p>The group has also undergone a full monitoring process for 2010/11 which they have completed, albeit during a period when they have not had primary control of the centre and have not been in receipt of grant aid.</p>

2.6	<p>The monitoring covered the following areas:</p> <ol style="list-style-type: none"> 1. Items required on an Annual basis – this relates to the functions of the group including committee/board structure and members, accounts, evidence of AGM. 2. Good Governance Practice – this area looks at local service provision, partnerships, monitoring/evaluating systems, constitution, Business plans 3. Meeting Belfast City Council's Corporate Strategic Objectives 4. Output measures – opening times, numbers attending, volunteers involved etc. 5. Accounting for funding from BCC – no funding received in 2010/11
2.7	<p>During this interim period, CC&LS been subject to a high level of monitoring and financial control with significant involvement from community services officers in regards to reviewing and authorizing expenditure.</p>
2.8	<p>AGRS have also examined and worked with the group in terms of its previous expenditure relating to the 09/10 accounts: submitted to BCC in November 2010 – see section 2.3 and 2.4 It can be noted that due to CCLS inability to satisfactorily complete the monitoring for 2010/11 no grant was paid in that financial year.</p>
2.9	<p>Subsequent to the recent reorganisation of the service, the monitoring and related organisational support of our independently managed community centres sits within our Community Facilities Unit with a named responsible CDO. The provision of dedicated resources in this area will therefore support the achievement of best practice via a more robust and consistent business planning framework together with effective implementation of sound performance management systems across all our independently managed community centres.</p> <p>AGRS are currently reviewing service monitoring systems and will report on recommendations in relation to improved practice.</p>
2.10	<p><u>Organisational Capacity</u></p> <p>CCLS have been supported to strengthen their organisational capacity</p>
2.11	<p><u>Development Plan</u></p> <p>The East Belfast Community Development Agency receives financial support from BCC to provide capacity support for community groups in East Belfast. As part of this contract, they were asked to undertake a programme of support and training with the CCLS board.</p>
2.12	<p>The training concentrated upon Governance, Financial and Programme Planning, Board structures and responsibility. This training was linked to the needs analysis that had been undertaken at the start of the process which formed the base line from which to measure improvement. At the end of the training to date, EBCDA have assessed their progress. This will support consideration of CCLS capacity to again control the physical and financial management of the building and organisation. (See Appendix A)</p>

2.13	<p><u>Review of Constitution</u> CCLS have formally reviewed their Constitution to ensure best practice in relation to their governance arrangements and clarify the roles and responsibilities of directors. The revised Constitution will be presented at their next AGM. (See Appendix B)</p>
2.14	<p>Related training support to build understanding and competence in meeting obligations set down in the new constitution has formed part of the EBCDA support and is ongoing.</p>
2.15	<p><u>EGM</u> Following a needs analysis of the Board it was decided that, in addition to the development support, the Board of CCLS needed to expand to both strengthen its portfolio of skills and to develop formal strategic links to the broader area and to the city. An EGM was organized for the 5 July 2011. At this meeting 3 new nominations (Michael Briggs, EBCDA: Rachel Davison, Walkway Community Association; and Mark Sweeney, East Belfast Mission) were accepted onto the board. These additions add considerable skills and community development experience to the CCLS board.</p>
2.16	<p><u>Business Plan</u> EBCDA have supported the board to develop a strategic direction and related Business Plan for the period from October 2011 to March 2013. This work is continuing and the Board hope to be in a position to submit for formal consideration by 30th September.</p>
2.17	<p><u>Assessment of Groups Progress</u> Officers in both community services and AGRS believe that CCLS have undertaken considerable developmental work and that the Board have made sustained progress in understanding the processes involved and their capacity to undertake the running of the Ballymacarrett centre. They have worked closely with both BCC and EBCDA and have examined in detail both their policies and procedures in order that their practice meets the required standard. Whilst there are still areas of work to be undertaken, a timescale for their completion is in place.</p>
2.18	<p>Officers will continue to work with Property and Projects in order to be advised of any related medium to long term plans for the site in line with the broader development agenda for the east of the city.</p>
2.19	<p>In the interim, members are asked to consider the most appropriate management arrangements for the centre in order to maintain services for the local community. If we continue under the interim arrangement with BCC directly managing the centre, we will continue to incur costs over budget. It should be noted that this option is predicated upon sustaining a collaborative working relationship with CCLS and a body of volunteers.</p>
2.20	<p>Alternatively, committee may wish to explore, pending the submission of a formal Business Plan, whether it should re enter a time limited lease agreement for the site and a related grant package. Any such arrangement would be subject to the BCC monitoring requirements informed by an assessment of risk.</p>

3.	Resource Implications
3.1	The annual grant allocation for Ballymacarrett Recreation Centre has been historically set as £55,183. In the absence of a current grant contract, all costs associated with BCC direct management are being allocated against this budget.

4.	Equality and Good Relations Considerations
4.1	None

5.	Recommendations
5.1	Based on the progress to date and the substantial strengthening of the board we recommend entering into an 18 month lease with a further option to extend; we also recommend that the group be allowed to manage the Grant aid and all expenditure relating to the centre, subject to enhanced monitoring arrangements.

6.	Decision Tracking
John Nelson to implement committee decision.	

7.	Key to Abbreviations
CCLS – Connswater Community and Leisure Services Limited CDO – Community Development Officer CSUM – Community Services Unit Manager AGRS – Audit Governance and Risk Services EGM – Extraordinary General Meeting EBCDA – East Belfast Community Development Agency	

8	Documents Attached
Appendix 1: Report on Governance Support Work Appendix 2: CCLS – Reviewing the Company Constitution	