

**Report to :** EXECUTIVE CABINET

**Date :** 30 August 2017

**Executive Member/Reporting Officer :** Councillor Brenda Warrington – Executive Member (Adult Social Care and Wellbeing)  
Sandra Whitehead – Assistant Director (Adult Services)

**Subject :** TRANSFER OF THE GRAFTON CENTRE, FORMER ADULT SERVICES SUB THRESHOLD CENTRE, TO AN INDEPENDENT CHARITABLE INCORPORATED ORGANISATION.

**Report Summary :** Following a Key Decision on 18 December 2013 where it was agreed that *‘in principle the Council supports the establishment of a Development Trust and that a Key Decision be taken when firm proposals are available’*, the report summarises the significant developments which have since taken place.

The report outlines the progress to date and the benefits of this as a preferred model of delivery which can be duplicated across the borough, in line with the Council’s approach to, and support of, the prevention and community development agenda.

The Grafton Centre, which now operates as a shadow Charitable Incorporated Organisation (CIO) is a sustainable organisation and is at the stage where independence from the Council is the preferred option. The business model is supported by a Business Plan adopted by the CIO Board members

**Recommendations :** That the Council supports the establishment of a Charitable Incorporated Organisation (CIO) with the intention to continue the delivery of sub-threshold services from the Grafton Centre by the grant of a 20 year lease of the Grafton Centre at a peppercorn rent subject to a break clause under the lease exercisable by giving 6 months written notice in the event that the CIO no longer meets the Council’s aspirations. This is in addition to legal remedies available should the CIO fail to comply with the terms of the lease.

**Links to Community Strategy:** Healthy Tameside  
Safer Tameside  
Supportive Tameside

**Policy Implications :** The Council recognises that traditional models of social care cannot be sustained and a revised approach is necessary. It is widely recognised that prevention and early intervention approaches help people stay well, live independently, and remain healthy for longer. It is important to ensure that a wide range of preventative services are available to support people across the spectrum of need, including those who do not approach the Council for support or meet its eligibility criteria.

**Financial Implications: (Authorised by Section 151 Officer)** The Council no longer provides financial support towards the delivery of services at the Grafton centre. The Charitable Incorporated Organisation (CIO) will lease the Grafton Centre from the Council at an annual rental of £1,000 per annum on a 20

year lease.

This transfer will have an impact on the value of business rates recoverable by the Council. The existing annual business rates payable on the centre is £4,100. On transfer, the CIO will be entitled to mandatory charitable relief once charitable status is acquired. This will reduce the annual business rates payable by 80% i.e. leading to a current annual sum payable of £820. The CIO may also submit an application for a further 10% top up discretionary relief providing specified criteria applies. Under the Business Rates Retention Scheme now operating in Greater Manchester the Council will have to bear this loss of rating income of £3,280 - £3,690.

Section 6.4 of the report provides a summary of the projected 2017/18 income and expenditure for the CIO. The summary states a projected net deficit for the year of £7,720. The majority of this projected deficit (£7,000) relates to the provision of resources to support contingency expenditure and an on-going sinking fund. It is assumed that the cost of lease preparation is included within the contingency allocation as it is not separately identified within the summary. Section 6.2 of the report states that the CIO will finance the related lease preparation expenditure incurred by the Council.

Whilst the organisation has reserves of £46,000 it is clearly concerning that expenditure is projected to exceed income in the inaugural year at the Grafton centre. It is therefore essential that the Board of Trustees regularly monitor and assess income and expenditure to ensure the ongoing sustainability of the organisation.

**Legal Implications  
(Authorise by Borough  
Solicitor):**


As the Council ceased to provide the services itself some time ago there are no direct legal implications that arise from the decision. The grant of a lease to the Charitable Incorporated Organisation (CIO) under delegated powers will define the relationship with the parties. Whilst it is not possible to oblige the CIO to provide specified services the Council has retained a break option under the lease exercisable by giving 6 months written notice to expire on the anniversary of the term commencement date (the date of the lease). The Council could exercise this provision in the event that the CIO no longer meets the Council's aspirations. This is in addition to legal remedies available should the CIO fail to comply with the terms of the lease.

**Risk Management :**

The risk of not transferring the services to the Charitable Incorporated Organisation is a significant one, in that the only alternative is closure which place an immediate demand on other services and would not be in line with the Council's approach to preventative services.

**Access to Information :**

The background papers relating to this report can be inspected by contacting the Janine Byron (Assistant Team Manager Community Engagement and Market Development), by:

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## **1. BACKGROUND**

- 1.1 For a number of years there has been a strategic shift towards a more preventative health and social care system which was clearly set out in the “Vision for Adult Social Care” and reiterated in the White Paper “Caring for our Future”, and the Care Act 2014. The Government considers a central aim of prevention is to transform care “not by looking upwards to the state, but outwards to open communities and by empowering individuals and unlocking the power of creativity of neighbourhoods”.
- 1.2 The Government expects councils to play a vital role in leading change and stimulating action within their communities and have a broader role in promoting health and wellbeing enhanced by their public health functions and responsibilities.
- 1.3 For several years the direction of travel within the Council, especially within Adult Services, has been to move away from more costly, intensive services that create dependence towards a more preventative and early intervention model. This has very much included the development of low level community based services which are open to all and are not solely aimed at those eligible for social care.
- 1.4 The Council recognises that traditional models of social care cannot be sustained and a revised approach is necessary. It is widely recognised that prevention and early intervention approaches help people stay well, live independently, and remain healthy for longer. It is important to ensure that a wide range of preventative services are available to support people across the spectrum of need, including those who do not approach the Council for support or meet its eligibility criteria. This will ensure that people do not go without the support which could prevent critical needs developing in the future.
- 1.5 With this in mind, a Key Decision was taken in December 2013 in relation to the Grafton Centre in Hyde, where it was agreed that ‘in principle the Council supports the establishment of a Development Trust and that a Key Decision be taken when firm proposals are available’.

## **2. THE NEW MODEL**

- 2.1 As stated, the Grafton Centre was a Council run facility providing a traditional luncheon club with some associated day time activity. As such it was an expensive resource to run given that the provision was aimed at people who would be viewed as sub threshold.
- 2.2 The Key Decision was the driver to consider change and mandated officers to initiate a development trust project to support interested members of the Grafton Centre and from the existing Entertainment Committee to develop a management committee with a view to moving to fully self-sustaining development trust style model by the end of the third year.
- 2.3 Since 2013 the Trust has been on a fast moving, exciting journey to where they are now, a self-sustainable, thriving centre with nearly 500 members. The Trust started as an unincorporated organisation which was made up of the Entertainment Committee, the volunteer catering team and a group of interested members which was supported by elected members and officers of the council. Independent private consultants were also commissioned to support the process in addition to members of Action Together.
- 2.4 Throughout the journey, the Trust has ensured that the developments, changes and all decisions have been made through an open and transparent process. The monthly Board meetings are open to all members on a drop in basis. Consultation has taken place on key developments (see section 5) which has ensured that all members have been able to have their say.

- 2.5 Action Together have supported the Board in terms of looking at all different governance models and a decision was made by the Board to set up as a Charitable Incorporated Organisation (CIO) in September 2016. An Extraordinary Meeting was held in November 2016 to agree for the CIO inception and for all assets of the Unincorporated Organisation to be transferred to the CIO. This was agreed by members.
- 2.6 The CIO now has 5 appointed Trustees and a number of specific agreed roles, such as Fundraiser, Membership Co-ordinator, Kitchen Supervisor and Entertainment Committee Representative, the sub-committee of which sits underneath the Management Committee.
- 2.7 Decisions are made either through the monthly Management Committee meetings on a voting basis or through a majority decision made by the Trustees at the Board meetings. All decisions made by the Trustees are then presented to the Management Committee for information.
- 2.8 It was agreed that the Board/Management Committee would request council representation on the Board. Any appointment will need to be approved by the Council under its constitution. The current Chair of the Board is a current elected member of the Council and advice and assistance is also provided by a current officer of the council within the Community engagement and Market Development team.
- 2.9 Following the decision, intense work has taken place at the Grafton Centre and a Charitable Incorporated Organisation (CIO) has been established and is led and managed by a Board of Trustees. This Board is made up of vibrant, active and enthusiastic volunteers, Council representatives, ex health professionals, user group representatives, catering volunteers, Action Together and a private consultant.
- 2.10 The approach has been to work closely with the voluntary members of the Board so that they can increasingly develop skills with a view to taking on responsibility for the running of the Grafton Centre. Combined, the stakeholders have worked to develop a shared vision and ambition to lead and take over the running and management of the Grafton Centre as a fully skilled, self-sustainable organisation.
- 2.11 The Grafton Centre has also increasingly developed a range of daily activities which promote the health and wellbeing of its members. Since its launch as an active ageing centre in 2009 membership has grown and currently has nearly 500 active members with an average of 1200 activity attendances over the course of a month.
- 2.12 The Grafton Centre members range from those who are quite frail to those who are extremely physically and mentally active. There are a variety of activities for all abilities on a weekly basis covering a range of interests such as Keep Fit, Health Walks, Armchair Exercise, Line Dancing, Zumba, Art Workshops, Singing for Fun, Chit Chat Club, Bridge, Indoor Bowling, Drama, Sequence Dancing and many more.
- 2.13 The Grafton Centre has also attracted a number of ad-hoc sessions supporting the wellbeing of people attending, such as; Police Surgeries, Financial Advice (Post Office), Health Improvement Team (Health checks), Wellbeing Advice, Carers workshops, Dementia Friends Talks, Silver Surfers Sessions etc.
- 2.14 The Grafton Centre has a track record of successful partnerships with the likes of Tameside College of Technology, the Police, Public Health, Adult Services, Action Together and the Volunteer Centre Tameside. The potential for further partnership arrangements is unlimited and would be designed around user ideas and consultation and progressed through the Grafton CIO Board.
- 2.15 The Grafton Centre has opened up the membership offer to include all adult age groups rather than being focussed on older people as it had been in the past and this has resulted in an increase in membership.

- 2.16 All current activities have been demand led and co-produced through member consultation and feedback. The activities are delivered through a mix of paid professional instructors and community volunteers. The Grafton Centre has a long standing, active and enthusiastic Entertainments Committee which is very keen to develop and expand the Grafton Centre and its uses further.
- 2.17 The food offer at the Grafton has been critical to the success of the Grafton Centre and is integral to the basis of the membership of many of its members. Further to the decision in December 2013 to cease the luncheon club provision at the Grafton Centre, the Grafton now boasts a volunteer led catering function offering a daily hot food offer to its members. A group of approx. 15 active qualified volunteers deliver a quality service to members daily offering a range of food from a two course home cooked meal to lighter snacks and drinks.
- 2.18 The Grafton Centre, whilst taking a little time to develop as we have been concentrating on building in the learning and taking the people forward at a realistic pace, has been a real success. The model is working well, users are actively involved in progressing what the Grafton Centre offers largely for people who do not meet threshold for service to maintain their health and well-being whilst keeping them out of formal service provision.

### **3. FUTURE DEVELOPMENTS**

- 3.1 The Grafton Centre is now completely self-sufficient and is in a very positive financial position. Following negotiations with the Council, a lease is in the process of being drawn up and subject to the approval of this report will be granted to the CIO. The lease is to be a 20 year lease which will provide the Board with a degree of security in terms of longer term grant funding and investments. The lease is to come into effect from 1 July 2017 or as soon as possible thereafter.
- 3.2 The Board of Trustees has now recruited a Community Centre Manager who will be responsible for the running and management of the Grafton Centre, the co-ordination of activities, the generation of income and facilitation of volunteer involvement. The manager will work closely with the Management Committee, the members and will be responsible for implementing the Boards vision.
- 3.3 Formal notice has been given to the Head of Environmental Development who has instructed the relevant body to complete a change order for the termination of Caretaking services at the Grafton Centre with effect from 1 July 2017 (to allow a formal handover period).
- 3.4 A full business plan is now in place with a clear vision and details of levels of income required to deliver on this. This will be a key document that the Community Centre manager will be expected to work too and report back to the Trustees on progress.

### **4. OPTIONS APPRAISAL**

- 4.1 Alternative options are limited due to the extent of the development work taken place over the last 3 years. If the decision to formally hand over to the Charitable Incorporated Organisation did not take place, options would consist of either closing the Grafton Centre down or continuing with the existing provision (prior to the new developments).
- 4.2 Closing the Grafton Centre down would place an immediate demand on other services and would not be in line with the Council's approach to preventative services.
- 4.3 Continuing with existing provision, given the Council's current financial situation and coupled with the fact that all Council funding to the Grafton Centre has now ceased, would almost

certainly result in closure of the Grafton Centre and again would place an immediate demand on other alternative, more costly services.

## 5. CONSULTATION

- 5.1 As reported in the December 2013 Key Decision, a significant amount of fact finding and consultation had taken place prior to the decision being made. Consultation took place via a questionnaire, drop-in sessions and the Big Conversation.
- 5.2 Key findings of the consultation confirmed that 88% of people felt that moving towards a Development Trust was the best way forward with the majority of people also confirming that they attended the Grafton Centre for social interaction and the positive impact it had on their wellbeing.
- 5.3 In addition to this, during the 3 years since the initial consultation, further work has taken place in terms of keeping members up to date of developments and also reviewing changes that have been implemented. In the majority of cases all feedback has been positive and where options and ideas for improvement have been made, all efforts have been made to implement the changes.
- 5.4 Full details of the previous consultation exercises (included in the previous Key Decision report) are available on request.

## 6. FINANCES

- 6.1 There are no financial implications to the Council in terms of cost to transfer the community asset to the Grafton CIO.
- 6.1 The Council has previously provided funding to keep the Grafton operating as a community resource. However over the previous three years the revised operating model with increased control and provision being taken on through the Development Trust has seen a reduction in Council support from an annual contribution of £60,710 per annum to nil funding in 2016/2017. This period has seen increasing numbers of people using the Grafton Centre and greater numbers of activities for people to get involved in.
- 6.2 The Grafton CIO is also covering the financial costs for the Council's legal services costs incurred in the lease preparation.
- 6.3 In terms of the financial position of the CIO, the organisation has in place a clear Business Plan and financial plan. As stated in section 3.4, the new Community Centre manager will be required to deliver the Business Plan and a key element of the role is around working with the Board particularly around income generation and ensuring financial stability at the Grafton Centre and to reduce the year end difference (highlighted below on 6.4) whilst maintaining the sinking fund, contingency fund and money in the bank.
- 6.4 A projected financial summary for 2017/2018 is provided below :

Money in the bank: £46,000

### Income

Meals income	
- Luncheon (profit - after costs)	£4,000
- Bistro (profit - after costs)	£4,500
Onsite/offsite catering	£500

Workshops	£14,000
Room Hire	£12,000
Services – nails etc	£300
Membership	£5,000
Donations	£500
Sponsorship	£0
Grants	
Fundraising	£4,500
Council grant/discount	
Service delivery	
<b><u>Income sub-total</u></b>	<b><u>£45,300</u></b>
<b>Expenditure</b>	
<b><u>Staff</u></b>	
Centre Manager	£23,000
Caretaker	£7,500
Cleaner	£3,000
Consultancy costs and professional services	
Insurances (Public/Building/Contents)	£800
PRS licence	£200
<b><u>Utilities</u></b>	
Electricity	£1,700
Gas	£3,800
Water (metered)	£1,800
Rent	£1,000
Rates	£800
Building Maintenance and Repair	£500
Subscriptions (phone/internet)	£500
IT / Photocopy	£70
Admin / consumables	£50
Security	£300
Marketing	£500
Cleaning materials	£500
Sinking Fund	£2,000
Contingency	£5,000
<b><u>Expenditure sub-total</u></b>	<b><u>£53,020</u></b>
<b><u>Net Deficit</u></b>	<b><u>-£7,720</u></b>

- 6.5 The Board will continue to assess income and expenditure to ensure that the Grafton Centre remains sustainable.

## 7. RISK MANAGEMENT

- 7.1 The table below lists the general risks related to the proposed asset transfer

<b>Risk</b>	<b>Consequence</b>	<b>Impact</b>	<b>Likelihood</b>	<b>Action to Mitigate Risk</b>
Volunteers not wanting to maintain their involvement in the Grafton Centre or lack of new volunteers.	Reduced support to the Grafton Centre as voluntary involvement is critical to the success of the service.	High	Low	Good Volunteer strategy implemented. Community Centre manager has facilitation of voluntary involvement in the job description. Good close relationships established with the voluntary sector, particularly Action Together and the Volunteer Centre.
Members do not continue to attend and support the Grafton Centre through attendance and membership.	Reduced income to the Grafton Centre which will affect its ability to become self-sustaining into the future	High	Low	Continued monitoring of the income generated through the provision of activities. Constant development of activities through user led practise.

## 8. EQUALITIES

- 8.1 Users of the Grafton Centre historically were aged 55 and over, with the majority being over 75 years of age. However, the age restriction has now been lifted and all members of the community are welcome to the Grafton Centre.
- 8.2 Plans are in place to facilitate a range of activities for all ages such as Film nights, Children's Pantomimes and shows, Mums and Tots groups etc.

## 9. CONCLUSION

- 9.1 Following an intense three years of developments and improvements at the Grafton Centre, the Grafton Centre now exists as a separate legal entity as a Charitable Incorporated Organisation (CIO).
- 9.2 It has a fully skilled Board of Trustees with a clear vision and business plan in place.
- 9.3 Plans are all in place for the CIO to commence independent delivery of the Grafton Centre from 1 July 2017, including the agreement of a 20 year lease and the employment of a new Community Centre Manager.

## 10. RECOMMENDATION

- 10.1 As stated on the report cover.