

Hire Rates for Town Halls and Community Buildings



Technical, Economic and Environmental Services Scrutiny Panel

Tameside Metropolitan Borough Council
TECHNICAL, ECONOMIC AND ENVIRONMENTAL SERVICES
SCRUTINY PANEL

Hire Rates for Town Halls and Community Buildings

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Tameside Metropolitan Borough Council

TECHNICAL, ECONOMIC AND ENVIRONMENTAL SERVICES SCRUTINY PANEL

Hire Rates for Town Halls and Community Buildings

1. Introduction by the Chair

We are all very aware of the looming cuts from Government in the coming years, members of all parties are also aware of the savings which Tameside MBC will have to make over the next three years.

The Scrutiny Panel has been realistic in what it is recommending to the Council. We as a Council have the responsibility of looking after the assets of our community, they are not ours. We have to make sure that they are kept in good condition and we appreciate all the work on our major buildings which has already been done. We can only fund their maintenance in the future by being realistic in our recommendations for a fairer charging policy.

We are aware that some small groups will be very unhappy at having to pay a little more for the use of what they may well see as their buildings. But there are a great many of our residents who never use the facilities around Tameside yet contribute to their upkeep through the Council tax they pay.

Recommendations 1-8 in this report, are intended to form the basis of consultations by the Cabinet Deputy in respect of a new policy for a scheme of concessionary hire charges for the Council's town halls and community buildings.

I thank the officers for their frank discussions and the Scrutiny Team for once again producing an excellent report.



A handwritten signature in black ink, appearing to read 'P J Robinson'.

Councillor P J Robinson
Chair

2. Summary

In 2005, the Council introduced a policy for the concessionary hire of town halls and some other community buildings.

The Cabinet Deputy for Economic Services and the Service Unit Manager for Facilities Management feel strongly however, that the policy is no longer effective and that they are placed under undue pressure to provide free use to organisations that do not meet the criteria for concessionary use.

This Scrutiny Panel was therefore asked to consider the matter further. In doing so, the Scrutiny Panel has detailed its findings, conclusions and recommendations within this report.

The original policy is set out, with the Panel's observations on the various parts of the policy, at section 7.5 of this report.

3. Membership of the Scrutiny Panel

2009/2010 Municipal Year

Councillor P Robinson (Chair), Councillor Kelly (Deputy Chair),
Councillors Brazil, Cartwright, M Downs, A Holland, D Lane, Roberts and S Smith

4. Terms of Reference

The following Terms of Reference and objectives for the Review were approved by the Panel at its meeting held on 6 July 2009:-

Aim of the Scrutiny Review Exercise

To consider the current policy for the provision of concessionary hire charges for the use of the Council's town halls and community buildings and its implementation.

Objectives

1. To examine the existing policy and criteria for concessions.
2. To identify the consequences of the current policy and the implications of changing it.
3. To compare schemes at neighbouring local authorities in Greater Manchester, in order to ascertain good practice.

5. Methodology

- 5.1 The review commenced at a meeting of the Scrutiny Panel held on the 27 July 2009, with an interview with Robin Monk, Assistant Executive Director (Technical Services), Helen Smith, Service Unit Manager (Facilities Management), Dave Baron, Financial Services Manager (Development and Technical Services), Neil Berry, Business and Quality Manager (Facilities Management) and Jackie Wood, Accountant.

The purpose of this meeting was to ascertain current issues regarding the hire of town halls and community buildings.

- 5.2 The Principal Scrutiny Support and Co-ordination Officer conducted a consultation exercise with the Association of Greater Manchester Authorities, in order to consider and compare schemes and ascertain good practice relating to concessionary charges for town halls and community buildings. The Scrutiny Panel would like to thank the following respondents:- Bolton Metropolitan Borough Council; Manchester City Council; Rochdale Metropolitan Borough Council; Stockport Metropolitan Borough Council; Trafford Metropolitan Borough Council and Warrington Metropolitan Borough Council.
- 5.3 On the 3 September 2009, the Chair of the Scrutiny Panel, Head of Scrutiny and the Principal Scrutiny Support and Co-ordination Officer again met with Helen Smith and Neil Berry, to discuss the implications of a new concessionary rates policy on the local communities that use the council buildings and on the local community as a whole.
- 5.4 At the meeting of the Scrutiny Panel held on 21 September 2009, the Members of the Scrutiny Panel were joined by Councillor Kieran Quinn, Cabinet Deputy for Economic Services, who participated in discussions relating to the current review.
- 5.5 This report has been verified for factual accuracy by Helen Smith, Service Unit Manager (Facilities Management).

6. Background to the Review

- 6.1 This Review was suggested by the Cabinet Deputy for Economic Services, Councillor Kieran Quinn who felt that there might be a need to apply consistent and quantifiable charges for the hire of the Council's town halls and community buildings, in accordance with either a commercial rate or a concessionary rate.
- 6.2 In the past there have been concerns raised about inconsistencies and inequalities about the hire rates charged to commercial organisations and those charged to community organisations who can receive partial or even full concessions.
- 6.3 This needs to be balanced against the Council's position that its community buildings play an important role in the life of its local communities, and that they should be utilised to their maximum potential. This undertaking is fully backed by the Facilities Management Service who believes that passing on a reduced hire rate for eligible organisations will encourage greater use of these Council buildings.
- 6.4 Nonetheless, this does come at a price, and it is important that any costs incurred in the hiring of buildings are covered by the customer, and not the Council.
- 6.5 Therefore, despite the Council supporting the application of a Concessionary Use Policy, such a policy must be conducive to a sound business plan, and most importantly be fair and equitable to its existing and prospective customers whilst still enabling the use of these facilities by the community.

7. Review Findings

7.1 Responsibility for the Council's Town Halls and Community Buildings

- 7.1.1 The Council's town halls and community buildings are the responsibility of the Facilities Management Service.

7.1.2 Facilities Management is responsible for all aspects of events held at these buildings and offer advice on conference management, catering and private events, to other services such as lighting, music and floral displays.

7.1.3 Under normal circumstances, the costs incurred from the hiring out of these venues would be reimbursed through recharges and invoicing. This currently however, is not the case.

7.2 Income Targets and Expenditure Budget

7.2.1 Since 2004, the income targets for the town halls and community buildings budget have been significantly increased, but these targets have not been offset by an increased expenditure budget.

7.2.2 For example, in 2008/09, there was an overspend of £323k for town halls and community buildings. Some of this overspend was the result of limited controls to manage expenditure, and some of the overspend was due to an under achievement of income.

7.2.3 The largest proportion of the overspend was due to additional overtime, agency staff and cleaning costs, which had accrued as a result of an increased number of bookings. This also included a significant number of bookings that had not attracted adequate income to cover its associated costs.

7.2.4 At present, the expenditure budget allocated to Facilities Management does not provide adequate funds to enable the venues to be maintained to the desired standard. Once the statutory and estimated reactive costs have been removed from the maintenance budget, Facilities Management is left with approximately £1540 per building for planned maintenance works. This does not cover the most basic essential works, minor redecoration and refurbishment. This is a cause of concern for the Members of the Scrutiny Panel who wish to see the community buildings maintained to a high standard for the benefit of the community which they serve.

7.2.5 At the time of writing this report, the estimated annual cost of free room hire, based on figures for a six month period within 2009 is £555k. The approximate average hourly cost to the Council for free room hire is between £20-£25 (including lighting heating and staffing, but excluding security and wear and tear). This entire cost is borne by the Facilities Management Service.¹

7.3 Leases

7.3.1 There are twenty buildings which fall within the town halls and community buildings portfolio, namely:-

Ashton Town Hall; Audenshaw Community Centre; Beyer Peacock; Broadbottom Community Centre; Broadoak Community Centre; Denton Festival Hall; Dukinfield Community Centre; Dukinfield Town Hall; Fairfield Community Centre; George Lawton Hall; Green Park Community Centre; Hattersley Community Centre; Hollingworth Community Centre; Hyde Town Hall; Hyde Youth and Community Centre; Mossley Roughtown Community Centre; Ryecroft Hall; Stalybridge Civic Hall; Waterloo Community Centre; Yew Tree Community Centre.

¹ Figures supplied by the Facilities Management Service.

- 7.3.2 The following eight buildings are subject to official leases between the Council and the Lessee(s):-
Broadbottom Community Centre; Broadoak Community Centre; Fairfield Community Centre; Green Park Community Centre; Hollingworth Community Centre; Mossley Roughtown Community Centre; Ryecroft Hall and Yew Tree Community Centre.
- 7.3.3 Facilities Management has informed the Panel that historical arrangements mean that the Service does not enforce all the conditions in the leases. This means that the Facilities Management budget meets the bill for a large percentage of the expenditure, which should, under the terms of the leases, be paid by its tenants.
- 7.3.4 Moreover, the occupiers of Ryecroft Hall and Fairfield Community Centre have not actually signed the leases.
- 7.3.5 This situation is contributing to financial difficulties within Facilities Management, who now finds itself in a position whereby a number of prestige buildings for which it is responsible are now deteriorating as there are not enough funds to maintain them to a higher standard.

Conclusion

- 1. The Scrutiny Panel concludes that the difficulties currently experienced by Facilities Management in enforcing the leases are unsustainable and that all the conditions specified in the leases, should be enforced.**

Recommendations

- 1. That for all Council buildings that have leases, the conditions within the leases be fully enforced without exception.**
- 2. That the unsigned leases should be completed and their conditions be enforced.**

7.4 Existing Concessionary Use Policy for Town Halls and Community Buildings

- 7.4.1 The Council's current Concessionary Use Policy was introduced in 2005. It aimed to ensure that community groups who met particular eligibility criteria, were able to benefit from reduced hire fees or even the free use of the borough's town halls and community buildings.
- 7.4.2 It was intended that this policy would be rigorously applied however, in recent years historical agreements, pressure from Councillors and local groups, the establishment of Management Committees in certain buildings, and the ambiguous clauses contained within the existing policy have prevented Facilities Management from enforcing any kind of effective control measures.
- 7.4.3 Consequently, Facilities Management has found itself in a position where, although its buildings are being used by third parties, in many cases Facilities Management is paying the costs borne from the expenditure incurred from the buildings' use, because only a small percentage of the normal room hire charges are actually being charged.

7.5 Scrutiny Panel observations on clauses within the existing Concessionary Use Policy for Town Halls and Community Buildings

7.5.1 During the course of this review, the Scrutiny Panel considered the clauses contained within the Council's existing Concessionary Use Policy for town halls and community buildings, and made recommendations for a more streamlined policy and clearer and more stringent eligibility criteria.

7.5.2 Clause 1 (Existing Policy)

Concessionary rates can be granted to voluntary organisations that have their branch headquarters in Tameside. Concessionary means free or reduced rate from the published hire fees.

Scrutiny Panel Observations

The Scrutiny Panel acknowledges the importance of concessionary room hire rates for many local community groups/organisations who hold beneficial events in the borough.

The Scrutiny Panel Members also recognise however, that the total number of residents who participate in these groups are in a minority, when considered within the context of the wider community as a whole. It is therefore considered that the impact of these concessions on the Council's budget is not cost effective and not in the best interests of the majority of residents in the borough. The policy of allowing some free use is significantly contributing to the budgetary shortfall experienced by Facilities Management and is deteriorating year on year.

During the course of this review, the Scrutiny Panel received information which indicated that some organisations currently obtaining concessions were commercial enterprises. The Scrutiny Panel agrees that the Council must market its venues competitively, however, it is important that the Council is not providing financial support for any potentially profit-making organisations.

Conclusion

- 2. That free room hire is not conducive to a sound business plan, is unsustainable and should be replaced with a fixed discount rate as detailed in Recommendations 5 and 6.**

Recommendations

- 3. That free room hire for the Council's town halls and community buildings is unsustainable and be no longer granted, without exception.**
- 4. That for every room hire booking, the Council must ensure that all overheads are fully met, without exception and concessionary rates should be set accordingly.**

7.5.3 **Clause 2 (Existing Policy)**

Concessionary rates are available to groups wishing to use buildings between 8am Monday and 5pm Friday.

Scrutiny Panel Observations

The Business and Quality Manager (Facilities Management) advises that the most appropriate hours for granting concessionary rates are between 8am and 6pm Monday to Friday, as the buildings are already staffed and facilities are available.

Recommendations

5. **Where a town hall or community building with premises available for hire is already open (usually between the hours of 8am and 6pm Monday to Friday, but possibly also some evenings) and full facilities are already available, then a 50% concession of the normal published rate will be granted to eligible organisations. This charge should at least cover the marginal costs of room hire.**
6. **Where a town hall or community building with premises available for hire is not already open and full facilities are not already available, then a 25% concession of the normal published rate will be granted to eligible organisations which will cover the additional cost of room hire.**

7.5.4 **Clause 3 (Existing Policy)**

The voluntary organisation shall be a non-profit making group or organisation set up to meet local needs or demands. The organisation may or may not be a charity and may employ unpaid staff.

Scrutiny Panel Observations

The Scrutiny Panel notes this clause and makes further comments on the eligibility criteria in paragraph 7.5.8 below.

7.5.5 **Clause 4 (Existing Policy)**

One free use per year will be granted to voluntary organisations for people of a state pensionable age (65) that have their branch headquarters in Tameside.

Scrutiny Panel Observations

As set out earlier, the Scrutiny Panel considers (see recommendation 3) that the free use of Council buildings by community groups/organisations is unsustainable. Recommendations 5 and 6 envisage that there will be no free room hire and therefore

should no longer be granted. Also, the Members of the Scrutiny Panel agree that the contents of this clause could raise equality issues.

7.5.6 **Clause 5 (Existing Policy)**

Events that are run for a surplus will be subject to a negotiated fee subject to costs incurred by the Council for the event.

Scrutiny Panel Observations

The Scrutiny Panel understands that this clause could be difficult to manage, however, it feels that it is a necessary inclusion in any new concessionary hire rates policy as it enables the Council to recover as much of its hire costs as possible if an event runs for a profit.

Conclusion

- 3. The Council should aim to recover as much of its costs as possible or reasonable if an organisation has received a concessionary hire rate for an event which makes a profit. This would ensure that some of the profit was used to offset the concession received.**

Recommendation

- 7. That bookings made by an eligible voluntary or charitable organisation which are for events organised with a view to generating a profit, will attract a rate to be negotiated between the parties which is no lower than the usual concessionary rate and no higher than the usual commercial hire rate.**

7.5.7 **Clause 6 (Existing Policy)**

The Council reserves the right to cancel, postpone or rearrange the voluntary organisation booking in the event of the building being needed for Council business.

Scrutiny Panel Observations

The Scrutiny Panel notes that although this situation would be avoided wherever possible, the Council should retain a level of control over the hiring of rooms, in order that it can deal with any emergency situations.

7.5.8 **Clause 7 (Existing Policy)**

Groups who will qualify for concessionary use include:-

Advice and Counselling;
Children and Youth Activities;
Ethnic minorities;
Promotion of equal opportunities;
Health/disability and welfare;
Play/playgroups/nurseries;
Town Twinning;
Mayoral and registered charities;
Other groups at the discretion of the Council.

Scrutiny Panel Observations

The Scrutiny Panel has considered a number of groups that currently qualify for concessionary hire rates, together with the amount of concessions received, and concludes that the present list is too vague and unrestrictive.

Considerable thought and in-depth debate has taken place between the Members of the Scrutiny Panel with regard to the nature of the groups who should qualify for a new concessionary use charging scheme for town halls and community buildings, and the implications this might have on the community and the Council.

Conclusion

4. **That the categories of groups eligible for concessionary hire rates is currently too vague, and does not allow the Council to focus on allowing concessions to only priority groups.**

Recommendation

8. **That in order to be eligible for concessionary room hire rates, the organisations/groups must fall within one of the following categories:-**

**Advice and Counselling Groups; or
Children and Youth Activities; or
Promotion of Equal Opportunities; or
Playgroups and nurseries; or
Mayoral and Registered Charities; or
Others at the discretion of the Full Council;**

AND must

**Be a non-profit making group/organisation; and
Be based in Tameside or be the Tameside branch of a national organisation; and
Be mainly for the benefit of Tameside residents; and
Not have access to alternative funding for room hire.**

7.5.9 **Clause 8 (Existing Policy)**

Buildings currently available under this arrangement include:-

- Ashton Town Hall;
- Dukinfield Town Hall;
- Dukinfield Community Centre;
- Audenshaw Community Centre;
- Denton Festival Hall;
- Stalybridge Civic Hall;
- George Lawton Hall.

Scrutiny Panel Observations

Facilities Management reports that the buildings detailed above are the only buildings classified by Facilities Management for their own internal purposes as community buildings which have full time staff available on site. Where full time staff are based on site anyway, the marginal costs are lower. It is noted that Hyde Town Hall and the Concord Suite are both classed as administrative buildings rather than community buildings. On this basis, Facilities Management has indicated that although they would not be included within this policy the conditions would be applied consistently across the sites.

The Scrutiny Panel also notes that room bookings are taken on an individual basis, by staff at each building. The existing computerised room management system is not linked between separate buildings and this means there is a potential for a lack of consistency. Although Facilities Management reports that the cost of linking the system between the separate buildings is in the region of £3k, the Scrutiny Panel feels that this would be an investment rather than an expense to the Service.

Recommendation

9. **That Facilities Management invests appropriate funds to link the existing computerised room management system between buildings to enable all bookings to be correlated.**
10. **That the Council's new concessionary rates policy be reviewed after six months.**

8. Summary of Conclusions

1. **The Scrutiny Panel concludes that the difficulties currently experienced by Facilities Management in enforcing the leases are unsustainable and that all the conditions specified in the leases, should be enforced.**
2. **That free room hire is not conducive to a sound business plan, is unsustainable and should be replaced with a fixed discount rate as detailed in Recommendations 5 and 6.**
3. **The Council should aim to recover as much of its costs as possible or reasonable if an organisation has received a concessionary hire rate for an event which makes a profit. This would ensure that some of the profit was used to offset the concession received.**

4. That the categories of groups eligible for concessionary hire rates is currently too vague, and does not allow the Council to focus on allowing concessions to only priority groups.

9. Summary of Recommendations

(Recommendations 1-8 are intended to form the basis of consultations by the Cabinet Deputy in respect of a new policy for a scheme of concessionary hire charges for the Council's town halls and community buildings).

1. That for all Council buildings that have leases, the conditions within the leases be fully enforced without exception.
2. That the unsigned leases should be completed and their conditions be enforced.
3. That free room hire for the Council's town halls and community buildings is unsustainable and be no longer granted, without exception.
4. That for every room hire booking, the Council must ensure that all overheads are fully met, without exception and concessionary rates should be set accordingly.
5. Where a town hall or community building with premises available for hire is already open (usually between the hours of 8am and 6pm Monday to Friday, but possibly also some evenings) and full facilities are already available, then a 50% concession of the normal published rate will be granted to eligible organisations. This charge should at least cover the marginal costs of room hire.
6. Where a town hall or community building with premises available for hire is not already open and full facilities are not already available, then a 25% concession of the normal published rate will be granted to eligible organisations which will cover the additional cost of room hire.
7. That bookings made by an eligible voluntary or charitable organisation which are for events organised with a view to generating a profit, will attract a rate to be negotiated between the parties which is no lower than the usual concessionary rate and no higher than the usual commercial hire rate.
8. That in order to be eligible for concessionary room hire rates, the organisations/groups must fall within one of the following categories:-

Advice and Counselling Groups; or
Children and Youth Activities; or
Promotion of Equal Opportunities; or
Playgroups and nurseries; or
Mayoral and Registered Charities; or
Others at the discretion of the Full Council;

AND must

Be a non-profit making group/organisation; and
Be based in Tameside or be the Tameside branch of a national organisation; and
Be mainly for the benefit of Tameside residents; and
Not have access to alternative funding for room hire.

- 9. That Facilities Management invests appropriate funds to link the existing computerised room management system between buildings to enable all bookings to be correlated.**
- 10. That the Council's new concessionary rates policy be reviewed after six months.**

10. Borough Treasurer's Comments

The recommendations of this report will enable Facilities Management to improve its financial position on Community Buildings which will assist in meeting the ongoing cost of basic essential works and other maintenance works and at the same time assist in identification of monies for recovery plans. The additional income will be monitored monthly to help Facilities Management with financial management issues.

11. Borough Solicitor's Comments

This report raises difficult issues where the Council has to balance its need to manage its finances with the wish to support community organisations. This impacts on how the Council manages its resources which is part of the focus of Comprehensive Area Assessment.

Legal Services have not been involved with this review and it is important that, before any new policy is adopted by the Cabinet Deputy it is the subject of:

- Detailed consultation with those affected (as envisaged by the report)
- An equality impact assessment
- Legal advice

Technical, Economic and Environmental Services Scrutiny Panel

Hire Rates for Town Halls and Community Buildings

Project Plan – July 2009

Aim of the Scrutiny Review Exercise

To consider the current policy for the provision of concessionary hire charges for the use of the Council's town halls and community buildings and its implementation.

Objectives

1. To examine the existing policy and criteria for concessions.
2. To identify the consequences of the current policy and the implications of changing it.
3. To compare schemes at neighbouring local authorities in Greater Manchester, in order to ascertain good practice.

Value for Money / Use of Resources

The hire of town halls and community buildings within the borough has a budgetary implication, and it is important for the borough, that funding payable to the council is maximised wherever possible.

Equalities Issues

To ensure that all concessions for the hire of town halls and community buildings are applied on an equitable basis.

Local Area Agreement Targets

Part of the Vision of the Tameside Sustainable Community Strategy is for people of all ages and backgrounds to get involved in the life of the community and make a positive contribution. The concessionary use of these facilities will help promote these aims. This review supports LAA Targets around supportive communities.

Timescale

July 2009 – October 2009

Detailed Action Plan (in broadly chronological order)

Action	Objective met	Timescale	Lead Scrutiny Panel member(s) and/or Scrutiny Support Officer(s)	Monthly update
1 To meet with the Assistant Executive Director (Technical Services), Head of Facilities Management and Borough Treasurer	1	27 th July 2009	Principal Scrutiny Support and Co-ordination Officer Scrutiny Panel	✓ Completed
2 To gather information from other local authorities in Greater Manchester	1	24 th August 2009	Principal Scrutiny Support and Co-ordination Officer Scrutiny Panel	✓ Completed
3 To meet with the Cabinet Deputy for Economic Development	1	21 st September 2009	Principal Scrutiny Support and Co-ordination Officer Scrutiny Panel	✓ Completed
5 Draft Report	1, 2 and 3	19 th October 2009	Principal Scrutiny Support and Co-ordination Officer	✓ Completed
6 Approve Report	1, 2 and 3	19 th October 2009	Scrutiny Panel	✓ Completed
7 To receive comments from the Borough Treasurer	1, 2 and 3	November 2009	Principal Scrutiny Support and Co-ordination Officer Borough Treasurer	✓ Completed
8 To receive comments from the Borough Solicitor	1, 2 and 3	November 2009	Principal Scrutiny Support and Co-ordination Officer Borough Solicitor	✓ Completed