

**MEETING OF THE REGENERATION,
ENVIRONMENT HOUSING AND
COMMUNITY SAFETY, SCRUTINY AND
PERFORMANCE PANEL**

Held at the Council House, Walsall on
18 March 2005 at 6.00pm

PRESENT

Councillor Turner (Substitution)
Councillor Coughlan
Councillor Harris
Councillor Harrison
Councillor I Shires
Councillor Johnson
Councillor Robinson
Councillor Tweddle
Councillor Yasin

IN ATTENDANCE

Councillor Andrew (Portfolio Holder)
Keith Stone
Jason MacGilp
Julie Ball
Councillors who signed the Call-in:
Councillor Burley
Councillor I Robertson
Councillor A Underhill

SCRUTINY SUPPORT

Debbie Breedon
Stuart Bentley

1. CHANGES IN MEMBERSHIP

Delete: Councillor Aslam
Substitute: Councillor Turner

2. APOLOGIES

Aidon Ross (Ryecroft Centre).

3. DECLARATION OF INTEREST AND PARTY WHIP

The members of political groups represented on the panel indicated there were no whipping arrangements for any of the political parties in respect of the items on the agenda.

4. CALL IN OF CABINET DECISION

Councillor I Shires informed the members and public that the sole purpose of the meeting was to consider the circulated report entitled “Neighbourhood Resource Centres”, considered by Cabinet on 2 March. He reminded them that, while it may be necessary for people to explain to the panel the background and context to the report, everyone present keep in mind the purpose of the meeting. He stated that the decision of Cabinet had been called in by five members of the council and this meeting was convened to consider the issues in that report and the decision that was made. It was made clear the decision had not been implemented due to the call-in process and would be suspended until Cabinet received feedback from this panel.

Councillor I Shires then gave a brief overview of the call-in process and emphasised that the conclusions would be a matter for the members of the Scrutiny and Performance Panel only, although contributions for all in attendance would be welcome subject to the structure of the meeting. This was to take the form of: representatives from the resources centres to give their views on this report; followed by those councillors who signed the call-in to explain, to the panel, their reasons for the call-in and what issues they would like the panel to take into account; and finally the portfolio holder, Councillor Andrew, and officers of the council, Jason MacGilp and Julie Ball, to make a presentation on the considerations of the Cabinet in reaching its decisions on this matter. The panel members would be able to ask a number of questions after each presentation.

Councillor I Shires then stated that once the panel had concluded its questions, they would debate all the information presented and reach a conclusion which would be referred to Cabinet on 23 March.

The Panel was reminded that it was to consider whether it accepted the reasons for the call in;

1. Whether the decision was taken on a report containing material inaccuracies.
2. Consultation with LNPs community or centres involved

5. EVIDENCE GATHERING

Councillor I shires invited the first spokesperson from the Neighbourhood Resource Centres to give their evidence.

Lorraine Smith (Willenhall South) stated that there had been no meaningful consultation, with only a brief call to the centre manager. No local groups had been included in the process and the views of the Neighbourhood Resource Centres (NRCs) had not been sought. On the matter of the leasing

arrangements, there were clear inaccuracies, as there are actually 2 leases already in place for the Willenhall Community & Youth Foundation (C.H.A.R.T.). One between Brackley Investments and Walsall M.B.C. for the land, rent set at £1 annually over 125 years, and the other by Walsall M.B.C. for the centre, peppercorn rent for 99 years as of October 2001. She stated that the voluntary sector of all the service providers in Walsall is the best value for money and should be supported by the council and not used as a way to make more money off the back of the voluntary sector. She further stated that the council only made up a 20% contribution to the centre's funding, the rest made up from lottery, Memorial fund and S.R.B. Further this funding was linked to the closer of 2 community centres in the area leaving a need to provide youth facilities.

Tony Steadman (Moxley) stated that the only consultation they had received was when experts had called to look at the books. He said they had never envisaged a self-sustaining business position and that they had had put in numerous bids for external funding and had been turned down over lease issues. The new lease would put a huge strain on the centre and the Mother and Toddler group could close as a result. He felt that a 5 year lease at peppercorn rents was needed to place the business on a sound footing as this matter impacts on jobs. It was likely that some tough decisions would have to be made.

Elaine Rowbottom (Goscote) stated that the area was very deprived and would become more so without a centre. Residents from the Manor Hotel relied heavily on the centre as a resource and were very worried. She felt it would be very disappointing if the centre closed and it would raise questions over youth and elderly provision in the area.

Joyce Price (North Walsall) stated the case was very confusing as they were split by the boundary commission ($\frac{1}{2}$ Birchills / $\frac{1}{2}$ Blakenall) which meant that consultation with the L.N.P.s was difficult. The strong recommendation to merge with Goscote raised an issue over ownership and the committee was already struggling. She further stated that the centre had never had a lease or any derogated funding.

Aidon Ross (Ryecroft) had produced a written statement to be read to the panel. This stated that the partnership with the local police had led to a 70% reduction in crime over the last 7 years. The centre is at the forefront of the community and a contact point for the police and Walsall Housing Group as well as being a valuable learning and advice resource for all ages. The centre is looking to rent office space to offset costs and they are willing to pay a lease as long as payments are made on a sliding scale in line with ability to meet payment.

Stella Pettifor (Harden Centre) stated that the centre no longer existed due to vandalism. She said it had received very little support and the council needed to support others so as not to lose good practice. There is still a police community centre, but it needs funding.

Councillor I Shires thanked the representatives from the NRCs for their evidence and asked for any questions from the panel.

Councillor Turner asked the representative from Goscote whether she felt the NRCs had been approached. She replied that there had been no contact. After SRB funding had ended, the centre had attended several meetings to try and move forward but had made little progress. Throughout no-one saw the leases.

Councillor Harris asked when the NRCs first realised there was a problem. Lorraine Smith replied that the press report on the evening before the Cabinet meeting, but prior to this she had suspected that there may be a lease and had submitted evidence to prove that the centre could afford no more than a peppercorn rent.

Councillor Harris then asked how much consultation had taken place, both written and aural. Tony Steadman replied that there had been none although a meeting concerning the centres business plan had taken place.

Councillor Turner asked how many centres had budgets and an income stream. The general reply was that none had generated income. All derogated monies went to fund 13-19 provision, while the rest of the provision was kept going from fund raising activities. The point was made that all seven centres were unique and operate in a very different manner. Each area has its own single regeneration goals set.

Councillor Yasin asked where the centres had received their funding from. Had it been European and SRB and had the centres been looking for other funding after these money streams had ended. Tony Steadman replied that the centres had had capital build money but no money to cover staffing. The lack of clarity over the lease issue had prevented successful fund raising from other sources.

Councillor I Shires concluded this question session and invited the Councillors who had signed the call-in to make their case.

Councillor Robertson addressed the issue of consultation at Ryecroft where there had been no visit for 3 years. He also stated that the financial details were grossly misrepresented. He was concerned about the possible closure of the centres from a risk assessment view point. The centres had been responsible for bringing in a great many people to use the resources. Closure would cause people to leave the area and affect continuing re-investment in

the community and impact on crime levels. He felt this had not been taken into when drafting the report. Further to this, he highlighted an inaccuracy in the report that claimed the Harden centre was still standing although it had been demolished for over 3 months. With regards to Goscote, there had been some consultation to try and find the way forward but this had not included discussions on how to make the centres sustainable. There needed to be some professional management but charging centres was criticised in a recent Bradford model. It had been highlighted that the ability to pay was very important. The lack of consultation was causing panic within the centres and this was an unacceptable state of affairs.

Councillor Burley also highlighted some inaccuracy in the report. Willenhall already have 2 leases, so it seemed unnecessary to negotiate a third. There had been no consultation with the L.N.P.s or locals. She made reference to the interim "Pennington" report, June 2003, which had recommended that robust business plans for the NRCs be produced. No such plans were in evidence. It had also made an assessment of future liability and stated that the authority had failed in its duty. She felt that the recommendations were very rushed and asked how the centres were supposed to produce plans by the 31 March 2005. She stated that additional funding sources had been stifled due to the lease issue and that officer support to the centres was variable.

Councillor Underhill stated that she had been involved with the NRCs since their inception. The council had never worked in partnership and officer support was varied. The local people were expected to run the centres from nothing and these people had taken them to their hearts. She felt that they were a benefit to the community. The Centres could not afford market retail value leases and external funding streams were being missed due to the lack of a long term lease. There had been some consultation 2 years ago about exit strategies but these had been short lived and inconclusive. The centres have worked hard and forged partnerships with PCTs, WHG and the Police and none of these partners had been consulted either. The council were in danger of losing these centres and she felt this was a kick in the teeth for all their hard work.

Councillor Robinson also stated that the lack of consultation was a failure to engage the community. He used the highlighted the example of the structures set up with Walsall Strategic Partnerships, Blakenall and Bloxwich, that were progressive and engaging the community with packed houses. He felt that someone needed to take responsibility for the decisions they were taking. He noted that every £1 spent on the lease was £1 taken from the people. He asked what would happen to the anti-social behaviour group plan for Walsall when the centres had gone. He felt that this lack of consultation should not be allowed. Harden centre was already a pile of bricks and had no future.

Councillor I Shires thanked the Councillor's for their input and opened up to the panel for questions.

Councillor Turner stated that he had been aware of developments on this for years. Why had Cllr Robinson waited until now to raise the issue. Councillor Robinson replied that he had been defending the NRCs all along and that the problem was that the Cabinet were now being dictated to by the Chief Executive.

With no further pertinent questions, Councillor I Shires then asked the Portfolio Holder and Officers to make their statements.

Councillor Andrew, Portfolio holder, stated that the NRCs were extremely important to the area and that he already visited 3 and wanted to visit all of them. He wanted to put everything on a level playing field to enable funding to be obtained.

Jason MacGilp and Julie Ball then gave a presentation. Jason MacGilp outlined what the report was seeking to achieve: To put all NRCs on a sound business footing and help secure their long term future; To enable NRCs to continue to support neighbourhoods and increase activities to support the Council's objectives and meet the needs of the communities; To reassure and build confidence with the funders (Advantage West Midlands & Government Office); To give NRCs the stability and security of a lease with the Council; To enable them to seek additional external funding and; To ensure that funds are available to maintain the buildings.

He then highlighted the recommendations in the report: A Sustainability plan for all NRCs to be submitted to Government Office and Advantage West Midlands; Relevant LNPs to receive review reports on activities as part of ongoing review of their Neighbourhood Plans – to help join up community based activity; Standard leases to be agreed with all NRCs (50% discount of market valuation, plus 10% for repairs); Cash to be reinvested to ensure the condition of the buildings is maintained; Preferred option for each NRC following consultation and based on its own circumstances

On the issue of consultation with NRCs he stated that there had been: Visits to all NRCs in October and November 2004 to gather information and assess current arrangements and future plans; Meetings with Centre Managers and Committee members, followed up by telephone calls; Offers of support, through Business Link, for help with Business Plans and; Update reports to SRB Partnership Board.

He concluded that he was clear that leases were the key to a secure future as part of new business plans.

Julie Ball then highlighted individual recommendations for each centre. It was recommended that:

Brownhills continue negotiations with Primary Care Trust. Work on site expected to start mid-2005;

Goscote develop linked management arrangements with North Walsall and Ryecroft / Coalpool, including new business plan and new governance arrangements with new consultative forum. Link to Goscote Study and WHG regeneration plans. Explore options for new services, facilities and activities and develop a more outward looking stance to secure long term future;

Harden, although closed due to vandalism, consider using possible capital receipts to link with LNP as part of regeneration plans with WHG;

Moxley produce a new Business plan with new lease arrangements in place;

North Walsall develop linked management and governance arrangements with Goscote and Ryecroft / Coalpool. Formalise arrangements with statutory agencies on drugs and crime issues and produce a new Business Plan with new lease arrangements;

Ryecroft / Coalpool develop linked management and governance arrangements with Goscote and North Walsall and produce a new Business Plan with new lease arrangements and;

Willenhall produce a new Business Plan with new lease arrangements in place.

Councillor I Shires thanked Councillor Andrew and the officers for their input and opened the debate to questions from the panel.

Councillor Turner asked why the figure of 50% of market value lease had been chosen for the lease. Keith Stone replied that this was done in the interests of simplicity to avoid any complicated formula.

Councillor Turner then asked what happened to this money. Keith Stone replied that it goes into the councils revenues.

Councillor Robinson raised a point of order and stated that the monies were supposed to be ring fenced and used for NRC maintenance. Keith Stone replied that extra money was to be used for this. Councillor Robinson disagreed. Councillor Andrew stated that the money was to be ring fenced and it was planned to be re-invested. Councillor I Shires asked if this had been the policy when the report was written. Councillor Andrew replied the money was to be re-invested into Community Associations.

Councillor Coughlan asked if Councillor Andrew was aware of the details of the report until the Chief Executive briefed him. Councillor Andrew replied he was first made aware of the report on the Ward Walk but accepted he did not know the details then.

Councillor Coughlan stated that making policy on simplicity rather than need was a sad reflection on Walsall Council.

Councillor Johnson asked Councillor Andrew why he had only visited 3 of the centres. He replied that he had not had the time. She then asked Councillor Andrew to clarify the status of the business plans, the officers saying they were in place and the NRCs saying they weren't. He replied that the plans were recommendations and were not in place. Jason MacGilp confirmed this.

Councillor Coughlan asked why the report did not mention consultation. Julie Ball replied that every centre had had a visit from a member of her team and that she had documentary evidence to prove it.

Councillor Robinson stated that he felt that the officers were running the council.

Councillor Burley asked why the Cabinet were trying to rush the decision through and if the recommendations from the commissioned report were included in the Cabinet report. Jason MacGilp stated that the commissioned report was clearly referenced.

Councillor Coughlan asked how the council could consider leases based on simplicity. Councillor Andrew replied that negotiation would be specific to each NRC.

Councillor Burley asked on whose advice was the 21 year lease recommendation from the interim report ignored, why consultants were used to contact the NRCs and why the funding was from the NRF and not the Council. Councillor Andrew replied that the 21 year lease would be a straight jacket on the NRCs; a 4-6 year lease would be more viable. Julie Ball answered the point over the use of a consultant by stating that it was felt an independent eye would be of value. Councillor Andrew then stated that the NRF funding was £848,000.

Councillor Burley asked for clarification on her third question and Councillor Andrew stated again, £848,000.

Councillor I Shires then asked if there were any questions from the gallery.

Lorraine Smith stated that she had given up her annual leave to help support the NRCs and the surrounding communities, but, as yet, she had not seen a copy of the report. She asked if she could have a copy. Councillor Andrew stated that he believed work was being done to make the report available to the public.

Lorraine Smith then asked if the recommendation of the report to merge was binding. Councillor Andrew stated that if the NRCs wished to remain single, they could, but they would need to negotiate with the council.

Councillor Yasin asked when the SRB was spent, where business plans in place and if so what were the agreements then. Jason MacGilp replied that this meeting was as a direct result of the failure to set up plans at that time.

6. CONCLUSION

Councillor I Shires drew the questioning to a closed and thanked everyone for their input. He then reminded everyone that the following session was for the panel members only to finalise the debate and come to a conclusion.

Councillor Robinson moved the resolution:

The Regeneration Environment Housing and Community Safety Scrutiny and Performance Panel accepts that to impose 50% commercial leases and 10% repair levy onto some Neighbourhood Resource Centres (NRCs) from 1st April 2005 will cause some to close and ask that Cabinet reconsider their decision of 2nd March 2005 and consider the following options:

- Grant, within one month, NRCs a 21 year lease to allow these centres to apply for a range of external grants. This lease to place responsibility of day to day running costs with the NRC and external major maintenance with the Council.
- Fix the lease costs at a peppercorn rate for 5 years with a full review after 5 years.

Any future charging policy to be related to ability to pay and with recognition of the value added to the community and to the vision 2008 of this Council.

This was seconded by Councillor Coughlan.

Councillor Coughlan remarked that the Cabinet and Executive could find funding for big business but couldn't find money for local communities. He felt that party politics should be sidelined and the communities should be supported.

Councillor Turner stated that he could see the argument but felt that the council and its officer saw the centres as a long term project and he would trust to their judgement. He was concern, however, how some Cllr's had managed to obtain copies of the interim "Pennington" report and others had not.

Councillor I Shires felt that this meeting could have been avoided if the report had been passed through the scrutiny process, where a working group could have been established, before reporting to Cabinet for approval. He then stated that he felt the 1 month time frame on the granting of a 21 year lease, was a too short a time and that peppercorn rents should be set for 1 year before a full review, preferably by this scrutiny panel. He moved the following amendment:

The Regeneration Environment Housing and Community Safety Scrutiny and Performance Panel accepts that to impose 50% commercial leases and 10% repair levy onto some Neighbourhood Resource Centres (NRCs)

from 1st April 2005 will cause some to close and ask that Cabinet reconsider their decision of 2nd March 2005 and consider the following options:

- Grant, within two months, NRCs a 21 year lease to allow these centres to apply for a range of external grants. This lease to place responsibility of day to day running costs with the NRC and external major maintenance with the Council.
- Fix the lease costs at a peppercorn rate for 1 year with a full review after 1 year.

Any future charging policy to be related to ability to pay and with recognition of the value added to the community and to the vision 2008 of this Council.

This was seconded by Councillor Yasin.

Keith Stone advised against trying to put any timescale on the granting of a lease as negotiations may become protracted.

Councillor Robinson stated that it would make the amendment worse. Some timescale should be set to make sure things didn't stall completely.

There was then general discussion amongst panel members who felt that the Cabinet should use the scrutiny process to inform policy and that policies should be specific following discussion.

Councillor Harris felt that he couldn't agree with the motion and proposed that the decision be suspended until full consultation could be made.

Councillor Coughlan was supportive of this view and felt that Cabinet had been totally dismissive of the scrutiny process. However, he supported the amendment as he felt this stood a better chance of being adopted by Cabinet.

Councillor Harris agreed with Councillor Coughlan and withdrew his proposal.

Councillor I Shires then called for a vote on the amendment. The amendment was carried 8 members voting in favour and 1 members voting against. The amendment became the substantive motion.

The Chairman called for a vote on the substantive motion. The Substantive motion was carried 8 members voting in favour and 1 members voting against.

Resolution and Recommendation to Cabinet

That the Regeneration Environment Housing and Community Safety Scrutiny and Performance Panel accepts that to impose 50% commercial leases and 10% repair levy onto some Neighbourhood Resource Centres (NRCs) from 1st April 2005 will cause some to close and ask that Cabinet reconsider their decision of 2nd March 2005 and consider the following options:

- Grant, within two months, NRCs a 21 year lease to allow these centres to apply for a range of external grants. This lease to place responsibility of day to day running costs with the NRC and external major maintenance with the Council.
- Fix the lease costs at a peppercorn rate for 1 year with a full review after 1 year.

Any future charging policy to be related to ability to pay and with recognition of the value added to the community and to the vision 2008 of this Council.

Termination of Meeting

The meeting terminated at 8.55pm

Signed:

Date: