

Securing Future Facilities for Chard (Executive Decision)

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Purpose of the Report

To seek approval to grant a rent free period to Chard Area Youth Committee to:

- prevent the immediate closure of the Chard Youth Centre
- allow time to explore and appraise options to avoid closure

Recommendations

- 1) That members approve an allocation of £14,000 from the Area West Reserve towards the payment of rent charges to SSDC on behalf of Chard Area Youth Committee to September 2015.
- 2) That members approve an additional allocation of £1,925 from the Area West Reserve towards the costs of a bid for National Lottery funding.

Background

Members will recall the success of the “tapering” grants policy introduced to stop long term dependency of local community organisations on a substantial annual revenue grant from SSDC. Annual revenue grants are contrary to SSDC grants policy and are not sustainable in the long term.

The policy offered local organisations, including Chard Area Youth Committee, the chance to seek alternative funding over a four year period. To do this required them to put a greater emphasis on regular fund-raising and on cost control.

All the organisations managed the transition and should be commended for this.

The Chard Area Youth Committee continued to run the Chard Young People’s Centre in Essex Close and to rent the property for c £10,000 per year from SSDC. In 2012 the Area West Team worked with the Chard Area Youth Committee and SSDC Property Services to address the issue of high fuel bills at the Chard Young People’s Centre through SSDC investment in an updated and upgraded heating system. The Area Team also arranged to provide the then CAYC management with advice on business planning and accounts administration.

However, in early spring 2014 new managing trustees were appointed and asked to meet me. They explained that their analysis showed that the CAYC reserves were very depleted and no longer sufficient to meet all current and projected costs.

They made it clear that their individual liability to meet SSDC rental costs would force them to close the centre immediately for fear of incurring further substantial debt without the funds in place to meet those obligations.

They thought it unlikely that they would be able to raise sufficient funds to build up their reserves and cover the total rental in future years using their current fundraising methods. Unless a way of meeting or reducing those costs could be found, they saw no future for youth work based in the Essex Close building and they would have to give up their tenancy.

They asked if there were any alternative ways in which their valuable youth work could be retained.

In consultation with the Leader and the Area Chair, I made temporary arrangements for the rent to be paid by internal transfer from the Area Reserve to avoid immediate closure of the Youth Centre and to create time to explore options.

It is suggested that the temporary period should end in September 2015, the time of the next CAYC Annual General Meeting.

Investigation of Options

Both the CAYC and the Area Development team continue to investigate options but these are limited.

- No suitable premises are available in Chard for a lower, affordable rent
- Alternative provision may be made as part of the Green Heart element of the Chard Regeneration Scheme, but this is not imminent
- Many funding bodies still do not award grants that include full cost recovery
- The National Lottery Reaching Communities scheme accepts bids for core running costs and this is the option most likely to provide a way forward.

Future funding through the National Lottery

To recap, Chard Area Youth Committee (CAYC) is a registered charity. The CAYC operates Chard Young Peoples Centre in Essex Close which it rents from SSDC. The Centre has provided a valued local resource since the 1970's. In addition to youth activities, the centre has a number of other regular user organisations. In April 2014, there was a review of centre management and a change of management trustees who have taken on the task of addressing CAYC's growing funding gap. There are currently 9 management trustees representing the Town Council, local business and members of the community.

For reasons outlined above, the CAYC are now proposing to develop a strategic lottery bid for the delivery of three years youth provision in Chard. This bid will include running costs and annual rent for the Young Peoples Centre.

As the Trustees recognise that they lack the time and capacity to write a strong bid, they propose to retain the Bright Ideas Partnership, a specialist professional bid writing consultancy with a track record of similar successful lottery applications.

Project – Reaching Communities Bid	Funding source	
Preparation and submission of a Stage One application covering eligibility and the local need that the project will meet.	SSDC	£1,925
Preparation and submission of a Stage Two application providing more information about the project and how it will be run.	TBC	£2,000

Total cost	£3,925
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A Reaching Communities Scheme lottery application is made in two stages. The total cost of making this bid would be £3,925. Each stage of the bid process is expected to take up to 8 weeks. CAYC are confident that their bid can be considered before September 2015.

The bid will be to secure £145,272 of lottery funding. Whilst there is no guarantee of success with any grant application, the opportunity to secure three years of youth provision in Chard for a relatively modest sum has a good chance of being realised.

The costs that Chard Area Youth Committee want to include in an application cover 3 years of core costs and these are detailed below.

Item	£
Rent	£9,000
Heating lighting maintenance, cleaning etc.	£9,000
Insurance,	£1,000
Half time salary for a centre manager with responsibility for ongoing funding, increasing rents etc.	£16,000
Part time youth work support to work in the youth centre developing the core provision and targeted provision.	£12,000
Total Year 1	
	£47,000
Total Year 2 (as year 1 plus 3%)	
	£48,410
Total Year 3 (as year 2 plus 3%)	
	£49,862
Total Bid	
	£145,272

Using the community grants criteria, the Neighbourhood Development Officer has scored this project at 30 points, which exceeds the 22 points threshold needed for eligibility/approval.

It is recommended that financial assistance of £1,925 is made available towards these costs to enable a bid to be made.

Financial Implications

All of the recommendations can be funded from the allocation of £39,620 held in the Area reserve to underwrite community grants.

The Chard Young People's Centre is rented from SSDC. A grant awarded towards rental costs would be made by internal transfer between SSDC budgets.

To help ensure that this situation does not arise again, CYPC will be expected to resume paying a quarterly rent from July 2015. If they are unable to do this, they would be obliged to give up the tenancy. The final quarters funding held in reserve would then be used to cover the outstanding rent and would also enable the Trustees to serve a 3 month notice period.

Corporate Priority Implications

This project would contribute to the following aims within the Health and Communities Focus of the Council Plan:

- Ensure that the strategic priorities of the Somerset Health and Well-being Board reflect local needs and align council resources to deliver projects to address those needs
- Maintain and enhance the South Somerset network of leisure and cultural facilities, optimising opportunities for external funding to promote healthy living.

Equality and Diversity Implications

None

Background Papers: *Business/ Development Plan Year One 2014-15*
Chard Area Youth Committee
