

## 10. Area North Community Grants - Langport Local Information Centre – (Executive Decision)

*Head of Service:* Charlotte Jones, Head of Area Development (North)  
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### Purpose of the Report

To seek Member approval for a short-term financial contribution to meet the current shortfall in revenue for the Langport Community Office, enabling the Local Information Centre and Links Community Transport Service to continue to operate from their current premises while a longer term solution is developed.

### Recommendation(s)

1. To approve a grant to the Langport Area Development Trust towards the operational costs of the Langport Community Office, Bow Street, Langport, to a total value of £4,000, through staged payments authorised by the Head of Area Development (North) from the Area North Community Grants budget, within a maximum period of one year from 1<sup>st</sup> November 2008.
2. That if approved the total grant paid is subject to the following standard and special conditions:
  - a) SSDC standard grants conditions (see Appendix B)
  - b) The Langport Area Development Trust, Langport Town Council, Huish Episcopi Parish Council and South Somerset District Council will each appoint two members to form a working group to monitor and authorise future payments and claims relating to the Langport Community Office
  - c) The working group to work in partnership to develop and approve a revised business plan by 30<sup>th</sup> January 2008, which can demonstrate a realistic 3-year forecast.
  - d) The working group to invite representatives of the LINKS community transport service and the Local Information Centre to participate.
  - e) Claims of up to £750 per month, to be submitted monthly with the first month paid in advance due 1<sup>st</sup> November 2008.
  - f) The working group to provide a monthly update report, together with a claim if required, by the end of each month. The update to record progress towards achieving agreed actions, and a budget statement, set by the working group, in conjunction with the Head of Area Development (North), and reported to the Area Committee as required.
  - g) The working group to consider and recommend longer term management arrangements, including the role of the existing steering group for the LINKS service, and compliance with the SSDC service level agreement for the Local Information Centre.
  - h) Grant payments must be viewed as restricted funds, and ringfenced to this project, and presented as such in LADT accounts. This should include the allocation of £1,000 by LADT, as shown in the budget included in this report. LADT accounts should maintain a separate financial record for the Community Office as a separate business activity.

- i) That in the event of a decision by LADT to rescind the lease before October 2009, SSDC is notified in writing, and reserves the right to reclaim payments made to date.
  - j) LADT agrees to undertake and publish a 'social audit' of itself, by March 2009, in partnership with other key stakeholders, including SSDC, including an independent assessment of its current governance and constitutional arrangements. Arrangements for this to be approved in writing by SSDC in advance.
3. That if approved, the Area Committee appoint two Members to act as SSDC representatives to the working group, and endorse support to the working group by the Head of Area Development (North).

## 1. Background – 2004-2007

The Langport Community Office, was officially opened in April 2004, as a valuable new focal point for both residents and visitors to the area. It is leased by the Langport Area Development Trust, until October 2009, with options to renew or revise from a local landlord.

Situated in a prime location in Bow Street, the office provides a base for the networked Local Information Centre (LIC), the Links Community Transport Service, and the Langport Area Development Trust (LADT). Until recently the first floor office was also rented out to the Somerset Market Towns Forum.

As outlined in the report to Area North Committee in December 2006, SSDC previously provided £5,000 per annum for the first three years of LADT's development; which included a contribution to the opening of the Community Office, and the employment of a full-time project officer.

In December 2006, SSDC Area North awarded £4,264 to meet the shortfall in running costs of the community office, equating to approximately 50%.

## 2. Application Details

<b>Name of Applicant</b>	Langport Area Development Trust
<b>Applicant details</b>	Established in 2002. Company Limited by Guarantee. Principle activity: market town regeneration. Directors have no beneficial interest.
<b>Project Name</b>	Langport Community Office
<b>Project description</b>	Langport Community Office operates on a leasehold from premises in Bow Street, Langport, housing the Local Information Centre and an office base for the SSVCA Links Community Transport Service.
<b>Total project cost</b>	£10,749 (annual operational costs)
<b>Amount requested</b>	None specified
<b>Amount recommended</b>	Up to £4,000 for 2008-09 and 2009-10.
<b>Special conditions</b>	Yes - See recommendation

<b>Application assessed by:</b>	Charlotte Jones, Head of Area Development (North)
<b>Contact details:</b>	Charlotte.jones@southsomerset.gov.uk or (01458) 257401

### 3. Langport Community Office – 2007 to date

The grant in December 2006 was approved subject to the following main special conditions. The intention was to provide an opportunity for LADT to develop a revised business plan for both the Community Office and the organisation.

- **The production of a business plan:** *a draft plan was complete, but this did not show the community office as a separate business activity, and so its financial position was unclear.*
- **Completion of funding applications, including Leader+:** *Whilst LADT have made significant efforts to secure additional funding, this has met with limited success, other than grants from the local parish and town council. The budget set out in Section 5 shows a final claim due for payment from Leader+.*
- **The LADT will provide evidence, if requested, of its continued efforts to secure longer-term income sources, and will work with the Head of Area Development North to identify possible future options.** *The former project officer and directors of LADT, have had regular contact with Head of Area Development (North) to discuss future viability, and potential opportunities for funding.*

As a networked Local Information Centre, SSDC tourism service provides a grant of £500 per annum to LADT, under a service level agreement for visitor services.

Members will also be aware that in June 2008 SSDC entered into a three-year funding agreement (£5,000 pa) with the South Somerset Voluntary and Community Action, for the provision of the LINKS service and therefore has a direct interest in the Community Office and its future.

The current situation for the future of the Langport Community Office is of strong cause for concern to the local community, local councillors and users of the two key services housed there: The LINKS Community Transport Service and the Local Information Centre.

### 4. Financial need

The lease for the Community Office; together with cleaning and services, is approximately £1,000 per calendar month. This includes the required insurance, and basic overheads for LADT as lessees.

The income from grants for LADT led projects, has previously covered the office costs as 'core costs'. However the community office now only has the income derived from specific grants (mostly to support the provision of the LIC), and from one sub-let to the SSVCA.

Evidence of good practice for voluntary organisations suggests that only a limited amount of costs of the Community Office could be counted as 'core costs' of LADT. Instead the main costs relate to a single business activity of LADT, and should be treated as such within its accounts and business planning.

Notably LADT have not secured expected income, from the Warehouse Trust, due to changes in its funding structure from all grants, to part grants, part loans for the capital costs.

Several applications for additional grants for projects, which could also have made a contribution to LADT overheads were regrettably unsuccessful.

## 5. Current Income and Expenditure

The following information has been provided by LADT. Any further updates will be provided at the meeting.

### Budget - April 2008 – March 2009

#### Expenditure

Item	Estimate	Actual to date (Aug 08)
Lease / rent	7,116	2,965
Insurance – buildings	341	321
Insurance – PLI – LADT	1,220	1,220
Cleaning	300	310
Electricity	1,100	505
Water	126	63
Additional LADT overheads (e.g. stationary)	208	104
DTA Membership	70	60
Other (e.g. HSW checks)	268	
Council Tax		10
<b>TOTAL</b>	<b>10,749</b>	<b>5,558</b>

#### Income

Income source	Estimate 08-09	Actual year to date (Aug 08)
SSVCA (Links)	1,500	625
SSDC (for service level agreement for the LIC)	500	
LTC & HEPC	800	600
Final income from original LADT grant (Leader+)	1,267	
Final income from Walking Festival grant (Leader+)	2,357	
Additional grant from Langport TC	500	
Additional grant from Huish Episcopi PC	<i>tbc</i>	
<b>TOTAL</b>	<b>6,924</b>	<b>1,225</b>

<b>Total planned expenditure 2008-09</b>	<b>10,749</b>
<b>Total planned income 2008-09</b>	<b>6,924</b>
<b>Estimated surplus (deficit)</b>	<b>(3,825)</b>
<b>LADT funds in hand as at October *</b>	<b>Est £1,000</b>
<b>Shortfall</b>	<b>2,825</b>

As can be seen, the LADT requires at least £2,825 until March 2009 to maintain financial viability for the Community Office. The current budget projection for 2009-2010 also shows a shortfall, on a similar basis.

## 6. The role and value of Langport Community Office

The table in Appendix A illustrates the intended role and aims of the Langport Community Office, as outlined in the original business plan of 2004. Local stakeholders have been invited to consider the extent to which they considered the original aims to have been met since the office opened four years ago. A summary of the responses received to date is contained within the Appendix, and an update will be provided at the meeting.

Comments received from the LINKS service:

*'The Langport and Somerton Links service welcomes support in securing their future in the existing Community Office. Its town centre, ground floor location is ideal for the client group served and although capable of operating elsewhere there does not appear to be a suitable alternative location currently available.'*

Since identifying the present situation, which puts the future of the Community Office at risk, comments received locally have highlighted the wide community support for maintaining the Office in its current location while acknowledging its potential for developing and operating additional services. Many of the additional services mentioned were in fact intended aims of the original Community Office, which have not been widely communicated or delivered.

Langport Town Council and Huish Episcopi Parish Council have both demonstrated their support, and have considered additional finance to the Community Office in the short term, in order to maintain the key services currently operating from the premises and to ensure an input in creating a more sustainable future for the office.

The following has been received from Langport Town Council, following their meeting on 2<sup>nd</sup> October:

*'Members of the Town Council agreed that they would support the Community Office in their efforts to remain in their current location until the end of March 2009 by the provision of an additional grant of up to £500. This grant will be dependent on the District Council also agreeing to support this effort and on conditions to be agreed between LADT, SSSDC and the Town Council.'*

## 7. Options for the future

It is intended through achieving sufficient funds for the current financial year, that the remaining months can be used to secure a significant change to the current budget. If this is not achievable, then the only option would appear to be to close the office, and find alternative locations for the two services housed there. This option has already been considered, but is not preferred, by the local councils or LADT.

Essentially this application seeks to buy time, while costs and expenditure in the use of the building is reviewed, the role of the office agreed and additional income sought.

With strong evidence of local support for the continuation of the Local Information Office and the development and expansion of other services based within, or with potential to operate from the Community Office, longer term options are being explored. Essentially there are three approaches:

- Reduce costs
- Increase income from existing sources

- Diversify activities and secure additional income from new sources

In addition to the two services currently being delivered from the Community office, stakeholders feel that additional community services could be provided. A comparable Community Office in Wiveliscombe accommodates services such as; CAB, Police Post, Housing Services, a meeting room facility, photocopying and internet access, a recycling service and the Community Transport Service.

Some of the possible means of achieving these are outlined in the table below:

	<b>Short (0-3 months)</b>	<b>Medium (3-12 months)</b>	<b>Long term (12 months +)</b>
<b>Reduce Costs</b>	EG: Check insurance / service provider deals; be more efficient; voluntary cleaning	Implement efficiencies which take longer than 3 months	Purchase premises through grants to reduce rent / loans for social enterprise have lower interest)
<b>Existing income</b>	<b>Request additional grant support for current year;</b>  Review rent received	Request higher grant support for next year;	Continue to review rent received; establish clear evidence of benefits to local community to support continued grants.
<b>New income</b>	Business let for 1 <sup>st</sup> floor? Revert to Landlord? Payment for store at rear?	Review potential for grants for new / key activities. Consider potential for sales – souvenirs / raffles / commissions / advertising etc.	Sub-lets or service level agreement  Modify building to earn more from lets  Sponsorship

## 8. Community Grants Assessment Score

<b>Category</b>	<b>Score</b>	<b>Maximum</b>
A Eligibility	<b>See note below</b>	
B Target Groups	2	6
C Evidence of need for Project	3	5
D Capacity of Organisation	8	15
E Financial need	4	5
F Innovation	3	3
<b>Total</b>	<b>19</b>	<b>34</b>

Under SSDC grants policies, applications should score at least 20 from the Community Grants assessment. This project scores 19. It is the capacity of the applicant, not the project that gave rise to a low score. The nature of the project, its role within the community, and the impact of losing the office in the short term appears to support intervention, but a different approach is indicated. If approved any financial commitment should be strongly conditioned, including an independent decision making body

established to support LADT. The applicant has been advised of this, as have the two local councils, and all support this approach.

### Notes on assessment

**A – Eligibility** – the organisation has not demonstrated sufficient evidence to support full endorsement of its eligibility. If approved the application should be strongly conditioned to provide adequate assurance to SSDC and local community.

**B – Target groups** – The 2 target groups identified are in the main connected to the service provided by LINKS. However the intentions and opportunities presented by this project could address needs experienced by all target groups.

**C – Evidence of need** – the Langport area is highlighted on a range of social, economic and environmental indicators, in addition there is strong anecdotal support for this project. However evidence of how the project has been and continues to be developed to address these needs is insufficient (ie a business plan). There is strong support from a wide range of local stakeholders to wish to review the aims, objectives and activities of the Community Office. If this grant is supported it should be strongly conditioned to ensure value for money when set against local needs.

**D – Capacity of Organisation** – 5 factors critical to successful projects are assessed under this criteria, factors, which relate to the project scored high (volunteer involvement, local support), organisational factors scored low, which presents a risk to the project. In the short term, there is no alternative body to deliver this project. If this application is supported conditions should be applied which allows a greater involvement in decision making for this project than would normally be applied.

**E – Financial need** – It is anticipated that based on current budgets and expected shortfall for 2008-09 will be less than 30%. However if approved it is recommended that consideration is given to the financial needs of 2009-10. Progress towards the business plan to be used as milestones to re-assess financial needs on a month-to-month basis.

**F – Innovation** – despite this project being established 4 years ago, and still not demonstrating its sustainability, it is considered that the concept and merits of this project are still innovative, and if successful would provide a valuable resource for other market towns to learn from. Without greater testing of the needs and opportunities, and the preparation of a business plan, the risk of not supporting this application is to lose its potential benefits.

## 9. Conclusion

The low assessment score is largely due the assessment of the capacity of the organisation, and if supported, a set of special conditions are recommended to support LADT, and in part ensure its capacity to manage projects of this type is raised.

The initial consultation with a range of stakeholders indicates that the Langport Community has potential to meet a greater variety of needs, and its use should be reviewed, restated and developed. The impact of not supporting this application is highly likely to result in a decision to rescind the lease by December 2008.

It is considered that there are exceptional reasons, in the interests of the local community, which indicate that further financial support represents value for money. A series of strong conditions can ensure that the grant recipient is supported by SSDC and the local councils, to develop a robust business plan, and to take decisions in close partnership. Staged payments supported by monthly progress reports will ensure that this project is closely monitored.

Full support to LADT will be offered to also re-build its capacity to act a community development trust and achieve its purpose and objectives.

Of note is the level of support and interest offered by the LADT directors, the two local councils, and the enthusiasm to work together to find a long-term sustainable solution. Even if the current project (the Community Office) does not prove to be the long-term model, the local support indicated will ensure that the needs of the two main services provided will continue to be met.

It is recommended that Members approve a grant of up to £4,000 made available in staged claims, subject to agreements with a local working group. The working group to include representatives of LADT, Langport Town Council and Huish Episcopi Parish Council.

**Purpose:** To meet the current shortfall in revenue for the Langport Community Office to maintain its existing level of service until March 2009 while a longer term solution is agreed.

### **Financial Implications**

There is currently £19,128.14 remaining in the Area North Community Grants Programme. Awarding this grant of £4,000 will leave £15,128.14 for other community projects.

### **Corporate Priorities**

Supporting this project will help to meet the following corporate objectives:

- Increase to 75% by 2012 the residents who feel the Council gives good value for money
- Identify and address the particular issues affecting rural areas

### **Other implications**

The provision of Local Information Centres is an important part of the Somerset / South Somerset tourism strategies.

**Background Papers:** *Grants Report to Area North Committee, December 2006*  
*Grants file for this application.*

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