

THE EXECUTIVE**On****25 July 2006**Report Title: **BROADWATER FARM COMMUNITY CENTRE - FEES AND CHARGES**

Forward Plan reference number

Report of: **ASSISTANT CHIEF EXECUTIVE (Access)**Wards(s) affected: **All**Report for: **Key Decision****1. Purpose**

1.1 Broadwater Farm Community Centre is now managed directly by the Council. This report proposes increases in fees and hire charges for the main hall and Jazz Café, and discusses related issues in order to agree a way forward.

2. Introduction by Executive Member

2.1 Broadwater Farm Community Centre had been run by an independent Trust but was declared insolvent in December 2004 and taken back into Council management. Since then the Council has worked to improve conditions, ensure the centre complies with health, safety and licensing regulations and establish proper systems for collecting fees and charges, while maintaining and expanding activities for local residents. A centre manager has recently been appointed.

2.2 The Community Centre is an extremely large building for an estate based facility and is consequently difficult and expensive to manage. During 2005/6, while its position was being stabilised, the Council provided a subsidy of £336K. A similar level of subsidy would be needed for this year. This level of subsidy is clearly not sustainable in the long term.

2.3 Our aim now is to find a way of increasing income which allows the Centre to fulfil its primary function of meeting the needs of local residents. This report sets out proposed increases in hire charges for the large hall and the Jazz Café. In keeping with the focus on local residents' needs charges for other rooms will remain as before and there will be a concessionary rate for the Jazz Café for residents and local voluntary groups on Broadwater Farm.

3. Recommendations

3.1 Members are asked to agree the proposals for increased hire charges for the main hall and Jazz Café as set out in paragraph 13.1 of this report and that these should take effect from September 1, 2006.

3.2 Members are asked to agree a community concessionary rate as set out in paragraph 13.1, and that this should be reviewed in six months, with a further report to Members

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4. Executive Summary

4.1 This paper sets out the position regarding hire charges for the main hall and Jazz Café in Broadwater Farm Community Centre. It gives some background and context to the current situation and consequent issues facing the Council. The implications of the centre's size and role as a hall for hire are explored, and a proposal to increase the hire charges is set out.

5. Reasons for any change in policy or for new policy development (if applicable)

5.1

6. Local Government (Access to Information) Act 1985

6.1 Report to Executive Advisory Board 11 July 2006

6.2 Report to Executive Advisory Board 15 November, 2005

7. BACKGROUND

- 7.1 In November 2005 Executive Advisory Board considered a report on the Broadwater Farm Community Centre, and options for the immediate and longer term. Members agreed a budget for 2005/6, that a budget be set for 2006/7 and that officers bring a further report on options for reducing levels of subsidy to the Centre. This report discusses these further options and asks Members to agree an increase in hire charges to attempt to reduce the current substantial subsidy.

8. INTRODUCTION

- 8.1 About 3000 people live on the Broadwater Farm Estate. Following the 1985 riot the recommendations of the Gifford Inquiry (1986) included a Community Centre. Broadwater Farm Community Centre (BWFCC) was completed in 1992, at a cost of some £5m. Initially, the Council ran this directly. Subsequently, Management was transferred to the Broadwater Community Centre Trust - incorporated December 1999, a charity in June 2000 - which was granted a lease by the Council. Of a core grant-aid of £107k p.a, £52k was "circular-funded" rent. However, the goal was for the Centre to run without subsidy. Trustees and management were confident it would secure external and charitable funds as well as income from lets.
- 8.2 By 2004 BWFCC Trust had a deficit of some £300k. Creditors included: the Council, building contractors and Utilities companies. There was no realistic possibility of the Trust trading-out of difficulties. In October 2004 the Council's Corporate Voluntary Sector Team (CVST) recommended the Council take back the lease and manage the Centre. In December 2004 the Centre was declared insolvent and it transferred back to the Council.

9. AFTER TRANSFER TO THE COUNCIL

- 9.1 CVST managed the Centre with a temporary manager. It was transferred to Neighbourhood Management in April 2005. A paper was brought to EAB in November 2005 when a budget for the centre was agreed.
- 9.2 BWFCC was poorly run and maintained when the Council took control. Significant progress has since been made, including: redecorating the hall; refurbishing the Senior Citizens' lounge; a Service Level Agreement with CONEL for the Learning Centre; improved systems for collecting fees and charges; connecting to the Council's IT; and applying licensing rules. Ongoing maintenance improvements. A permanent Manager is now in post.
- 9.3 The programme of community events and activities has expanded. Extensive holiday sports programmes are run throughout the year organised by the Centre and the Safer Neighbourhoods Policing Team, when reported crime falls markedly. Broadwater Farm United is a highly successful football team, Haringey's Learning Disability Service is a regular user, with the Centre recently hosting Learning Disability Awareness Week recently. CONEL's classes in IT, Basic Skills, ESOL are increasingly well attended. The Centre hosts the annual Gospel Festival, Summer Festival and Black History Month activities.

10. KEY ISSUES

- 10.1 The November 2005 report set out in some detail the issues facing the centre.
- The dominance and size of the hall
 - The need to generate income from lets to offset the huge cost of maintaining and staffing a Centre of 3000 square metres
 - The impact this has on the wider community and on community activities - with staff shifts and rotas determined primarily around the lettings
 - Lettings are often for pan-London and regional functions
 - The local expectation that the hall should be hired at relatively low rates – whether for local community use, churches, or pan-London events, increasing the pressure on the budget and the subsidy
 - The Centre's relationship to wider developments on Lordship Recreation Ground, including potential opportunities such as providing a park café

The report discussed the current situation where the centre is not charging a price for lets commensurate with the size and costs of the building and suggested that at present it could be argued that the Council is simply providing heavily subsidised halls for hire for London and region-wide events.

- 10.2 Members agreed to set a budget, and gave a clear steer to officers to work up proposals to reduce the Council's subsidy through options of increasing fees and charges generated through lettings. The actual spend recorded in 2005/6 for BWF Community Centre was £456k, with a recorded income of £120k of which £20k was rent from CONEL for the Learning Centre. The net Council subsidy was £336k. The Council budget for 2006/7 is £337k, and subsequent to the outcome of this report officers will action a virement to establish the 2006/7 income target.

11. CURRENT POSITION

- 11.1 With a new manager in post the key tasks now are to consolidate the ongoing improvements, build a stable team, prepare business and marketing plans for the centre, bid for funds, develop activities, and work with the community. The proposals below to increase hire fees and charges are a first step in preparing a business plan which recognises that the lettings and hall hire are a *means* to securing the income to deliver community activities, and not the prime function of the centre. Current hire charges as set in the table below (paragraph 12.2) are not sufficient to generate the income needed for the Centre to run at a low, or no subsidy. Income derives from hall hire for private functions at weekends – during the week this is minimal and the hall is used for community activities such as football training, youth club and sport for people with disabilities.

12. BENCHMARKING

- 12.1 In developing options to increase fees and charges it is important to reiterate that the size and dominance of the hall is the fundamental issue. With a hall which can accommodate up to 1000 people the facility is larger than many grand civic halls for hire across London. These facilities, such as Hammersmith Town Hall, Fulham Town Hall, Wandsworth Civic Suite, the Paul Daisley suite in Brent

are more centrally located, are of a much higher standard and are fully resourced to support and manage large events. Freedom Hall, at Tottenham Green Leisure Centre is also equipped to do this. In contrast, Broadwater Farm Community Centre is located on a residential estate with poor access to public transport. However, the expense, staffing and arrangements required for running such large events are comparable, including security, preparation time, hire of equipment, additional waste facilities, staff overtime, cleaning and safe staff travel at unsocial hours etc.

12.2 The table below sets out both the original survey included in the November report and additional venues to illustrate the current costs of hiring venues.

VENUE	PRICE/RATES	POLICIES	CAPACITY	COMMENT
BWF Comm. Centre	Large hall £600 resident rate – £900 non-resident Café area £250 resident rate, £300 non-resident	£200 deposit Alcohol licence needed. No corkage charged	1000 standing or 500 seated 250 standing or 100 seated	Flat rates apply Fri, Sat, 7pm-2am. Sunday 7pm-midnight No clarity on rates for weekend hall hire before 7pm Cleaning after 2am so extra cost
Haringey Irish Centre	£1000 per event		250 seated or 300 buffet style	Has a cash bar, so generates income
Freedom Hall, Tottenham Green Leisure Centre	£2600 per event		800 seated	Saturday and Sunday only
New River Sports Centre	£525 per event	£250 deposit	200 seated	
Selby Centre	Rates between £75-£95 per hour	£200 deposit £260 Alcohol corkage	300 seated or 350 standing	
Bridge Park Community Leisure Centre, Brent	Sports Hall - £160 - £200 p/h Main function hall - £115 – £155 per hour		700 theatre style 450 restaurant Kitchen hire - £400, servery £250 400 seated on stage, 300 theatre style, 150 restaurant	

Paul Daisley Hall, Brent	Weekdays till 12am - £2,240 Weekends from 2pm –m/night £2350	Alcohol corkage £270-£470 plus £1.50 for every bottle brought in	Max 1000 people , 600 if seated	Last hour is for cleaning – so included in hire rate
Fulham Town Hall	Weekend price - £240 per hour £300 per hour after midnight			Security for big events charged to hirer separately
Hammersmith Town Hall	Weekend price - £240 per hour £300 per hour after midnight		Max 950 but 350 for dinner dance	Security for big events charged to hirer separately
Wandsworth Civic Suite	Saturday price – £206 per hour £260 after midnight	£220 compulsory kitchen cost 25% of total hire fee catering surcharge if food consumed on premises	Max 800 500 seated	£10 per hour Council duty steward

12.3.1 From this benchmarking exercise it is apparent that not only has Broadwater Farm been charging significantly below other facilities of similar size, but that these comparators have been very strict in charging hirers for additional overheads. Colleagues from other authorities have commented that taking a firm commercial approach has made more explicit the expectations of hirers in managing their event, and this has clarified roles and responsibilities. One example is security – a significant issue when hosting events of several hundred people. For example, Hammersmith and Fulham make it a contractual condition that hirers must pay for security and that security personnel must be totally separate from the function, hired from registered company meeting all industry criteria.

13. PROPOSALS

13.1 It is proposed that hire charges for both the main hall and small hall (The Jazz Café) are restructured and charged at an hourly rate. This gives the community centre maximum flexibility in letting arrangements, and also enables the centre to charge variable rates – with premium rates for very late at night when staff overtime costs increase. At this point there is no proposal to increase the rates for the classrooms or for the halls during the week. In tandem with the introduction of these increases Officers will also be reviewing the contracts and documentation to make further improvements.

MAIN HALL - 1000 standing, 500 seated – for private functions	JAZZ CAFÉ – 250 standing, 100 seated
<p>Friday and Saturday</p> <p>Until 10pm - £225 per hour</p> <p>10pm -12 midnight - £250 per hour</p> <p>12midnight – 2am - £300 per hour</p> <p>Sunday</p> <p>Until 10pm - £225 per hour</p> <p>10pm-12 midnight - £250 per hour</p> <p>NO COMMUNITY CONCESSIONS</p>	<p>Friday and Saturday</p> <p>Until 10pm - £50 per hour</p> <p>10pm – midnight - £ 70 per hour</p> <p>12midnight -2am - £ £80 per hour</p> <p>Sunday</p> <p>Until 10pm - £50 per hour</p> <p>10pm – midnight - £ 70 per hour</p> <p>COMMUNITY CONCESSION 25% DISCOUNT – ONE EVENT PER HOUSEHOLD PER ANNUM 25% DISCOUNT FOR LOCAL VOLUNTARY GROUPS ON BWF</p>

13.2 The proposed hourly rates incorporate costs for staff overtime, cleaning, staff travel home etc, and are comparable to other facilities of this size. They are also intended to cover the costs of maintenance and additional wear and tear, which at current rates is not taken into account. There have been no increases since the Council assumed control in December 2004. It is suggested that additional items such as use of the stage and a pa system are charged for separately as now, and that should additional security be required that cost is passed to the hirer. It is also proposed that the current returnable deposit of £200 is increased to £400, which reflects the scale of deposits charged by other authorities. Hirers are currently required to pay the full cost of the event in advance of the function, and this stipulation will remain.

13.3 Currently community concessions are also available for hire of the main hall. It is proposed that a community concession of 25% discount is now made available to local estate residents, for hire only of the Jazz Café which is smaller and more appropriate for more localised events. It is proposed that a similar concession be given to voluntary groups on Broadwater Farm Estate, and that these concessionary arrangements are reviewed in six months.

14. RISKS

14.1 The proposals here will bring in the additional income needed to maintain the centre and – if successful – will contribute to reducing the very high costs to the Council, improve the facility and increase the resources available for community activities. Below are some illustrations of the levels of income which could be achieved assuming hall hire on a consistent basis as in 2005/6.

Hall hire Sept to March - 29 weeks	At current rates	At proposed rates	Difference
Assuming one evening 6pm – 2am x 24 weeks	£21,600	£48,000	£26,400
Assuming 2 evenings for 20 weeks 6pm – 2am	£36,000	£80,000	£44,000
Assuming the hall one evening 6pm-2am, and Jazz Café one evening for 20 weeks total	£24,000	£50,000	£26,000

- 14.2 The risk of course, is that hirers will not pay this real economic rate for the centre, although events are routinely held at the centre attracting hundreds of people. However, this risk needs to be set against the fact that the current level of costs for the Council to maintain and run Broadwater Farm Community Centre is very significant and may be unsustainable in the longer term. Essentially the centre is an anomaly – located in a residential area but with a hall the size of a commercial facility which needs investment, maintenance and running. There is no other source of income to do this.

15. MARKETING

- 15.1 In order to convey information to local residents about these charges it is suggested that considerable effort is invested in communicating the changes. This could include distributing a local newsletter to all residents, meeting with the Broadwater Farm Community Centre Consultative Committee and the Broadwater Farm Residents' Association.
- 15.2 A marketing and promotion campaign is also proposed to promote hire of the centre more widely than at present. This could include using the Council's website, targeted advertising and generally promoting the hall for large private functions. A budget of up to £10,000 would be considered reasonable to make an impact and will be contained within the Neighbourhood's budget. We would then be using the hall as an asset, rather than seeing it as a liability. Additionally, the Council itself could consider using the hall for very large gatherings such as the managers' events rather than booking external venues retaining funding within the Council.

16. RECOMMENDATION

- 16.1 Members are asked to agree the proposals for increased hire charges for the main hall and Jazz Café, and that these should take effect from September 1, 2006. However, in light of the wider developments at Broadwater Farm and Lordship Recreation Ground there may still be a need to clarify the longer term future of the centre.

17. FINANCIAL IMPLICATIONS

- 17.1 The financial information set out in this report suggests that the cost to the Council of running this centre is significant, and that this will continue to be the case if the current hire fees are retained. In this situation remains the only means of reducing the deficit is to increase hall hire fees to reflect market cost. This will also enable the centre to be maintained and improved to a higher standard, and would prevent additional capital pressure on the Council. The question then arises whether the real cost would price Broadwater Farm out of the market place altogether exacerbating the problem. Should this be the case then officers will bring a further and early report to Members on the financial position.

18. COMMENTS OF THE DIRECTOR OF FINANCE

- 18.1 As outlined above, there is a risk that adopting the proposed fee structure may not increase the overall income achieved from lettings as higher fees may reduce previous demand. However, benchmarking undertaken suggests that customers are willing to pay higher rates. Obviously the impact will be monitored but if demand is maintained or even increases, the lettings will provide a greater contribution to the running costs and maintenance of the centre which is in the best interests of the authority.
- 18.2 It is important that consideration is given to the longer term use and vision for the centre as this may impact on future budgetary decisions.

19. COMMENTS OF THE HEAD OF LEGAL SERVICES

- 19.1 Members must take into account the risk of the rates rise having an adverse effect on residents use of the BFCC against the long term future of the BFCC and the purpose for which the BFCC was set up and the Council's obligation to obtain "best value". Members must also have regards to the objectives of the Asset Management Plan and the Community Strategy Priorities currently under review.

20. EQUALITIES IMPLICATIONS

- 20.1 Broadwater Farm Community Centre was part of a positive Council response which aimed to provide resources for local people after the 1985 riot. As this report tries to illustrate, the size, complexity and huge running costs of the Community Centre has meant that most of the focus has been on the hall and the effort to raise income sometimes to the detriment of local community activities and events.
- 20.2 This proposal to charge the economic rate for the hall could assist in enabling the centre to respond more effectively to local needs of the wider community with resources available for more diverse activities and community events which reflect Tottenham's diversity.

21. CONCLUSION

- 21.1 The Executive Advisory Board is asked to support the recommendations set out in paragraph 16 of this report.