

Leicester
City Council

PUBLIC VERSION
(EXCLUDING EXEMPT CONTENT
RELATING TO LEGAL ADVICE)

WARDS AFFECTED: Stoneygate/Spinney Hills and Castle

CABINET

13 June 2005

LEICESTER ASIAN YOUTH ASSOCIATION AND 27A ACCESS ARTS

Report of the Service Director, Cultural Services

1 Purpose of Report

- 1.1 To provide Cabinet with options for responding to requests from Leicester Asian Youth Association (LAYA) and 27A Access Arts (27A) for revenue funding after 31st March 2005 and the potential implications of those options.

2 Summary

- 2.1 As part of the 2004/05 to 2007/08 Budget Strategy, Cabinet agreed on 24th November 2003 to a new approach to funding the voluntary sector. The effect of this strategy was for each department to define those voluntary projects that provided core services and those who provided services of a lower priority. This process is described in more detail in Section 1 of the supporting information.

- 2.2 Cultural Services and Neighbourhood Renewal defined a number of projects as either :
- not core to the department's activities, or
 - capable of raising income from other sources

Organisations in the second category were given a year (up to 31st March 2005) to build a new funding base.

- 2.3 Two organisations, Leicester Asian Youth Association (LAYA) and 27A Access Artspace (27A) identified as being in the second category have not been able to find alternative funding. They have formally approached the City Council to re-instate their previous funding.

- 2.4 This report sets out the pros and cons of their requests along with the potential risks of decisions to either to re-instate funding or uphold the current budget decisions of the Council.

3 Recommendations

Cabinet is recommended to either :

- support the requests from LAYA and 27A by either

- ◆ providing a further period of temporary funding at a reduced level (ie LAYA £57.1k and 27A £24.4k), or
 - ◆ procuring some of the services on a longer term basis which meet corporate and departmental priorities for direct provision (ie LAYA £50k per annum and 27A £23k per annum)
- and agree the funding sources to meet their requests

or

- support the current budget strategy

4 Financial & Legal Implications

Financial Implications

4.1 In line with the agreed Departmental Revenue Strategy, there is no provision in the revenue budget 2005/06 and thereafter for support to the above organisations.

4.2 The recently adopted virement rules need to be considered for the approval of any change to the budget. A decision to provide any support to these organisations will constitute a budget change. The arrangements are

- Cabinet can vire sums up to £100,000 per annum (not per instance) between controllable budget lines. Council approval is required for amounts above this limit.
- Cabinet cannot change specific items of growth or reductions included in departmental revenue strategies, nor implement any growth or reductions which Cabinet proposed to Council but Council rejected. These decisions are reserved by Council.

Members of the Resources and Equal Opportunities Scrutiny Committee will be consulted on the report.

4.3 The reinstatement of these grants would impact on more than more one controllable budget line and, hence, virement would be necessary. Reintroduction of the grant for LAYA would increase the Sports Services budget and 27A would change the Arts Services budget to be offset by a reduction in the budget of the area identified as providing the funding.

4.4 The possible cost of the options considered for additional funding can be summarised as

Project	No support	Temporary funding	Procure services
LAYA	Nil	£57,100	£50,000
27A Access Artspace	Nil	£24,400	£23,000
Total	Nil	£81,500	£73,000

4.5 In addition to any potential one-off or continuing grant, administration costs will also need to be identified, as the Department's current budget strategy has made savings from the administration of grants and the Department no longer has the capacity to administer and monitor grants. While this work can be reinstated it will require additional funding on top of the grant sums, the exact nature of which will depend will depend on the option chosen.

- 4.6 A decision to provide further support to one or both of the organisations would require additional funding. At this time, the only new funding opportunity identified would be to utilise anticipated car parking income on the former Granby Halls site. This continues to be available following the Cabinet decision to not proceed with the proposed development scheme. Furthermore it is expected to be available only for a short period and would not be available to provide funding beyond one year. Planning permission has been agreed to May 2006
- 4.7 Regeneration and Culture Department has a number of budget pressures to deliver the recently agreed budget strategy. We intend to first utilise any additional income to fund these pressures and deliver the services agreed in the Revenue Strategy. The most significant of these pressures are summarised in the table below together with the funds available for addressing these

Budget Pressures 2005/6	Cost
Increased Energy Costs	£185,000 ongoing
Maintenance of Current Festivals and Events Programme	£73,200 2005/6 only
Cost of Public Planning Enquiry	£40,000 2005/6 only
Community/Operational Transport Budget Shortfall	£30,000 ongoing
Available Funds	Value
Car Parking Income – former Granby Hall site, subject to planning permission	£182,000 2005/06 only

- 4.8 Consequently there is no capacity to meet any additional costs, even in 2005/06, without an impact on the current level of service provision.
- 4.9 Depending on the options chosen, there is a need to consider the service impact of increased expenditure of up to £81,500 on LAYA and 27A. The options members may wish to consider in respect of Cultural Services are:
- Reducing the opening hours of selected museums arts and sports facilities
 - Reducing further the amount of re-investment in Parks and Green Spaces and Sports Facilities
 - Deletion of Community Grant Funds
 - Facility Closure
 - Reduction in outreach/development work

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5

Report Author

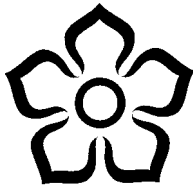
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DECISION STATUS

Key Decision	No
Reason	N/A
Appeared in Forward Plan	No
Executive or Council Decision	Executive (Cabinet)



Leicester
City Council

CABINET

25th April 2005

LEICESTER ASIAN YOUTH ASSOCIATION AND 27A ACCESS ARTS

Report of the Service Director, Cultural Services

SUPPORTING INFORMATION

1. Background Information – Budget Strategy 2004/05

- 1.1 On November 24th 2003 Cabinet noted that a new approach was to be used in relation to funding the Voluntary and Community sector. This identified the basis of future funding would be for core services where alternative sources of funding were not available.
- 1.2 Each department was required to define core services in its specific context. For Cultural Services, core services were defined as Festivals and Events, voluntary projects directly relevant to the Cultural Quarter or projects providing a service on behalf of the Council. These included:-

Haymarket Theatre
Phoenix Theatre
Line Out
Leicester Caribbean Carnival
Leicester Comedy Festival
Abbey Park Bowls Club

The remaining projects were considered to be a lower priority because alternative funding sources were available for some or all of their activities, including introducing or increasing charges to users or participants, lottery funds, other government funding streams, sponsorship and grants from charitable and other organisations. The following projects were advised of this proposal on 6th January

Leicester Asian Youth Association (LAYA)
27A Access Artspace (27A)
Highfields Rangers

Young Muslims Association (YMA)
Leicester Outdoor Pursuits Centre (LOPC)

- 1.3 Three other “non-core” projects were advised of a proposal to reduce their funding: Leicester International Music Festival, Soft Touch and Environ.
- 1.4 On 27th February 2004, following Council approval of the 2004/05 to 2006/07 budget, 5 projects including LAYA and 27A were advised formally that Leicester City Council would only renew their current agreement for a period of 12 months (i.e. from 1/4/04 to 31/3/05) following the expiry of which period grant funding would cease altogether.
- 1.5 The consequence of these decisions is that funding for LAYA and 27A expired on 31st March 2005 and there is no financial provision in 2005/6 to be able to consider their requests for continued funding.
- 1.6 Following the reduction in the volume of grants administered by the department support savings were made by the withdrawal of grants administration.

2 The Projects

Leicester Asian Youth Association (LAYA)

- 2.1 LAYA is a grant-aided organisation, who received funding from Leicester City Council for many years. The 2004/5 level of funding was £114,200 (including Playschemes). They employ 2 full-time and 5 part-time staff and sub-lease 2 floors of an industrial unit from Leicester City Council who hold the head-lease for all 3 floors. The Ground Floor is currently vacant and in poor condition.
- 2.2 LAYA previously requested the withdrawal of funding to be spread over 2 years rather than one and wrote to the Council on 22nd December 2004 stating that:-

“LAYA are presently fundraising for alternative sources of funding to compensate for a reduction in the base budget of the project. Fundraising programmes are on-going, but have not yet achieved the success that was intended. In order to save vital services provided by LAYA, and especially targeted to those in the community experiencing multiple deprivation and disadvantage, LAYA wishes to request the City Council to consider a service contract to allow for the continued provision that the organisation provides”.
- 2.3 LAYA have become a limited company and have applied for charitable status. They have also increased their user charges. They are keen to take on the ground floor of the building and to assist them, officers have agreed to a rent-free period of 12 months.

27A Access Artspace (27A)

- 2.4 27A is a grant aided organisation, which has received funding from Leicester City Council for many years. The current level of funding is £48,800. They employ 1 full time and part time staff, have a vacancy for a development worker and employ sessional staff for sessions and courses. They operate from 27a Belvoir Street. They have also received £24,700 in financial support from Arts Council East

Midlands in 2004/05. This will increase to £25,336 in 2005/06. Arts Council England have recently announced their 3 year budget strategy and funding up to March 2008 and have made it clear that regular funding to 27A Access Artspace will end in March 2006. Whilst they would still be able to apply for one-off grants for specific activities, no ongoing revenue funding will be provided.

- 2.5 27A is an art workshop and performance space for disabled people, run and managed on disabled peoples' own terms and is the only independent disability arts organisation, in the City. They use the arts to improve the skills, confidence and general well being of disabled people and other vulnerable groups. However, the service they provide is not considered to be a priority for funding from Social Care and Health budgets.
- 2.6 27A have written to the City Council advising of the loss of Arts Council support and seeking continued support from the City Council. The Arts Council offered a grant of £3,000 to 27A to employ a consultant to research and assist them in applying for alternative funding. To date, as far as we are aware no consultant has been appointed, nor has any other action been taken by 27A to secure alternative funding.

3 Pros and Cons

3.1 Leicester Asian Youth Association

Pros	Cons
Without some additional funding the project will close	Provision of temporary or permanent funding could create a precedent for other projects to seek proportionate reinstatement in similar circumstances
LAYA have made some progress towards obtaining alternate funding	The Regeneration and Culture Department has a number of budget pressures in 2005/06 and consequently a decision to reinstate funding will have an adverse impact on existing approved service delivery – see financial implications section
Provide a range of valued sports and community services to hard to reach groups	Whilst progress has been made towards obtaining alternate funding, there is no guarantee that, even if the City Council provide a further year of temporary funding, the project will achieve self sufficiency by 31/03/06
Although a “non-core” project some of the services provided meet Corporate and Departmental priorities for direct provision of sports	
Project willing to enter into a service contract with the City Council	

3.2 27A Access Artspace

Pros	Cons
Without some additional funding the project will close	Provision of temporary or permanent funding could create a precedent for other projects to seek proportionate reinstatement in similar circumstances
Provide a range of valued arts services to disabled groups	This project is jointly funded by Arts Council East Midlands who have decided to withdraw regular funding from 31/03/06, thus increasing the potential shortfall from £48,800 in 2005/6 to £74,000 in the following year
Although a “non-core” project some of the services provided meet Corporate and Departmental priorities for direct provision of arts services	The project have not yet made any efforts to secure alternate funding. However, the full-time project worker has now resigned and the management committee have expressed a determination to rebuild the project
Organisation run by disabled people for disabled people	The Regeneration and Culture Department has a number of budget pressures in 2005/06 and consequently a decision to re-instate funding will have an adverse impact on existing approved service delivery – see financial implications section
	There is no guarantee that, even if the City Council provide a further year of temporary funding, the project will achieve self sufficiency by 31/03/06

4.2 Options

4.1 Leicester Asian Youth Association

- 4.1.1 Do not support request from LAYA and terminate funding at the expiry date of 31st March 2005.
- 4.1.2 Provide a further period of temporary funding at a reduced level (say 50% of current funding ie £57,100) for 2005/06 only to give the organisation more time to secure alternative funding.
- 4.1.3 Procure some of the services currently provided by LAYA on a longer term basis, which support the Council’s Corporate Plan, Cultural Strategy and

Cultural Services Divisional Improvement Plan. The maximum value of this would be £50k per annum although this could be reduced by further prioritisation and by expecting a greater contribution from participants. This would exclude, for example, sports activities, which are low priority for funding e.g. football, which, if included, would create a precedent for other voluntary organisations. Possible options for funding this are included in the financial implications section of the report

4.1.4 I will report orally at Cabinet on the response from LAYA with their views on the feasibility of these options

4.2 27A Access Artspace (27A)

4.2.1 Do not support request from 27A and terminate funding at the expiry date of 31st March 2005.

4.2.2 Provide a further period of temporary funding at a reduced level (say 50% of current funding ie £24,400) for 2005/06 only to give the organisation more time to secure alternative funding.

4.2.3 Procure some of the services currently provided by 27A on a longer term basis, which support the Councils Corporate Plan, Cultural Strategy and Cultural Services Divisional Improvement Plan. The maximum value of this would be £23k per annum although this could be reduced by further prioritisation and by expecting a greater contribution from participants. Possible options for funding this are included in the financial implications section of the report

4.2.4 I will report orally at Cabinet on the response from 27A with their views on the feasibility of these options

OTHER IMPLICATIONS	YES/NO	PARAGRAPH REFERENCES WITHIN SUPPORTING PAPERS
Equal Opportunities	Yes	All – both LAYA and 27A provide services to disadvantaged and hard to reach groups
Policy	Yes	Voluntary and Community Sector Strategy 1.1 to 1.3
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	
Older People on Low Income	No	

5.3 Risk Assessment Matrix

Risk	Likelihood	Severity	Control Actions
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	L/M/H	Impact L/M/H	(if necessary/or appropriate)
1 Other projects (e.g. Highfields Rangers, YMA etc) seek reinstatement or continuation of funding on a similar basis	H	M	Report sets out the basis on which a decision can be made. However, this could be subject to legal challenge.
2 Impact of increased costs on Cultural Services budgets in 2005/06 leading to service reduction in other areas	H	M	Budget management throughout financial year to minimise impact on service delivery
3 Impact of increased costs on Cultural Services budgets on a continuing basis leading to service reduction in other areas	H	H	Will require identification of service reductions in other areas of the budget to compensate for increased costs

L - Low
M - Medium
H - High

L - Low
M -
Medium
H - High

6. Background Papers

2004/05 to 2006/07 Corporate Revenue Budget Strategy – Cabinet 24th November 2003 and 23rd February 2004

Letters from Leicester Asian Youth Association and 27A Access Arts

7. Consultation

<u>Consultee</u>	<u>Dates Consulted</u>
Joanna Bunting, Assist Head of Legal Services	16/3 to 14/4/2005
Alan Tomlins, R&C Head of Finance	16/3 to 14/4/2005
Keith Murdoch, Assistant Chief Executive	16/3 to 14/4/2005
Andy Keeling, Service Director, Resources, R&C	16/3 to 14/4/2005
Sylvia Wright, Acting Head of Arts	16/3 to 14/4/2005
Judith Walker, Community Grants Officer	16/3 to 14/4/2005
Paul Edwards, Head of Sports	16/3 to 14/4/2005

8 Reasons why report is marked “Not for Publication”

The report is marked “Not for Publication” as it contains exempt information relating to “advice received, information obtained or action to be taken in connection with:-

- any legal proceedings by or against the authority; or
- the determination of any matter affecting the authority; whether, in either case, proceedings have been commenced or are in contemplation.

9 Author

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