

28 October 2014

Audit and Scrutiny Committee

Report of the Hutton Community Centre Task and Finish Group

Report of: *The Hutton Community Centre Task and Finish Group*

Wards Affected: *Hutton North*

This report is: *Public*

1. Executive Summary

- 1.1 The Hutton Community Centre now exists as a community asset that is welcomed and appreciated by local residents. Its use is steadily increasing and the commitment of both Council staff and volunteers is clear. It is hoped and expected that the centre will go on to be an unqualified success. The project was delivered in a reasonable timeframe and within allocated budget. The Hutton Community Centre Working Group functioned well with significant contributions from the local community.
- 1.2 The Hutton Community Centre Task and Finish Group found some significant challenges in understanding the entire process due to the lack of availability of webcasts and the timeframe between the start of the project and the review. However, officers and those involved should be commended for making available all the information that they had.
- 1.3 Despite the overall positive outcome of the project, the roof at the Centre has areas that are in need of urgent replacement (though the majority is secure for five years or more). The Council also currently has a financial liability for staffing and business rates at the time of this report, though this could be overcome by granting of a lease to a community group.

2. Recommendation(s) That:

- 2.1 **The Audit & Scrutiny Committee note the content of this report and the conclusions made;**
- 2.2 **The Finance and Resources Committee consider the financial implications of the elements of roof replacement indicated in the independent report of August 2014;**
- 2.3 **The budgetary implications of the Council's liability for Business Rates whilst operations still lie within the Council's remit, be considered by the Finance and Resources Committee;**
- 2.4 **The Finance & Resources Committee should further consider the staff costs currently being supported by Brentwood Borough Council for the Centre; Manager and Assistant when ownership is transferred to a community group.**
- 2.5 **The Housing Committee consider the costs of developing the former cellar into a resource for tenants and the community regarding council services; and**
- 2.6 **The Asset & Enterprise Committee should offer assurance on the future management and operation of the centre at the earliest opportunity to offer stability and confirm the long term future of the Centre.**

3. Introduction and Background

- 3.1 Hutton Community Centre is a building in Harrison Close, Hutton. A history of neglect saw the centre close in 2012 and the building became unoccupied. In turn this led to vandalism and the property had attracted undesirable attention from vandals, drug users and binge drinkers.
- 3.2 The Asset, Infrastructure and Localism Panel of 21 November 2012 agreed to the surrender of the lease with Hutton Community Association. A surrender deed and the keys to the Centre were given to the Council on 17 January 2013.
- 3.3 A Hutton Community Centre working group was established which comprised members of Hutton Community Partnership, Hutton Residents Associations, All Saints Primary School, Hutton Football Club, local residents and representatives from Brentwood Borough Council.
- 3.4 At the Community Services Committee on 5 June 2013 it was agreed that a phased approach to the re-opening of Hutton Community Centre was to be undertaken. Phase 1 was to ensure the building was repaired/rebuilt opened and managed by the Council. Phase 2 was the development of a community based organisation to support the Centre. Phase 3 was to lease the Centre to an independent organisation for future management.
- 3.5 The Performances and Resources Committee on 6 November 2013 agreed to accept the tender for the renovation works to the Centre. The Committee also noted the Hutton Community Centre forecast and requested that the Community Group submit a detailed budget (to include a summary narrative) for approval by the Community Services Committee.
- 3.6 The decision of the Performance and Resources Committee of 6 November 2013 was subject to 'call-in' to the Overview and Scrutiny Committee 15 December 2013.
- 3.7 The Community Services Committee of 26 February 2014 agreed the Community Group's business plan and budget forecast.
- 3.8 Works began at the site in February 2014 and the Community Centre re-opened in May 2014.
- 3.9 The Audit and Scrutiny Committee set its work programme for 2014/15 at its meeting of 30 June 2014.
- 3.10 The Asset and Enterprise Committee of 15 July 2014 resolved that:
 1. An investigation to be taken by the Audit and Scrutiny Committee on how, why and whether the funds were allocated in the correct fashion for the refurbishment of the building
 2. Report to a future Finance and Resources Committee with regard to the funding of any necessary further repairs
 3. To undertake a Health and Safety inspection on Hutton Community Centre immediately and report back to either the Audit and Scrutiny or Asset and Enterprise Committee.
- 3.11 Following the resolution of the Asset and Enterprise Committee, the Scrutiny work programme was amended under Overview and Scrutiny procedure rule 5.4 and a task and finish group was formed. As emphasized by the Centre for Public Scrutiny, a review should be *led by independent people who take responsibility*

for their role. The Chair and the Shadow Chair of the Audit and Scrutiny Committee nominated Councillors Barrett (Chair), Faragher, Hubbard and Sanders to form, with their agreement, the task and finish group.

- 3.12 Item 3 of the resolution of the Asset and Enterprise Committee of 15 July 2014 was received by the Asset and Enterprise Committee of 17 September 2014.
- 3.13 The task and finish group undertook its review using publicly available guidance from the Centre for Public Scrutiny. The group proceeded to set its scope independently with a view to coming to a consensus as tabulated below.

<p style="text-align: center;">Scope</p> <ul style="list-style-type: none"> • To enact the resolutions of the Asset and Enterprise Committee 15 July 2014 (minute 80) • To prepare a report to the Audit and Scrutiny Committee 28 October 2014 • To offer independent assurance on the Hutton Community Centre project 	<p style="text-align: center;">Indicators of Success</p> <ul style="list-style-type: none"> • That the review group come to a cross party consensus on its conclusions • That the review report has been made public and debated in an open and transparent way • That future matters relating to Hutton Community Centre can be informed by the publication of this independent review • That the review group are satisfied that they have completed their scope within a reasonable time and used the governance structure at the council appropriately
<p style="text-align: center;">Methodology</p> <ul style="list-style-type: none"> • The group met 6 times • The group examined a timeline and reviewed an extensive range of information • The group selected those it wished to approach and prepared a questionnaire • A site visit was undertaken • The group would proceed with regard to coming to a consensus 	<p style="text-align: center;">Principles of Effective Public Scrutiny</p> <p>This review demonstrated the discharge of the Overview and Scrutiny function at Brentwood Borough Council by:</p> <ul style="list-style-type: none"> • Being led by independent people who take responsibility for their role; and • Providing constructive 'critical friend' challenge

- 3.14 The group identified two exclusions to its review: a) matters relating to Hutton Community Centre prior to 18 April 2012, and b) exploration of the charity status of the trust.

4. Issue, Options and Analysis of Options

- 4.1 The findings of the group were grouped under four headings.
- Governance
 - Commissioning
 - Long-term Planning
 - The Roof

Governance

- 4.2 Decisions were made across committees in a changing governance structure and a range of officers were involved. There was a Hutton Community Centre Working Group made up of members, officers and the community. The task and finish group found that the working group seemed to have functioned well and leadership by Councillors and Officers was highly regarded. Practical decisions were made by officers, within their normal day to day roles, and in consultation with Council leadership, under the direction of Committees of the Council.
- 4.3 The HCC working group was essential in the formation of the Business Case for the project. This group received project updates and provided their views on the designs which officers believed were both helpful and directive.
- 4.4 The scrutiny task and finish group sought evidence relating to the governance of the project, but given that Committee minutes were limited and webcasts unavailable; this was challenging.
- 4.5 At the Community Services Committee of February 2014, a former Councillor asked a specific question about the community centre roof and received a caveated assurance from an officer – who certainly was answering to the best of their knowledge – but did not have the necessary understanding to give a complete answer – Councillors present seemed to accept this answer as sufficient, a reasonable assumption given available information. This was a demonstration that communication of key information to members was sometimes incomplete, with clear decisive information not consistently available to members and on occasion officers may have been ill-equipped to answer pertinent questions regarding the project at appropriate committees.
- 4.6 The movement of the project amongst different committees, by virtue of the terms of reference of each committee, manifested different approaches to various issues, without the necessary continuity of issue management and led to a risk around accountability. Councillors did not request, in advance, pertinent information beyond the agenda and used questions to officers at the committee meeting as the major tool to understand the project. The group noted that Members had the opportunity to ask questions once the agenda had been published, in order to gain a better understanding of the project.
- 4.7 Representatives of the HCC Working Group indicated that there was acceptance that the roof replacement would be part of a later project with the opening of the centre being a priority. However, there was no conclusive evidence of which group or individual decided that the roof replacement should not be within the scope of the project.
- 4.8 Following a range of conflicting accounts, the task and finish group was advised by the Council's Monitoring Officer that the surrender of the lease of the Centre in 2013 to the Council was legally conducted.

The group concluded that:

- a) For the purposes of scrutiny and public access to democracy, webcasts should be held and accessible on request for an indefinite period.
- b) Member induction should inform Members that they can request information in advance of a meeting, for example in the period between the agenda being published and the meeting itself.
- c) Background information should follow a project – minutes of other committee discussions and documents provided to them should be made actively available as background material to inform decisions at future committees

- d) Officers who are central to a project that has multiple committee interests should attend all committees where the project is to be discussed, even if the core issue of discussion is outside their scope.

Commissioning

- 4.9 The task and finish group found conflicting evidence of how exactly the scope of the project was finally decided. However, a rigorous amount of investigation went into various options by the officers and was considered by Council leaders. All evidence available indicates this was done professionally and appropriately within the permissions granted by committees.
- 4.10 Public meetings, including both stakeholder and wider public meetings were conducted. Officers informed the task and finish group that those meetings accurately reflected the aspirations of the public and interested community groups regarding the possible uses of the community centre. Some concern was expressed that this consultation with residents and potential users was limited and no paper based consultation was launched. The public were also presented with proposals that formed the basis of the completed project, though it is uncertain whether the design was detailed with specific consideration for the actual final users of the facility.
- 4.11 Officers were given limited authority to direct the commissioning process and all evidence indicated that this was completed professionally; it is arguable that further authority, accompanied by clear reporting procedures would have been beneficial. The leadership of commissioning, i.e. determination of scope and acceptable price range was less clear, but received considerable direction that enabled the project to move forward.
- 4.12 The judgement of tenders was primarily focused on delivering the lowest cost to taxpayers in line with standing orders. Following on from vandalism in advance of the renovations, considerable refurbishment scope was lost (i.e. internal ceiling replacement and renovation of the former cellar), which will have a impact on both the centre's business model of operation and on the future capital requirements that future management of the centre will have to consider.
- 4.13 The task and finish group found evidence that the final centre, whilst now an impressive community facility, had minor unfinished elements that led to Health & Safety Concerns. An independent report commissioned by the council does indicate that the facility is now safe to use though snagging issues were in need of rectification.
- 4.14 The task and finish group noted that no formal inventory was taken when the Hutton Community Centre was taken over by the council. Though vandalism had caused significant damage the task and finish group believe an inventory should have been taken as a matter of good practice.
- 4.15 The task and finish group found no evidence that the funds issued were incorrectly or inappropriately allocated. However, given issues surrounding vandalism and the roof there is a strong argument that the project may have been underfunded in general.

The group concluded that:

- a) To assist in understanding *formal* decisions, a summary should be provided within the report to committee of the *informal* development of the decision specifically noting what elements were included and what was not – with justifications if necessary.

- b) At the end of any renovation or construction project that will lead to community use a full independent Health & Safety report including gas and electrical checks, should be commissioned as a matter of course.

Long Term Planning

- 4.16 When the business plan was prepared by the Hutton Community Centre working group they indicated that they were aware of the need to replace the roof in the future and would not be seeking further funds from the Council to do that.
- 4.17 The general view from the Hutton Community Centre Working Group was that given the likelihood of further damage through vandalism, the priority was to re-open a functioning centre. This view was not unanimous amongst witnesses, with some indicating that risk of damage through leaks and water damage had the same potential to block a functioning centre from remaining open.
- 4.18 It was indicated that grants would be sought alongside surpluses from activities. Whilst having considerable respect for the working group's efforts on this, the vagueness of the assumption was in retrospect, an area of considerable concern to the task and finish group. The task and finish group believe consideration should also be given as to whether a community based group could reasonably be expected to acquire sufficient funding to complete this without Council intervention.
- 4.19 The business plan included no direct reference to any council liability for staff costs or Business Rates in the interim period between phase one and phase two. However, the Council is currently bearing staff costs for centre management and the Business Rates cost. This formed an area of concern for the task and finish group and it was noted that these costs should not apply when the HCC moves to a new operator.
- 4.20 A positive plan was put forward to the task and finish group regarding the former cellar at the Community Centre regarding a Housing project that would create a community advice facility. The group saw merit in this and encourage it to be considered by the appropriate committee by recommendation to that committee.

The group concluded that:

- a) Long term planning for the centre remains a risk that needs to be addressed by the Council especially in regards to future operational management and potential roof replacement.

The Roof

- 4.21 The task and finish group reviewed reports from October 2013 from two companies who both recommended a full replacement of the roof. Further to this the commissioned contractor also reported back significant concerns that both the financial sum assigned to the roof in the tender documentation and the commissioned level of roof repair was inappropriate.
- 4.22 It was noted that no direct report was commissioned on the roof in advance of commencement of works that was independent of either Council Officers or a contractor that was bidding for work. Without independent verification it was understandable that contractor quotes were taken with an element of reservation, though why this verification was not sought remains unclear.
- 4.23 An August 2014 report commissioned by the Council indicated that the entire roof was not in need of immediate repair (although some elements were), with the majority needing replacement over a five year period. This contrasts with

contractor's full replacement suggestions, yet also conflicted with the final decision that only remedial works need be taken.

The group concluded that:

- a) The financial implications of the elements of roof replacement indicated in the independent report of August 2014 should be considered.

Conclusion

- 4.24 The timescale and scope of this group was limited by the group members and the review was strategic. The response to the resolutions of the Asset and Enterprise Committee can be summarised as follows.

How, why and whether the funds were allocated in the correct fashion for the refurbishment of the building.

The task and finish group concluded that no evidence could be found to suggest that the funds were not allocated in the correct fashion for the refurbishment of the building

Report to a future Finance and Resources Committee with regard to the funding of any necessary further repairs

The task and finish group agree that the Finance and Resources Committee should consider the funding of the replacement of parts of the roof

5. Reasons for Recommendation

- 5.1 To demonstrate the effective discharge of the Overview and Scrutiny function at Brentwood Borough Council.

6. Consultation

- 6.1 The group met 6 times in preparation of this report. The Audit and Scrutiny Committee will receive this report on 28 October 2014.

7. References to Corporate Plan

- 7.1 The priority area *Localism* states that 'through bringing communities together and working effectively in collaboration with a range of groups and organisations we can better ensure the future wellbeing of our borough. We will work with local businesses, community groups and the voluntary sector to develop projects that will enhance and support the local community'.

8. Implications

Financial Implications

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- 8.1 The financial implications of ‘*Overview and Scrutiny*’¹ recommendations would only be assessed if those recommendations were to be accepted by the decision maker (Council, Committee, Sub Committee or an Officer). Should recommendations be accepted by a decision making body, a separate report may be produced by that body to enact those recommendations.

Legal Implications

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- 8.2 A successful overview and scrutiny function makes recommendations to the Council’s decision making bodies.

Other Implications (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

9. **Background Papers** (include their location and identify whether any are exempt or protected by copyright)

- 9.1 Publicly available reports on Hutton Community Centre are available on the Council’s website.

10. Appendices to this report

- None

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¹ As per the Local Government Act 2000