

REPORT TO EDUCATION AND RECREATION COMMITTEE ON 26 MAY 2005

REVIEW OF NETWORK DEVELOPMENT GROUPS

1. Introduction

- 1.1 The Education and Recreation Committee identified a number of further pieces of work that will be required before the review of Network Development Groups (now renamed Community Development Groups) can be completed. The purpose of this paper is to take stock of the current position and to set out proposals for completion and implementation of the review.

2. Background

- 2.1 The Committee considered a report on the roles and remits of Network Development Groups (NDGs) on 29 August 2002. Following this an extensive consultation exercise was carried out and the outcome was reported to Committee on 6 February 2003. A seminar was held to discuss the matter on 28 February 2003.
- 2.2 Following this a further round of consultation was carried out. Reports were submitted to committee on 5 June 2003 and 4 December 2003. A seminar open to all councillors was held on 15 March 2004 which was followed by a report to committee on 25 March 2004 with proposals for future arrangements. The committee agreed a number of proposals but asked for further consultation to be carried out and for another report to be brought back which addressed issues which Members wished to examine in more detail.

3. Proposals

CDG Remits and the roles of Area Committees and staff

- 3.1 The reports previously submitted to committee recommended that the work of CDGs be more closely aligned with the approach to Community Learning and Development set out in Scottish Executive guidance and the Aberdeenshire Community Learning Strategy. Consultation with the CDGs revealed some reservations about this. Most community representatives had concerns about the knowledge and understanding of policy and practice that would be required and some were worried about the implications of adapting existing programmes. Many CDG programmes have activities which are essentially recreational and would not be regarded as priorities in terms of Scottish Executive guidance on community learning and development. Many of these activities are well supported and some provide income which is used to subsidise educational activities. Most CDGs were keen to retain recreational elements of their programmes.
- 3.2 At the seminar on CDGs which was open to all councillors a number of Members favoured CDGs dealing with both Recreation and Community Learning and Development. Some CDGs were keen to build on existing links

with Recreation while others did not feel they had capacity at the moment to expand on current commitments.

- 3.3 Although there is a need to build the capacity of some CDGs to ensure they can deliver what is expected of them, it is proposed that the remit of CDGs covers all lifelong learning and recreation activity in their area. The role of CDGs would be to consider local needs and priorities and how these could be met through a combination of direct provision by the Council, activities organised by local groups and programmes promoted by CDGs themselves. CDGs would be advised and supported by staff. Proposals for developing the support given by staff are set out below. This proposal would allow community involvement in identifying local needs and priorities within the framework of national and Council policy not only on Community Learning and Development but on Sport and Culture but it should not overload volunteers with responsibilities which are best undertaken by qualified professional staff. The role of CDGs would be essentially developmental and cover the local network. CDGs would not be expected to act as community centre management committees.
- 3.4 It is important that CDGs do not take over responsibility for activities that are best delivered by the Council directly through its professional staff. Income from activities promoted by Recreation staff is included in the budget for the service and any loss of income would have serious financial implications.
- 3.5 It is important that CDG programmes have a good strategic fit. They should be consistent with the Lifelong Learning and Recreation elements of the Education and Recreation Service Plan and the Council's six Area Plans. Records of CDG meetings have been monitored by senior staff and it is clear that national policy and Council plans and strategies are not driving CDG activities to the extent that they should.
- 3.6 Area Committees and professional staff have crucial roles to play in this regard.
- 3.7 It is proposed that an annual report is submitted to Area Committees on the work of CDGs within their area. Where CDGs straddle two council areas, the report should be submitted to both Area Committees. This would allow Area Committees to examine the relationship between CDG programmes and the relevant parts of the Area Plan. In addition the minutes of CDG meetings should be submitted to Area Committees for their interest and for issues to be dealt with when required.
- 3.8 In addition to work carried out under the auspices of CDGs there are programmes and projects carried out by staff which are funded from centrally held budgets and external grants. Although CDGs are not directly responsible for this work it is important that they are aware of it so that local programmes dovetail with these initiatives. CDG activities should also be co-ordinated with other relevant initiatives within the Community School network.
- 3.9 In order that advice and support is given to CDGs on promoting programmes that fit strategically with Council strategies and initiatives the roles of staff have been reviewed and the following arrangements are proposed.

- 3.10 Community Learning and Development staff should continue to act as lead officers in supporting and developing CDGs. They should discuss with the CDG how best to meet the relevant targets in the Service Plan and the Area Plan. The network Community Learning Worker would have the principal responsibility for building capacity within the CDG i.e. ensuring the right level of community involvement and developing the skills and knowledge of voluntary representatives.
- 3.11 Community Recreation Officers should attend CDG meetings to discuss facility requirements and how CDG programmes should complement Recreation activities promoted directly by the Council. This will be particularly important in agreeing the programming of facilities in the area. There are only 12 CROs so half the team will be required to attend two CDGs.
- 3.12 Representatives from the Sports and Arts Development teams and from Libraries and Museums should attend on an occasional basis to advise on implementing the sporting and cultural aspects of the Service Plan. (These are much smaller teams so staff would not be able to attend all CDG meetings)
- 3.13 Members of the Area Community Learning and Development Team would attend when required to discuss adult learning including literacies work, youth work and community capacity building.
- 3.14 It is proposed that a seminar for Community Learning and Recreation staff is held at an early opportunity to discuss their roles in relation to CDGs and implementation of the review.

CDG Capacity and Membership

- 3.15 The last report to committee indicated that four areas did not have CDGs. The report also pointed out that community involvement in quite a few other CDGs was limited. It was proposed that a recruitment drive be undertaken by local staff to increase community involvement in CDGs and to ensure that there are CDGs in all areas.
- 3.16 Community involvement continues to present a significant challenge. In some areas staff have been building capacity but in other areas little progress has been made. Many CDGs are moribund because of lack of community involvement and no clear sense of purpose or direction.
- 3.17 One of the problems appears to be uncertainty among some local staff as to which interests should be represented on the CDG and how such interests should be addressed. The last report proposed some flexibility to reflect local circumstances but recommended a core membership to reflect the main elements of Community Learning and Development work and representation from community councils. The Committee expressed some reservations about the proposed membership and asked for revised proposals to be brought forward.
- 3.18 If CDGs are to deal with Recreation as well as Community Learning and Development the range of representation would need to be extended beyond what was originally proposed. At the same time core membership

requirements should not be too extensive given the current recruitment difficulties. It is suggested that the core membership of each CDG should include at least one local representative from the following areas of interest

- Adult Learners
- Young People
- Sport
- Culture (i.e. the arts and heritage)

The core membership should also include representation from local community councils and from the Area Committee. It is suggested that one councillor nominated for each CDG with the ability to send a substitute when necessary.

CDGs should have the flexibility to add other representatives to reflect local circumstances e.g. in rural areas there should be representatives from small communities not just the main centres of population.

The role of staff is to support and advise CDGs. Staff (part-time or full-time) should not act as representatives of the above interests.

- 3.19 Officers discussed the possibility of disbanding existing CDGs so that a fresh start could be made in all areas. This would not be appropriate in every area since some CDGs are operating fairly well. Instead it is proposed that Community Learning Team Leaders review the current position with CDGs. Support would be given to local staff in forming new CDGs where required and revamping others where necessary. This would include developing a support programme for staff and volunteers and a drive to recruit new members. In the short term staff could identify people to represent local interests but the aim would be to have annual meetings of all interested parties to discuss local needs and priorities and to elect representatives to the CDG.

Funding Arrangements

- 3.20 No change has been proposed to the principle of CDGs setting charges for the activities they organise and retaining income for re-investment.
- 3.21 The responsibilities and funding that have been devolved to CDGs are based on the “arm’s length” principle. The issue has been whether they should be independent bodies with their own constitutions and separate funds or groups that sit within the Council which have devolved responsibilities and budgets.
- 3.22 The consultation exercise revealed a strongly held view by CDGs that they fell into the latter category. The problem is that many have the characteristics of independent bodies including holding their own bank accounts authorising volunteers to sign cheques and, in several cases, separate VAT registration.
- 3.23 While many staff at local level work hard to present accurate information on CDG finances it is clear that in a number of areas the format of financial reports is confusing for many CDG members. It is often unclear how much funding is available for investing in local initiatives.

- 3.24 The last report to committee recommended an overhaul of the financial system. This included presenting clearer information on the funds available to CDGs to support their work.
- 3.25 Finance agreed to examine the implications of handling CDG finances within the Council's financial management system. This arrangement has several advantages. Applying the Council's financial controls reduces the potential for errors in processing income and expenditure and in accounting for it. It removes the potential liability of staff and volunteers for any errors that might occur in the management of funds held in separate bank accounts. It should also improve financial monitoring and reporting.
- 3.26 There was a delay in taking forward this work largely due to staff changes within Finance. A working group has now been established and it has scoped the work involved in managing CDG funds within the Council's financial management system. There is a considerable administrative workload in processing around 5,000 invoices for CDGs and re-charging staff costs. Methods of improving the efficiency of ordering goods and services and processing payments are being considered. New procedures will be documented and circulated to staff. The anticipated timescale for implementation is September 2005.
- 3.27 Improvements will be made in the presentation of financial information to CDGs. There are two principal problems at present. One is that there is a lapse of time between funds being committed eg for the purchase of goods and services and payment of part-time staff, and payments being processed and showing up in the CDG accounts. Information provided through the Council's Financial Management System does not show how much expenditure is committed. It only reflects payments that have been processed. Network staff will be expected to keep records of committed expenditure so that CDGs can be advised of outstanding liabilities. The other factor is that many CDGs hold funds on behalf of local groups in their bank accounts. Groups which are responsible for their own affairs should manage their own funds and hold them separately. Groups which are capable of moving to independent status should be encouraged to do so. Guidance for staff has been produced to assist them in identifying groups which should be classed as independent.
- 3.28 The Education and Recreation Access and Charges Working Group agreed in March 2005 that CDGs should continue to set charges for the activities they organise. Where comparable activities are promoted by the Council there should be a variation of no more than plus or minus 15% of the charges set by the Council. It should be noted that not all activities promoted by CDGs have an equivalent Council charge e.g. many adult education classes. These charges would continue to be set by CDGs but staff would provide advice on charges set by other CDGs for similar activities to ensure that any variation was justified by local circumstances. Any variations between CDGs should be within plus or minus 15 per cent of the norm. The Access and Charges Working Group also agreed that entitlement to concessions should be the same across Aberdeenshire. Entitlement to concessions on charges set by CDGs would, therefore, be consistent with Council policy.

- 3.29 Councillors were keen that CDGs should be able to carry over surpluses from one financial year to the next so that they could invest money in service improvements. It is recommended that this is subject to CDGs having clear investment plans and that these are considered by Area Committees.
- 3.30 The income generated by CDGs last year amounted to £2.28 million so this accounts for a substantial proportion of the funding available for community learning and recreation activities. It is important that resources are targeted to areas of greatest need. During the recent HMle inspection of the Buchan area inspectors commented on the Council's failure to apportion funding in line with disadvantage and need.
- 3.31 In order to address this it is proposed that a percentage of each CDG's income is "top sliced" so that funding is available for re-direction to CDGs which deal with particular problems of social exclusion and disadvantage (this would be in addition to the 5 per cent levy which is used to off-set the operating costs of facilities). Such an arrangement was envisaged when devolved budgets were first set up many years ago but it appears that it was not implemented. Money available from this top-slicing would be re-allocated to CDGs which have particular needs that cannot be fully funded from their own resources e.g. in relation to improving literacy or providing additional childcare. The re-allocation of funds could be from one area to another. It is proposed that responsibility for reallocating funds should be delegated to the Head of Service (Lifelong Learning & Recreation).

Harmonisation of Pay and Conditions for Staff funded by CDGs.

- 3.32 A number of part-time staff are funded by CDGs although they are paid through the Council's payroll system. As such they are Council employees. Historically CDGs set the rates of pay for these staff. This resulted in staff doing similar jobs being paid at different rates.
- 3.33 Council staff doing similar jobs are entitled to the same rates of pay and conditions of service. The Single Status exercise will establish the appropriate rate for each job and ensure harmonisation. There may be financial implications for certain CDGs if these rates are above existing pay levels. Until the outcome of Single Status job evaluations is known the impact on CDG budgets cannot be quantified.

CDG Handbook

- 3.34 A handbook will be produced to ensure that CDGs and local staff are clear about roles, funding arrangements and administrative processes. The handbook cannot be completed until all aspects of the review are finalised and agreed. The handbook should have sections on the following
- The role and remit of the CDG
 - Membership of the CDG and how members are appointed or elected
 - The frequency and conduct of meetings
 - The relevant aspects of the Education and Recreation Service Plan
 - The relevant parts of the Area Plan
 - The Area Action Plan linked to the Community Learning Strategy

- The respective roles of the Education and Recreation Committee, Area Committee, senior officers, local staff and volunteers

4. Financial Implications

- 4.1 The review has been conducted on the basis that there would be no budget implications.
- 4.2 The funding available for Community Learning and Development consists of core budgets (e.g. for staff costs and youth work) and specific grants (e.g. for the Literacies Action Plan and Dialogue Youth) which are managed centrally and funds held by each CDG which are built up by retaining income from charges for activities organised by the CDG. These funds are used largely to meet the costs of staff employed in adult learning programmes and local projects. There would be no change to core budgets arising from the proposals in the report. CDGs would continue to pay a levy of 5 per cent to the Council to partly offset the operating costs of facilities used for CDG activities. This income is included in the Community Learning and Development budget. Any change to the levy would have budget implications. The report proposes the introduction of a contribution of 5 per cent of the remaining income for each CDG which would be reallocated to deal with the particular needs of disadvantaged areas or CDGs with less income generating potential.
- 4.3 Income for activities promoted by Recreation staff should continue to accrue to the Recreation budget. Any loss of income would adversely affect the financial performance of the Recreation service. As a defined activity under Compulsory Competitive Tendering legislation the budget for Recreation facilities was treated as a trading account.

5. Staffing Implications

- 5.1 The report contains proposals for the support that would be given to CDGs by different groups of staff. These would not involve changes in staff deployment or job descriptions. Any workload implications would be dealt with through line management.
- 5.2 In the past CDGs have been responsible for recruiting part-time staff to deliver local programmes and they have set rates of pay and other conditions for these staff. All such staff should be recruited in line with the Council's recruitment and selection policy and they are entitled to the normal conditions of service for Council staff. Arrangements are in hand for ensuring Council procedures are adhered to and that pay and conditions are harmonised.

6. Policy Implications

- 6.1 The proposals in this report are consistent with proposals to promote lifelong learning in the Council's corporate strategy and to support community involvement as part of the community planning process. The proposals would form a new specific policy in relation to Community Development Groups.

7. Area Implications

- 7.1 The responsibilities and funding that are devolved to CDGs empower local communities to develop programmes and projects that meet local needs within the framework of Council policy.
- 7.2 The proposals aim to link CDG activities more directly to relevant parts of the six Area Plans and would give a greater role to Area Committees in overseeing the work of CDGs.

8. Consultation

- 8.1 Two extensive consultation exercises were carried out over a period of more than two years with all CDGs and staff. The outcome of these consultation exercises have been reported to committee. These were considered at two seminars open to all Elected Members. The proposals in this report take account of the comments made by members at these seminars.
- 8.2 The proposals in the report have been discussed with senior managers in Community Learning, Recreation and Libraries and with Community Learning and Community Recreation Team Leaders. The report takes account of their views and they support the recommendations.
- 8.3 The Banff and Buchan Area Committee considered Elected member representation at its meeting on 3 May 2005. The Area Committee agreed to recommend that three local Members be represented on CDGs.

9. Recommendations

The committee is asked to agree that

- 1. CDGs promote both Community Learning and Recreation activities and projects that complement programmes organised by the Council and its partners;**
- 2. Area Committees are given annual reports on the work of CDGs in their area and receive minutes of all CDG minutes so that they can consider any issues that arise and ask for action to be taken when required.**
- 3. The roles of staff in supporting and developing CDGs be as described in paragraphs 3.10 to 3.13 in the report;**
- 4. A seminar is arranged for staff as soon as possible to discuss their roles in implementing the review;**
- 5. Community Learning Team Leaders oversee arrangements for developing CDGs in all 17 networks;**
- 6. The core membership of CDGs be as proposed in paragraph 3.19 but that there be flexibility to add representatives to suit local circumstances;**

7. **CDGs continue to set charges for the activities they organise subject to the conditions set out in paragraph 3.30;**
8. **CDGs continue to retain income from charges which they can use to promote local programmes and projects and minor improvements to facilities (provided these are agreed with Education and Recreation and Property) subject to**
 - (i) **an annual levy of 5 per cent of income to help off-set the cost of facilities used for their programmes**
 - (ii) **5 per cent of the remaining income being set aside for reallocating to CDGs which have to deal with higher levels of disadvantage or have less potential to generate income**
 - (iii) **proposals for investing any surplus funds being submitted to the Area Committee for approval**
9. **The management of CDG finances be dealt with through the Council's financial management system rather than funds being held in separate bank accounts and that new arrangements be put in place by September 2005; and**
10. **A handbook is produced and made available for all CDGs and relevant staff covering the role and operation of CDGs.**

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