



**Special Council Meeting**

**17<sup>th</sup> April 2013**

<b>Supplementary Report - Freefield</b>	
CC-12-13-F	
<b>Report Presented by Director</b>	<b>Community Care</b>

## **1.0 Summary**

- 1.1 A report was presented to Social Services Committee on the 29 March 2013 and is presented again for Council's consideration today. The report is titled "Freefield Centre Review" (report Number CC-08-13-F) (Social Services Committee Min. Ref. 10/13).
- 1.2 This supplementary report is to provide information to assist Members in its decision making process, when considering the recommendations within Report CC-08013-F.

## **2.0 Decision Required**

- 2.1 The Council is asked to note the contents of this report which provides supplementary information in support of the decision required within report number CC-08-13-F presented as agenda item 1(a) for decision.

## **3.0 Detail**

- 3.1 The report presented to Social Services Committee on 29 March 2013, highlighted that work to transfer this discretionary service to be supported by third sector partners had not been successful due to users of the facility being reluctant to negotiate on two areas;
  - That the Luncheon Club operates out of a different building to the current building known as 'Freefield'.
  - That the users were not willing to be supported by staff or volunteers provided from Third Sector partners.
- 3.2 Prior to the Social Services Committee on the 31<sup>st</sup> March 2013, communication with the users of Freefield was held and at that point they decided that they would look at alternative venues and how the service could be supported, in order for it to continue.

## Finances

- 3.3 The full cost of running the discretionary service based at Freefield for 2012/13 is set out in the table below:

<b>DESCRIPTION</b>	<b>2012/13 ACTUAL COST</b>
All staffing related cost	£65,958
Maintainence Cost	£15,164
Property Costs	£13,620
Meal Supply	£56,798
Other running costs	£1,997
<b>Expenditure</b>	<b>£153,537</b>
Income From Meals	£27,732
Income from Room Hire	£3,085
<b>Net Cost</b>	<b>£122,720</b>

- 3.4 The gross cost of running Freefield is £153,537, income raised is £30,817 which gives a net cost of £122,720.
- 3.5 The table below shows the subsidy that the Council provides on meals and full Freefield service provided.

Description	Cost/Income	Meal User Numbers	Cost per User
Meals Cost	£56,798	7923	£7.17
Meals Income	£27,732	7923	£3.50
Council Subsidy	£29,066	7923	£3.67
Freefield Cost	£153,537	7923	£19.38
Freefield Income	£30,817	7923	£3.89
Council Subsidy	£122,720	7923	£15.49

The table shows that the Council subsidises each meal by £3.67 and subsidises the full Freefield service by £15.49 per meal supplied. This is an expensive model of provision for a discretionary service.

- 3.6 The current income suggests an average daily attendance of 25 people per day assuming the centre was open for 312 days (6 days a week) in 2012/13. The current model of providing the facility is meals are brought in from the Kantersted Kitchen. There is no provision to cook meals at the premises on a "as needs be" basis. This model has the potential to "over provide" meals to ensure availability which is wasteful and pushes up the cost of meal supplies for the Council.
- 3.7 There is also a hidden cost of the Freefield meal service within Community Care. This is because the Kantersted Kitchen is operated on a Saturday only to provide meals to Freefield.

## 4 Proposals from the Users of Freefield

- 4.1 Detailed proposals from the Users of Freefield and what they consider the financial cost can be found in Appendix 1 & 1a. However each element of the proposal is stated below with a response on its viability.

- 4.2 Despite gaining cooperation to look at other already available alternatives, since the meeting on the 31st March 2013, the users of Freefield have come up with alternative proposals in order to maintain the service at the current location and to continue with paid staff provided by S.I.C.
- 4.3 The users have had a builder look at the premises and in particular the roof and have advised that he reports 'little' work is required. This is not in dispute at the current time. However this is an ageing building that has got significant potential expenditure risk over the coming years. An estimate of the risk over the next three to five years is £78,000 - £100,000; this is additional to planned and emergency maintenance year on year. The builder has advised that his firm will, at no cost to the Council, maintain the exterior of the building for a period of one year.
- 4.4 This would be a complex and inappropriate arrangement for the Council to enter into and one that only gives some 'respite' for one year. It does not take into account the other issues of internal maintenance both statutory and emergency. It has become apparent that if Freefield, is still occupied in any way by the 23rd May 2013, it would need to undergo its statutory 5 years electrical check. Based on previous checks, it has been estimated that the Council should set a budget of circa £14,000 for this financial year to comply with possible recommendations from the statutory check.
- 4.5 *The users of Freefield propose that the service could operate with a reduction in staff; they consider that two people plus a bank of volunteers to give assistance as and when required would be adequate. They feel the centre could still operate efficiently and would reduce outlay for wages. They suggest that this would work best if one person did 20 hours per week and a second 20 hours post be split between two people on a job share basis of 10 hours each so that days off and holidays could be covered more efficiently.*

The response to this is that there is still a cost to the Council. We cannot justify any expenditure on what is a discretionary service under the Social Work (Scotland) Act 1968. In comparing the expenditure of Freefield, the funding of this service would provide an additional 138 hours per week home care to individuals with complex assessed needs.

Also the users feel in the costing they provide in Appendix 1A, that the staffing cost would be circa £14,000. This is a huge underestimate and although they are reducing hours of paid staff they are still, by way of job share maintaining three posts, therefore the costs of this would still be in excess of £38,000.

Staff have historically been provided, but that is not a necessity or legal requirement. The fundamental issue for those who attend the club is to have a hot meal and to socialise. Staff have in effect been 'waitresses' and 'companions'. Nobody attending Freefield needs to have physical help to eat their food or to receive any other type of personal care. Members of this club, could and should support each other. However if

they used an already existing facility, any additional support could be provided by staff already in situ or by a volunteer(s).

- 4.6 *The users would suggest that lunches be served for five days a week only instead of six, and would raise the price of said lunches to £4.50 or perhaps £5 taking in additional revenue and cutting down costs of food and staff wages.*

In response to this, if users used Isleburgh they could still do so six days per week. Discussions have been held with the Executive Manager responsible for Isleburgh and the Director of Community Care this last week. Islesburgh can be made available sooner rather than later, providing a dedicated space for the current users of Freefield, in order to guarantee they can still remain as a group.

Discussions are to be held in relation to pricing. Isleburgh currently provide meals at two rates, i.e. for a standard portion and a smaller portion. Given the increased customer base, we can come to agreement that meals with either a sweet or starter can be provided at the proposed rate of £5 per person per day.

The cost that the users project in appendix 1a of this report actually state that the income would be based on 25 meals per day at a cost of £8.00 per person, instead of £4.50 / £5.00 stated above.

- 4.7 *Current users advise that they would set up a system whereby users would book their lunches at the beginning of each week so that a set number of meals with perhaps three extra (to cover for unexpected country visitors) could be ordered avoiding waste and extra expense.*

Using the current facilities at Isleburgh would negate, to some extent, the requirement for this to happen. However given this is a true operational business this will be accounted for and absorbed.

The other hidden cost highlighted in paragraph 3.7, absorbed by other budgets, would mean that Kantersted kitchens would have to continue to operate on a Saturday in order to provide meals for Freefield.

- 4.8 *The users state that at present, between twelve and fifteen various groups hire the centre on a regular monthly basis (this number increases in winter when Up Helly AA squads book the centre for meetings) and they state there are many more one off events. The centre is at present not advertised for hire and we feel that if it were to be advertised in the local media the number of hires could almost double bringing in much needed revenue.*

This still only brings in about £3,000 per annum. It is accepted by advertising we could increase this figure. However, the current, agreed 'hire rate' would barely cover a weekly advert in the Shetland Times. The other issue here is the increased cost of electricity and heating. The maintenance costs also have to be considered.

- 4.9 *The users go on to consider the basement and advise that although it was not suitable for a workshop or cafeteria as one of the volunteer groups wished, it is a perfectly good and dry space that could be hired out for general storage bringing in a considerable amount of extra income.*

The initial interest from some groups to rent this space was for general storage. However on inspection of the premises, interest was withdrawn for reasons such as access. If it was rented out and the Council still owned the building there would be insurance issues for the Council to consider in terms of any damage etc to stored items. Issues of security such as CCTV etc. would also have to be considered. This option poses too many issues for Officers to consider it viable.

- 4.10 *The users of the centre have also pledged that they would be willing to fundraise several times a year bringing in several thousands of pounds.*

The users of Freefield have projected an income via fundraising of £3,000 per annum. Although this is not a truly unrealistic projection, no plans of how they would raise this have been presented.

- 4.11 *The users also state that they are aware that the inside of the building needs to be regularly maintained and would suggest that the Moving On Project be used for this purpose.*

The Moving On Project could be used for this purpose but their input would be restricted to internal decor etc. The true internal maintenance costs would be for such things as electrical, plumbing heating etc, that would require to be undertaken by approved and registered tradesmen, if this was still a Council maintained property.

- 4.12 *The users commented on a budget of £50,000 that had been set aside to support the third sector transition.*

This budget was set aside to support the transition initially but when that was deemed to be unsuccessful, the budget was set aside for 2013/14 to ensure we had resources to assess need and provide transitional support to meet such need. This is not a year on year budget.

Appendix 1a sets out the users thoughts on the budgets. On this appendix, I have highlighted further comments for consideration.

## **5 Service Continuity Proposal**

- 5.1 In discussions with staff and managers responsible for Islesburgh, it has been agreed that a dedicated space can be made for those who currently use Freefield to meet up and have lunch each day.
- 5.2 This space can be made available immediately. However we propose that users begin to use the facility at Islesburgh a few days a week in the first instance. This will allow users to familiarise themselves with the

new facility and allow staff at Islesburgh to build up to the increased business in a staged manner.

- 5.3 A meeting to discuss menu choice and identify what can be offered for a cost of £5.00 is to be held. However the reassurance has been given that a hot meal with a starter or sweet can be achieved within this charge.
- 5.4 There is a consideration about volunteer staff, and this will not be taken away, however users themselves can organise and support each other and do not actually require dedicated paid staff to serve as waitresses.
- 5.5 There are implications for staff currently employed at both Freefield and Kantersted. These issues are integral to the Community Care Staffing Implications report that was presented to Executive Committee today. Given that a 'management transfer' of this service does not need to be considered there will be no transferring of staff under TUPE agreements.

## **6 Implications**

### Strategic

#### 6.1 Delivery On Corporate Priorities

The proposals in this report contribute to the Medium Term Financial Plan as agreed by the Council on 20 September 2012 (Min. Ref. 85/12). They also support the principles of Best Value for the community. This form of service is not available at any other location in Shetland and so is inequitable in this sense.

#### 6.2 Community /Stakeholder Issues

Ongoing stakeholder engagement has been undertaken with a Steering Group meeting regularly.

#### 6.3 Policy And/Or Delegated Authority

In accordance with Section 2.3.1 of the Council's scheme of Administrations and Delegations, the Social Services Committee has delegated authority to take decisions in relation to those functions within its remit.

The Council resolved on 9 February 2012 that budget proposal reviews were agreed subject to formal reports being submitted to Committee with detailed options for change. In addition, the Council agreed that for the areas of significant review where there is a requirement for policy, service standards or methods of delivery proposals to be further developed in detail, to report back to the Council for formal decisions, prior to implementing the budget proposal.

This report presents supplementary information in support of report CC-08-13-F presented at today's meeting.

#### 6.4 Risk Management

If Freefield continues to operate, there is a risk that the Council will be challenged in terms of equality. The service currently operates outwith

the eligibility criteria for Community Care Services and is only provided in Lerwick.

Failure to reduce the net ongoing running costs of the Council carries a significant risk to Community Care Directorate meeting its agreed Medium Term Financial plan and so a potential for further draws on reserves.

6.5 Equalities, Health And Human Rights

The proposals in this report contribute to a consistent framework and range of support services for all people with an assessed need in all areas of Shetland.

6.6 Environmental – None.

Resources

6.7 Financial

The Council approved the 2013/14 budget which does not include a provision for Freefield. Should this service continue, this will require a further draw on reserves or alternative savings found within the Directorate. The implications of this for Community Care are that other assessed needs services would have to stop or reduce and this has legal implications for the Council.

6.8 Legal

The provision of a Luncheon Club is a discretionary provision under Section 12 of the Social Work (Scotland) Act 1968. The Council can decide to stop this provision although an Equality Impact Assessment would need to be completed in order to ensure that it was possible to implement any change of policy in a non-discriminatory way.

6.9 Human Resources

There have been ongoing discussions with staff and their representatives. There are redeployment opportunities for staff and other options have also been discussed.

6.10 Assets And Property

Freefield is currently operated by the Council under the terms of a lease which is effectively renewed annually and can be terminated at each anniversary. There appears to have been the belief that the Council was gifted the property. However we have no records that have been found in our possession that support this. The Council took a thirty year lease of the site and so it is possible that the 'gift/donation' of the building may be more of a commercial proposition rather than a charitable one. This is supported by the terms of the lease which include an option for the landlords to buy back the building at the end of the lease period. If the landlords do not wish to buy the property at market value and the Council does not want to renew the lease then the Council can sell the building to a third party provided that the building would not then be used for any purpose in competition with the business of the landlords.

## **7 Conclusions**

- 7.1 The proposals set out by the current users of Freefield still rely on significant funding from Community Care. Community Care is not in a position where it can justify any level of spend on what is a discretionary service.
- 7.2 To avoid the potential expense of the statutory five year electrical check, we need to vacate the building by 23rd May 2013.
- 7.3 Use of Isleburgh offers the members of the luncheon club greater exposure to other activities and interactions, including intergenerational opportunities.
- 7.4 The current users' requirements are to have a warm meal and to socialise, Isleburgh fully supports both these aims.

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For further information please contact:

Sally Shaw – Interim Director of Community Care

[sally.shaw@shetland.gov.uk](mailto:sally.shaw@shetland.gov.uk)

01595 744310

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### List of Appendices

Appendix 1 CC12-13 – From User Group at Freefield Centre

Appendix 1a CC12-13 – Users Thoughts on Budgets