

MERSEYSIDE FIRE AND RESCUE AUTHORITY			
MEETING OF THE:	POLICY AND RESOURCES COMMITTEE		
DATE:	27 NOVEMBER 2014	REPORT NO:	CFO/107/14
PRESENTING OFFICER	KIERAN TIMMINS, DEPUTY CHIEF EXECUTIVE		
RESPONSIBLE OFFICER:	KIERAN TIMMINS	REPORT AUTHOR:	KIERAN TIMMINS
OFFICERS CONSULTED:			
TITLE OF REPORT:	TOXTETH FIREFIT HUB ANNUAL REPORT AND ACCOUNTS		

APPENDICES:	APPENDIX A: ANNUAL REPORT AND ACCOUNTS FOR PERIOD ENDED 31ST MARCH 2014
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Purpose of Report

1. To bring to Members' attention the Annual Report and Accounts for the period ending 31st March, 2014 for the Firefit Hub (attached as Appendix A).

Recommendation

2. That Members
 - a. note the attached Annual Report and Accounts for the Firefit Hub and the successes achieved by the company
 - b. endorse and support the strategy to transition Toxteth Firefit Hub to a "Onside" funding model as set out within this report.

Introduction and Background

3. Members will recall that the Authority approved the creation of the Toxteth Firefit Hub as a unique project, combining a Youth Zone and fire station. A charitable company was set up to run the Youth Zone in line with the business plan considered by the Authority.
4. The Annual Report and Accounts of the Firefit Hub, attached as Appendix A shows the excellent progress made by the charity in its first year.
5. The charity runs the Youth Zone and provides the local community fire station with an opportunity to engage young people through a variety of activities at the centre. So far, it has gone a long way to support young people and help them to make positive life choices, engage them in activities that will benefit their health and well-being and to release their true potential.

6. This has been achieved through the provision of sports, music and arts facilities in an affordable manner for all. Assistance in governance and finance has been achieved through local partners in the form of the City Council, housing associations and local neighbourhood groups.

Key Achievements in the Year

7. During the building phase 8 apprenticeships were created for local young people with the centre's building partners.
8. As the project moved to its full operational stage, a charity was developed to run services for young people and the centre became fully operational on 25th July, 2013. Initially, 22 staff were recruited to run the centre, of which two thirds were from the L8 postcode, many of them young people. In addition, 9 young people are employed at the Hub working as Youth Hosts.
9. The services of the Hub have proved extremely popular with young people, and at the end of March the Hub had over 1,800 signed up members. Between the period July 2013 and March 2014 the Firefit Hub had recorded 73,034 visits. Most of the young people come from the area around the centre, but work is underway to extend this across Liverpool and Merseyside as the Hub is Liverpool's youth zone.
10. The charity reports that it has contributed to a 40% reduction in youth crime rates, compared with previous years. Anti-social behaviour arson related fires in the period around Bonfire Night and Mischief Night has also reduced by 52% with very successful specific events being held at the Hub.
11. It has been an eventful, challenging and fulfilling first year for the Hub with a number of major successes.
12. The Hub has worked to provide education and support for young people. Jointly with educational partners such as the City of Liverpool College and Everton Free School, a total of 960 qualifications were obtained by young people using the centre as their educational base.
13. One of the youth members was awarded the Merseyside Sports Partnership – Young Participant of the Year, and Sara Lawton (the MD) was awarded the accolade of Merseyside Woman of the Year.
14. In terms of revenue support, up front funding has been provided from Liverpool City Council and the Authority has assisted identifying significant sponsorship and external support from key commercial partners. Long term financial sustainability is a challenge for the charity despite these successes.
15. The original business plan relied upon an increasing proportion of income arising from facility hire. Whilst there has been some increase this is not as high as in the original business plan and in particular usage declined slightly during the periods of good summer weather.

16. The board of the Hub is mindful of the need to identify a solution to address this shortfall which would become acute early into the next financial year without corrective action. They have therefore approached “Onside” with a view to adopting an “Onside” approach. “Onside” is a charity which provides a comprehensive consultancy service in the development of high quality facilities and delivery of young people’s projects. Onside has its origins in the nationally acclaimed Bolton Lads’ and Girls’ Club, and has now built another 5 successful Youth Zones across the North West. Its funding model is based on a network of wealthy benefactors being established alongside local authority involvement. Members will recall that Onside are supporting Wirral Borough Council develop a youth zone in Birkenhead (for which the Authority is providing the land).
17. Onside are shortly to present a full proposal to the company board.

Equality and Diversity Implications

18. The Hub operates in one of the City’s most diverse communities. The workforce and the members of the centre reflect that diversity.

Staff Implications

19. The Hub has created 22 new jobs, many for local young people.

Legal Implications

20. The Authority nominates 2 Board members to the charitable board. They are currently Cllr Jean Stapleton and the Deputy Chief Executive.

Financial Implications & Value for Money

21. Toxteth Firefit Hub ended its first year of operations (2013/14) with a surplus of £40,162 and a gross asset position of £211,895, although £132,550 of this relates to deferred income which will fund operations in 2014/15.
22. Funding received from Liverpool City Council will be reduced from £150k in 2013/14, to £100k in 2014/15 and reducing further to £50k in 2015/16.
23. The Hub successfully generated £401,220 from operations and grants between July 2013 and March 2014.
24. The charity has been very successful in delivering funds to provide the first two years of operation. However income generation from facilities has not risen as fast as anticipated in the business plan. The key to success will be to continue this successful income generation into sustainable routes for the third year 2015/16. The Trustees are aware that there is a requirement to secure substantial new long term funding to secure the long term future of the Hub. A number of bids are to be submitted to support the charitable objectives of the organisation and the charity is considering strategic options for income generation including working with a number of partners and in particular “Onside”. Cash flow forecasts for the charity indicate that a sustainable plan is required by the end of the second year of trading.

25. Members will note that such challenges are not unique by any means for youth focused charities in the light of current austerity measures.
26. Most of the charity's funds are to be spent in the short term, so there are currently no funds for long term investment. The trustees are able to invest reserves in accounts which will generate income for the charity if appropriate.
27. The Fire and Rescue Authority makes no direct cash contribution to costs at present
28. The Fire and Rescue Authority does support the hub "in kind" by;
 - a. providing a member of the Prevention and Protection team on secondment to the Hub as Managing Director and in return has access to some of the services and facilities and the Hub runs special events and occasions for the service.
 - b. incurring building costs in the first instance and apportioning them on an agreed methodology. The Authority meets some shared estate costs e.g. grass cutting and window cleaning
 - c. The Authority has helped identify some partnership external sponsors to support the project
29. The Chair to the Firefit Hub has approached the Chair to the Fire and Rescue Authority seeking support in making the transition from the original business plan to an "Onside" based model and to help maximise the time for Onside to deliver a full sustainable model. The Hub has suggested that the Authority might consider meeting the property costs in full for the initial development phase of the Hub
30. Members will recall that they have previously agreed a specific reserve for granted funded youth programmes of £0.250m – this was set in place as an available source for transitional funding where pre-existing funding streams were being withdrawn because of austerity measures. In addition the Authority has set in place arrangements where it meets the building costs of close partner charities most notably the Fire Support Network which is based in HQ. (The Authority provides cash support to the Fire Support Network for services provided)
31. The property costs for the initial development phase of the Hub are an estimated £60k for a full financial year. The cost of supporting this request can be maintained within current estates budgets for this year because of success in achieving additional income for our buildings (which will be a permanent ongoing saving for future budgets). If there were any need to call on the specific reserve it would be reported in full to the Authority for approval.

32. In addition officers will continue to work with commercial partners to seek to maximise their corporate social responsibility offer and to generate sponsorship for the Hub.

Risk Management, Health & Safety, and Environmental Implications

33. A Risk Management Plan was developed for the original Business Plan. The Board has recently set up a sub-committee, which will review these risks on a regular basis.
34. The Board will conduct an annual review and the Risk Register is updated at least annually.
35. Where appropriate, systems and procedures have been established to mitigate the risks the charity faces. This includes the development of a Strategic Funding Plan to assist in meeting the significant external risks to funding.
36. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects, and procedures are in place to ensure the health and safety of staff, volunteers, clients and visitors to the centre.
37. Should the charity at any time cease to operate the building would revert to the Fire and Rescue Authority. The Authority would have to find an alternative use /partner for the building or it would have to meet the building costs.

Contribution to Our Mission: *Safer Stronger Communities – Safe Effective Firefighters*

38. The Hub makes a significant contribution to safer communities in the Toxteth / Liverpool area through the delivery of diversionary activities in line with Authority strategies.

BACKGROUND PAPERS

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GLOSSARY OF TERMS

MFRA = Merseyside Fire & Rescue Authority