

REPORT ON THE COSTS OF RUNNING A  
COMMUNITY DEVELOPMENT RESOURCE CENTRE

M. POWER  
MAY 1995

## INTRODUCTION

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Following on from the Cris Mulvey report commissioned by the Combat Poverty Agency in 1991 I have carried out a review of the costings, to assess the 1995 level of expenditure required to sustain a Community Development Resource Centre. I was contracted to do this work by the Combat Poverty Agency in May 1995.

This is not a piece of research but a review of the audited accounts of the resource centres made available to me by the Department of Social Welfare, collation and analysis of data from 33 returned questionnaires completed by the community resource centres and meetings/interviews with key personnel at the Combat Poverty Agency and others working in the area of community development. In addition I took the findings of the following reports into account:

- \* Report on the costs of running a community development resource centre in 1991 - Cris Mulvey 1991
- \* Report on Pay and Conditions for employees of the community development programme - Claire Casey 1992
- \* Resource Centres in Ireland - Brian Harvey 1990

I attach for your information the following:

- \* Outline of the Community Development Programme and the Projects involved in this review
- \* Findings from the work carried out
- \* Summary and Recommendations
- \* Supporting tables and data

Yours sincerely,



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Maria Power

## BACKGROUND

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In 1990 the Minister for Social Welfare established a Community Development Programme (CDP) to provide financial support over three years to resource centres based in disadvantaged communities around Ireland. The Community Development Resource centres work to provide a range of services and development opportunities to an entire local community - geographical community or community of interest.

As of May 1995 there are 48 resource centres which are part of the Community Development Programme. 34 of these are Urban resource centres and 14 are rural.

As part of my review I reviewed the costing details of 20 urban projects and 13 rural, a total of 33 projects. Two were excluded from the analysis so as not to distort the data.

See appendix 1 for list of Community Development Projects

Certain factors were very clear both from the questionnaires returned and the several meetings and interviews held with the Community Development Resource Centres (CDRCs) these are:

- Staffing costs are the largest expense of any project. However at all of the centres there is heavy subsidisation in the staffing area. This is done through overtime being worked without pay, much voluntary labour and in some cases through the use of FAS Community Employment schemes. Where there are more than one source of funds available then staff are often shared across programmes. In relation to the expectations and objectives of the Community Development Programme, it is clear that most projects are understaffed.

- All other expenses i.e. overheads, programmes and organisational development are then constrained to the balance of funds that is left over after salaries have been paid out. This balance would seem to be allocated in order of the necessity to pay overheads first, then programmes and then organisational development. In some cases little or no money is spent on the last two aspects. These expenses are a necessary expense in running any resource centre and certain allowances as part of core funding are required to ensure the support, maintenance and the development of resource centres.

- Above the average core costs of running a CDRC there are often special needs specific to the project in question. For example some projects, especially in rural areas have more than average travelling costs to meet, some have special building security needs and some will have above average rent to pay. These are additional to core costs but if they are taken from core funding it can be disruptive to the work and programmes that the CDRC's are trying to achieve in their community.

I have categorised these first two costs under core costs and the last one under variable cost which are detailed later.

## FINDINGS

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As with Cris Mulvey's analysis in 1991 I have sub-divided the data into Core costs and Variable costs with additional analysis attached.

Core costs to mean Salaries, Overheads including Average Rent, Programmes and Organisational Development.

Variable costs to mean above average payments for premises, travel and any other special needs.

For the analysis 100% = 31 projects reviewed.

### 1. OVERALL PICTURE

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From analysing the data of expenditure on a total basis per project the following breakdown emerges:

STAFF .....	AVERAGE COST p.a. £36030	= 62 % of total
OVERHEADS .....	AVERAGE COST p.a. £8778	= 16 % of total
RENT .....	AVERAGE COST p.a. £2931	= 5 % of total
TRAVEL .....	AVERAGE COST p.a. £1146	= 2 % of total
PROGRAMMES .....	AVERAGE COST p.a. £7873	= 13 % of total
ORGANISATIONAL DEV..	AVERAGE COST p.a. £1355	= 2 % of total

See appendix 2 for details

1995 ACTUAL AVERAGE COST OF RUNNING A  
COMMUNITY DEVELOPMENT RESOURCE CENTRE = £58112

### 2. STAFF

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Where Social Welfare funding is the only funding available to projects then the average staff employed by the project is 2 at an average total cost of £36,030. This is the minimum staff level at any of the established Resource Centres.

**STAFFING COSTS ARE AN AVERAGE OF 62 % OF TOTAL COSTS**

However, for all projects who have other grants or FAS schemes available to them they have an average of 5 workers - 2 full time and 3 part time. This reaction by groups to accessing other staffing sources reflects a clear need for additional staff to support the community resource centre. These are the visible extra staff costs that are needed but as I stated above most projects have additional unpaid overtime and voluntary labour which is not accounted for as part of the costs.

In line with purpose of the CDP programme and reflecting the findings in Cris Mulvey's report, staffing of CDRCs is the single most important factor in the success and the productivity of any community development project. In addition expenditure on Organisational Development is a necessary complementary cost in supporting this factor.

It would seem clear from this review that the necessary staff level for a Community Resource Centre to be fully operational would be three core funded full time staff.

Salary scales used by projects vary widely for similar positions and in many cases no scales at all are applied. In some cases staff had no salary increase for the last three years. Where scales are used it may be one of the following:

Public Sector scale - Higher Executive Officer  
Executive Officer  
Social Worker - Basic grade  
Team Leader

### 3. OVERHEADS

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This category was essentially taken to mean Telephone, Electricity and Administration. Administration included stationery, petty cash, minor maintenance and repairs, insurance and professional fees.

In addition information was also provided about the average cost of rent and travelling expenses. In a number of cases projects had the use of premises rent free from the relevant Local Authority and others had purchased premises. For the purpose of the analysis I have calculated them separately but when estimating the % of funding that is required for Overheads I include an allowance for average rent and average travelling expenses.

Amounts required above the average cost are considered under variable costs and needs.

General overheads .... average cost £8778 p.a. = 16 % of total  
See schedule 1 for breakdown of overheads

Rent allowance ..... average cost £3795 p.a. = 5 % of total  
(for those paying rent)

Travel allowance ..... average cost £1146 p.a. = 2 % of total

TOTAL ALLOWANCE ..... AVERAGE COST £12855 p.a. = 23 % of total

(See schedule 1 for details)

#### 4. PROGRAMMES

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Programmes are defined differently from project to project and range from classes, meetings to networking and outreach. Essentially programmes are activities organised and provided by the project for their community.

What I established was the average amount of funding that is being spent on running programmes but it is here with this category of expense that the picture starts to get distorted.

If groups have other sources of funds, usually small grants, then an amount close to the average will be set aside for programmes. At some projects it is the CDRC staff that carry out the programmes themselves and there is no significant expenditure on programmes. Generally the amount that is allocated to programmes totally depends on paying salaries and overheads first. This would seem to indicate that programmes are often driven by what funds are left over rather than what is needed in the locality. 9 out of 19 groups who receive Social Welfare funding only spend little or no money on programmes as all their funding is taken up with salaries and overheads.

The area of funding for programmes was also identified under needs for 12 groups who all said it was a priority for them to have funding for programme development.

#### GIVEN CURRENT CONSTRAINTS

PROGRAMMES AVERAGE COST p.a. £7873 = 13 % of total

#### 5. ORGANISATIONAL DEVELOPMENT

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This was taken to mean Management training, staff training and support, financial training, planning, self evaluation etc. This was another aspect of running a CDRC that all groups felt needed funding. 95% of groups allocated some funding to this area but like 4 above it depended on funds being left over after salaries and overheads. Two groups had no funding allocated to this area and in speaking to these groups they both felt it was an area neglected by them due to lack of available resources. Again this aspect of development would appear to be driven by any funds being left over rather than by the needs of the project. Organisational Development also came up under priority needs identified by projects. While it should be acknowledged that some support is available from the Support Agencies there is also a need for projects to identify and allocate resources to what they see as their on-going Organisational Development needs.

#### GIVEN CURRENT CONSTRAINTS

ORGANISATIONAL DEVELOPMENT AVERAGE COST p.a. £1355 = 2 % of total

## 6. GENERAL FINDINGS - NEEDS

### (A) PRIORITY NEEDS

There were three priorities that were identified as requiring additional resources by almost all projects. These are:

#### STAFF

All of the established projects i.e. those up and running for at least two years identified the need for a third worker. Most projects have a co-ordinator and administrator which implies that the additional staffing needs are for a development worker. Those projects that did not identify the need for extra staff were those who had anywhere from 8 - 11 staff from other sources, usually FAS schemes. FAS schemes are intended to be a labour market mechanism which are complementary to the Community Development Programme but which cannot provide for the on-going core needs of projects.  
(See schedule 2 for average staffing levels).

Cost of funding existing and extra staff. As stated above the salaries paid vary widely between projects. However I believe a recommended range of salary scale(s) should be used by projects in selecting suitable salaries.

Below is the range of Public Sector scales, the average of which I have used for in the funding recommendations further on.

PROJECT CO-ORDINATOR	£18404 - £25517	(Average £21960 inc. PRSI)
DEVELOPMENT WORKER	£15633 - £20592	(Average £18112 inc. PRSI)
ADMINISTRATOR	£14214 - £17701	(Average £15957 inc. PRSI)

#### PROGRAMMES

Again all of the established projects identified the need for core funding for programmes rather than it being funds left over after salaries and overheads. It is recognised that CDP cannot meet all of the programme costs but that there should be some minimum allocation of core funding to this area. Some of the smaller projects identified lower amounts of additional funding needed i.e. approximately £1,000 extra where as the larger projects requested an average of £5,000 for programmes.

## ORGANISATIONAL DEVELOPMENT

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82% of projects identified this area as needing support. As stated earlier most groups allocate some funding to training and development but it very much depends on funds being left over. The needs that were identified included Management training, planning, staff support, evaluation and financial training.

THE AVERAGE COST REQUIRED TO FUND ORGANISATIONAL DEVELOPMENT = £3000+ per annum.

(See schedule 5 for details)

## (B) SPECIAL NEEDS

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Projects identified needs that were sometimes particular to themselves and their circumstances. (See schedule 5b)

Many rural projects identified the need for an extra  
\*ALLOWANCE FOR TRAVEL. This was to:

- support meetings where individuals had to travel long distances to attend,
- get involved in networking with other groups in that area of the country,
- in many rural areas skilled trainers are not available so that higher travel costs must be paid to bring trainers in.

\*Some projects wanted assistance to extend or buy a PREMISES in which to base the community resource centre.

\*Another needed a special allowance for the high cost of maintenance and security at their premises.

\*A certain number of projects have above average rent to pay which if not supported erodes their core funding (Schedule 3)

\*Others wanted funds to upgrade their equipment (Schedule 4)

RECOMMENDATIONS AND POSSIBLE MODEL  
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1. THAT CORE FUNDING BE GIVEN FOR:

- Staff Costs (minimum two but three is the ideal)
- Overheads (plus allowance for average rent and travel)
- Programmes
- Organisational Development

That the total amount given and allowances for each heading be given as a percentage of the total cost. That these per centage allowances per heading be communicated to CDRCs as guidelines in relation to their spending.

SUGGESTED MODEL:  
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	2 staff =====	2.5 staff =====	3 staff =====
STAFF - Project Co-ordinator .	21960	21960	21960
- Development worker ...	0	18112	18112
- Administator .....	15957	7978	15957
TOTAL STAFF COSTS	37917	48050	56029
(Inc. PRSI) 62%			
OVERHEADS(Inc.2% travel)	8901	10550	12092
RENT	4000	4000	4000
PROGRAMMES	8338	9300	11748
ORGANISATIONAL DEVELOPMENT 3%	3000	3000	3000
	62156	74900	86869
	=====	=====	=====

\* The % for Staff costs and Organisational Development should be fixed and projects expected to comply to these percentages approximately.

Obviously, projects take time to reach a certain stage of development. Therefore depending on advice to the Department a gradual phasing in of this approach would be required.

- Year 0 - set up costs ...£25000 1995 allowance
- Year 1 - ..... 2 staffed project pro rata
- Year 2 - ..... 100% of 2/2.5/3 staffed project
- Year 3 - ..... 100% of 2/2.5/3 staffed project

If this model is adopted then all projects across the board should be treated the same in relation to core funding. The total amounts agreed for projects on a yearly basis need to be indexed linked so that the model used remains realistic.

## 2. THAT VARIABLE FUNDING BE GIVEN FOR:

Projects that have special needs in the following areas:

### OPERATING:

- If travel needs exceed 2% of total
- If premises costs exceed £5000 p.a.

### CAPITAL:

- If equipment is needed
- If buying property makes more sense

This area is additional and discretionary but for many projects essential. This category allows for differences between projects where an expense is often particular to the project and should not be allocated across the board to all projects in the programme.

From the analysis carried out it would appear that the special needs cost an average of £5,000 (except purchase of buildings).

Perhaps a fund could be set aside for an amount between £50,000 and £100,000. Amounts up to £5000 could be applied for but given out strictly on a needs basis only to projects. Projects should be required to submit receipts/evidence for the amount being requested.

A time limit for applying for specific support could be April for example after which any funds remaining would get recycled.

## 3. FURTHER WORK

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Agreeing Salary scales on a sector wide basis would be a worthwhile exercise which would benefit both funders and projects.

This would allow for the stabilisation of the range of salary payments plus an incentive and possible career pathing for employees.

SUMMARY OF RECOMMENDATIONS

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1. ALL PROJECTS SHOULD BE GIVEN THE SAME CORE FUNDING ACROSS THE BOARD.
2. IN YEAR 1 PROJECTS WOULD BE GIVEN FUNDING ON A PRO-RATA BASIS DEPENDING ON WHEN STAFF ARE EMPLOYED AND PREMISES ESTABLISHED.
3. IN YEAR 2/3 INCREASES WOULD BE GIVEN BASED ON THE PROJECT BEING READY TO EMPLOY THE ADDITIONAL STAFF REQUIRED.
4. THAT PROJECTS BE MADE AWARE THAT OF THE FUNDING ALLOCATED APPROXIMATELY 62% IS FOR SALARIES AND 3% ON ORGANISATIONAL DEVELOPMENT.
5. THAT VARIABLE FUNDING WOULD BE GIVEN ON A NEEDS BASIS ONLY AND COULD ONLY BE APPLIED FOR UP TO A TIME LIMIT EARLIER IN THE YEAR.

Appendix 1  
1995  
COMMUNITY RESOURCE  
CENTRE'S

PART OF REVIEW	Rural/Urban
RINGSEND	U
WEST TALLAGHT	U
SW WEXFORD	R
ST FERGALS BRAY	R
MAHON CORK	U
INCHICORE	U
LITTLE BRAY	R
STONEYPATTER	U
PRIORSWOOD	U
CHERRYORCHARD	U
ATHY	R
LOURDES	U
BALLYPHEHANE/TOGHER	U
BLACKLION CAVAN	R
QUARRYVALE CLONDALKIN	U
PARC	U
FORUM LETTERFRACK	R
NORTH WALL	U
ICRG	U
LIFFORD DONEGAL	R
LOUGHBOY	R
IRISH WHEELCHAIR	U
ACTION INISHOWEN	R
BALLYBEG	U
DARNDALE	U
BANTRY	R
WEST CLARE	R
MAYFIELD	U
ST HELENA'S FINGLAS	U
GT. BLANCHARDS.	U
MOUNTOWN DUNLAOIRE	U
SICODA	U
AIT NA nDAOINE	R
WESTSIDE GALWAY	U
NTH CLONDALKIN	U
CAP BALLYMUN	U
TULLAMORE	R
RONANSTOWN	U
DTEDG	U
CFTA BALLYMUN	U
BALLYPHEHANE/TOGHER	U
TUAM	R
CLONDALKIN TRAVELLERS	U
TALLAGHT C. U.	U
COX'S DUNDALK	R
JOBSTOWN	U
ST. ANDREWS	U
LOUISBURGH	R

\*Data from 31 projects used for analysis  
\*No definitive interpretation of what is rural/  
urban but based on geographical location

Appendix 2  
CDP RESOURCE CENTRE COSTS  
MAY 1995

1994

TOTAL

COSTS

SALARIES OVERHDS PROGS ORG DEV PREMISES TRAVEL OTHER NOTES

COSTS	SALARIES	OVERHDS	PROGS	ORG DEV	PREMISES	TRAVEL	OTHER	NOTES
137900	80000	17900	30000	3000	0	4500	2500	
100000	62950	9825	13000	4000	3500	6725		
85500	35050	6750	28300	4250	0	450	10700	creche
82000	65677	9035	0	0	7288	0		
77020	28100	3368	27881	893	16289	489	FAS progs	New prem
68208	40950	8084	10340	574	6975	1285		
65250	43000	9000	10000	3000	0	250		
65079	32451	19178	1320	2500	6755	2875		
63750	43534	9690	7326	0	2000	1200		
62249	31048	9760	7938	2399	8234	264	2606	creche
59316	32003	12230	8009	2118	3380	1574		
56820	29733	6116	6536	1744	6000	4758	1932	Equipment
56750	33900	5800	8950	1700	4500	1300	600	
56700	36670	4530	11700	2000	1800	0		
56150	39000	15000	0	1000	750	400		
55131	35000	10950	8430	750	0	0		
54754	37544	12545	1167	0	3498	0		
53750	26030	10220	10900	2800	2000	800	1000	
52480	39181	3209	1904	1926	6000	260		
52362	28762	10800	10000	1800	0	1000		
51679	41629	9050	0	0	0	1000		
51000	41800	2000	2000	2000	1200	2000		
50476	36676	3700	8800	1000	0	300		
50000	40245	6054	1000		2400	300		
48824	36224	4900	7200	0	0	500		
40000	28000	1400	6000	1500	2600	500		
36000	14175	2630	510	737	1693	300	16020	May 1994
32550	22500	4050	4000	0	0	2000		
30000	18000	3150	5850	0	3000	0		
26945	18600	3545	4000	300	0	500		
22804	18504	2300	1000	0	1000	0		
1801447	1116936	236769	244061	41991	90862	35530	35358	
58112	36030	7638	7873	1355	2931	1146	1140	
	62	14	13	2	5	2	2	

SCHEDULE 1  
OVERHEADS

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TOTAL COSTS	TELE	ESB	ADMIN
19178	3808	3052	12318
17900	1600	1300	15000
15000 ?			15000
12545	4493	2726	5326
12230	3510	866	7854
10950	2450	800	7700
10800	1800	1000	8000
10220	1400	1200	7620
9825	3500	2000	4325
9760	1179	0	8581
9690	1565	4050	4075
9050	2000	400	6650
9035	2000	1000	6035
9000 *		0	9000
8084	2115	376	5593
6750 *		1500	5250
6116	2108	1156	2852
6054 ?			6054
5800	1000	1000	3800
4900	500	400	4000
4500	0	0	4500
4050	1100	750	2200
3700	900	1200	1600
3545	450	400	2695
3368	1032	680	1656
3209	1123	400	1686
3150	350	200	2600
2630	930	390	1310
2300 ?		0	2300
2000	0	0	2000
1400	700	0	700

TOTAL COST	236739	41613	26846	168280
AVERAGE COST	7638	1342	866	5428

STAFF SCHEDULE 2 TOTAL NO	F.TIME	P.TIME	ROLE			ADMIN	YOUTH	INFO/RES	CARETAK
			P.CO-ORD	DEV.	WKR				
15	2	13	1		1				
12	2	10	1					12	
11	1	10	1		2			9	
9	1	8	1		6		1	5	1
8	2	6	1		1			4	
8	2	6	1					2	
8	1	7	1				3	3	2
8	1	7	1					2	
8	1	7	1		1			6	
7	4	3	1		3			4	
7	2	5	1		1			3	
6	5	1	1		2		3	1	3
6	2	4	1					3	
5	1	4			0.5	1.5		2	
4	4		1		1			2	
4	2	2	1		1			2	
4	1	3	1		3				
3	2	1			2				
3	2	1	1					1	
3	1	2	1		1			2	
3	1	2	1					2	
2	2				1				
2	2		1					1	
2	2		1					1	
2	2		1					1	
2	1	1	1					1	
2	1	1	1					1	
2	1	1			1			1	
2	1	1	1		1			1	
1	1								
1	1		1						
TOTAL	160	54	106						
AVERAGE	5	2	3						

\*Where projects have above two workers they are usually sponsoring FAS schemes in addition.

PREMISES  
SCHEDULE 3

RENT            MORTG    OWN            FREE

-----  
10000  
8000  
6000  
6000  
5200  
5000  
5000  
3640  
3500  
2600  
2400  
2080  
2080  
2000  
2000  
1200  
1000  
600

1995

Y  
Y  
Y  
Y  
Y  
Y

Y  
Y  
Y

6255

Y  
Y

TOTAL  
AVERAGE RENT  
HAVE FREE/OWN

-----  
68300  
3795  
13

1

7

5



SCHEDULE 5  
NEEDS

=====

ORG DEV                      MORE                      SPECIAL  
MGT. TR.      PROJECT      STAFF                      NOTE

ORG DEV MGT. TR.	PROJECT	MORE STAFF	SPECIAL NOTE
7250	Y	2	4
5000	5000	2	
2400		2	
7000	700	1	2
3200	Y	1	4
2700	9000	1	5
2500	5000	1	
2160	9000	1	3
1750	1500	1	
1740		1	
0	0	1	
Y		1	7
2200	6000		1
0	0		
0	0		
0	0		
0	0		
Y		1PT	
8000	8000		1
6000			
4000	Y +4500		
3000			6
3000	9000		
2000	Y		
2000	Y		
0	0		
Y			
Y			9
Y			10
Y			
Y			8

TOTAL  
AVERAGE £  
REQUIRED

65900      53200      15  
3661      5320      1

SCHEDULE 5B  
SPECIAL NEEDS

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NOTES

1. Travel expenses to network with other rural groups and also to bring in skilled trainers especially as skilled staff not always available locally
2. Dito no 1 above plus they need bigger premises to carry out activities.
3. Need to upgrade equipment est £7600
4. Need an extension to premises
5. Development costs for creche £23000
6. New premises £80000
7. Same as 1. but also travel for networking and long distanced phone calls
8. Upkeep of the centre is a very high cost
9. Tullamore T. specifically need a car for their work
10. IWA have high cost in maintaining stock at their Resource Centre. Also need extra funds to carry out an extensive evaluation.