REPORT TO COMMUNITY SERVICES SCRUTINY COMMITTEE

DATE 21 January 2014  
PORTFOLIO Sport and Culture  
REPORT AUTHOR Mick Cartledge  
TEL NO 01282 477280  
EMAIL mcartledge@burnley.gov.uk  

LEISURE TRUST

PURPOSE

1. To update the Committee on progress in establishing the new Leisure Trust.

RECOMMENDATION

2. Members are recommended to note progress and comment on the report.

REASONS FOR RECOMMENDATION

3. To ensure the Committee is aware of progress is establishing a new Leisure Trust.

SUMMARY OF KEY POINTS

4. The Executive approved in principle the setting up of a Leisure Trust with a start date of 1st April 2014. A Project Board was established with three main Project Teams reporting to it and external support from Winckworth Sherwood was procured to support the project.

5. There has been effective cross-Unit working across the Council in delivering the project and the following key main outcomes have been delivered:

   • Development and agreement of detailed project documents;
   • Assessment of financial implications of establishing the Trust, including the delivery of a £300,000 saving to the Council.
   • Recruitment and development of a new Trustee Board, which has been in operation since December 2013.

6. In addition, as part of the work of the Project Board and through the financial assessment and detailed development of the project documents, the provision of Arts Development, Sports Development and Healthy Lifestyles work has been included within the Leisure Trust. Primarily, this is because the Council can still influence the
delivery of these services through the Funding and Management Agreement and the approval of the Trust's Annual Service Plan and the synergies between those services and the facilities, as well as the span of Management control make it appropriate to include the services within the Leisure Trust.

7. The key Heads of Terms for the main project documents, mainly the Funding and Management Agreement, Support Services Agreement and Transfer Agreement were considered at both the Community Services Committee and Resources Scrutiny Committee. These have been further developed into detailed project documents. The key terms are as follows:

a) Funding and Management Agreement:
- 15 year agreement
- Annual review of services
- 3 yearly review of funding settlement
- Sets out the Council's minimum standards with regards to the provision of services including:
  - Service outputs
  - Opening hours
  - Pricing
  - Programming
  - Usage
  - Customer care
  - Health and Safety
  - Performance monitoring
  - Termination events

b) Support Services Agreement
- Identifies the Support Services to be procured from the local authority
- Details service level agreements
- Initial 3 year term which can be extended
- Sets out the charging and payment arrangements
- Termination events

c) Transfer Agreement
- Identifies the assets to be transferred:
  - Staff
  - Stock
  - Contracts
- Identifies the assets to be loaned or leased:
  - Facilities
  - Equipment
  - Membership database
- The Agreement also deals with the TUPE transfer and pension arrangements (see section 8 of this report)

8. Employees
As part of the Transfer Agreement, all existing staff within the Sport and Culture Unit will transfer over to the Leisure Trust, on their current terms and conditions (as TUPE) will apply. Whilst the TUPE regulations protect contracted staff there is no provision for casual or agency workers. Sport and Culture currently employ 110 casual workers in various roles. Whilst the TUPE Regulations do not protect the terms and conditions of
casual workers it is not currently envisaged that any steps will be taken by the Trust to change these. In addition, the Leisure Trust will have admitted Body Status to the Local Government Pensions Scheme. Work is currently underway to assess whether the scheme will be open or closed to new staff and whether liabilities will remain with the Council or transfer to the Trust.

9. **Leases**
Leases have been developed for the main leisure facilities with the key features being:

- The facilities are leased to the Leisure Trust on a peppercorn rent.
- The main structural repairs and maintenance responsibilities lie with the Council.
- Small-scale maintenance and decoration transfers over to the Leisure Trust.

10. **Ongoing Service Delivery and Monitoring and Review**
As stated earlier, the terms of the Agreement with Burnley Leisure are for a period of 15 years. The Trust is currently developing a draft Business Plan for the first three years of operation. The sections of the Plan are shown in Appendix 1. In addition, the Trust will prepare Annual Service Plans which will be approved by the Council’s Executive.

11. As part of the review process, there will be regular meetings between the Chair of the Trust and the Trust’s Chief Executive and the Director of Community Services and the Executive Member for Leisure. These will initially be on a monthly basis, however, this will be reviewed as the Leisure Trust develops. In addition, an Annual Report will be produced for the Council and it is recommended that this should be presented to the Council’s Scrutiny Committee once a year.

**FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

12. The detailed work undertaken by the Project Board’s Finance Team, has identified that savings of in excess of £300,000 will be delivered through establishing the Trust, however, there is a need for the Council to set aside part of the savings to assess the possible impact of other leisure providers reducing the number of gym memberships within the Leisure Trust. Irrespective of this the new Trust will deliver the predicted savings of £300,000 to the Council.

**POLICY IMPLICATIONS**

13. The transfer of Sports and Culture service to Burnley Leisure will see the Council move from being a provider of core leisure facilities and services, to an enabler. However, the Council will retain strategic control of leisure provision through its contractual and funding relationship.

**DETAILS OF CONSULTATION**
14. None

BACKGROUND PAPERS

15. None

FURTHER INFORMATION
PLEASE CONTACT: Mick Cartledge, Director of Community Services.
ALSO: 

Appendix 1

Trust Business Plan - Outline

- Burnley Leisure’s Purpose, Vision & Key Targets

- Situational Analysis
  - PEST / SWOT Analysis
  - Risk Analysis

- Overview and Focus for 2014/15

- Delivery Plan
  Asset Plan, Investment and Capital Spend

Review of Core Business Areas
(i) St. Peter’s Centre
(ii) Padiham Leisure Centre
(iii) Mechanics Theatre
(iv) Cultural Development
(iv) Health and Wellbeing
(v) Sport and Play Development

- Outline Business Proposals
  (i) Business Development Potential
  (ii) Service Improvement Proposals
  (iii) Innovations and Developments

- Human Resources Plan
  (i) Training
  (ii) Staffing Skills Audit and Planning

- Marketing Plan

- Financials
  - Income and Expenditure Projections (3 years)
  - Cash flow
  - Funding Levels
  - Asset and Lifecycle

Performance Management
- Service Outputs
- Performance Indicators