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**To: Council**

**On: 25 June 2015**

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**Report by: Chief Executive**

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**Heading: Future of Cultural and Leisure Services – Update Report**

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## **1. Summary**

- 1.1. At its meeting on 18 December 2014, the Council approved the proposal to broaden the remit of Renfrewshire Leisure Ltd to include the management and delivery of cultural and leisure services. A project team, supported by professional advisers, was established to undertake the necessary due diligence to develop, in partnership with Renfrewshire Leisure Ltd, the required suite of documents and agreements to facilitate the transfer to the trust of the agreed services, and associated personnel in line with the timeline detailed in the business case.
  - 1.2. This report provides an update on the preparations for the transfer of the agreed services, and personnel. Council officers have completed the required due diligence process to support an effective and robust transfer arrangement. Renfrewshire Leisure Ltd is presently concluding its own due diligence process to allow acceptance of cultural and leisure services, and employees on 1 July 2015 and community centres and bowling greens by 1 December 2015.
  - 1.3. At its meeting on 18 December, the Council also agreed to commit a further £1.5 million for investment in the community halls and facilities which will transfer in Phase 2. This report outlines the proposed strategy for allocating the £3 million investment fund for the improvement of community facilities.
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## **2. Recommendations**

- 2.1. It is recommended that the Council:
  - i) note the good progress to implement the main actions outlined in the Council report of 18 December 2014 to enable the transfer of services, and employees included in Phase 1 of the proposal on 1 July 2015, as planned;

- ii) agree, as outlined in section 5 of the report, that the £3 million of resources made available for investment in community facilities is targeted to support the Linwood Development Trust and the six community facilities detailed in paragraph 5.4 of the report.
  - iii) note that a further report will be brought back to Council outlining the level of investment and scope of work that will be carried out within each of the agreed community facilities; and
  - iv) note the Council's representation on the Board of the Trust will be Councillors James Harte, Margaret Devine and Iain Nicolson.
  - v) delegate to the Director of Finance and Resources, responsibility to finalise the detailed adjustment to the contract payment arrangements with Renfrewshire Leisure to appropriately reflect the current cost of services transferring to the Trust and those which will be retained by the Council and provided to the trust under service level arrangements.
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### **3. Background**

- 3.1. At its meeting on 18 December 2014, the Council approved the proposals to transfer the management of cultural and leisure services to Renfrewshire Leisure Ltd in accordance with the business case.
  - 3.2. The transfer of the management of cultural and leisure services, and employees will take place in two phases. The first phase of services - museums, art centre, town halls, libraries, sports pitches, pavilions and golf course, active schools, sports development and community centres with libraries will transfer on 1 July 2015, with the second phase for the transfer of operational control over community facilities and bowling greens due to take place on 1 December 2015.
  - 3.3. A project team, supported by professional advisers, has carried out the necessary due diligence to develop, in partnership with Renfrewshire Leisure Ltd, the required suite of documents and agreements to facilitate the transfer to the trust of the agreed services, and associated personnel in line with the timeline detailed in the business case.
  - 3.4. At its meeting on 18 December, the Council also agreed to commit a further £1.5 million of capital investment in the community halls and facilities which will form part of the transfer in Phase 2. A scoping exercise has now been undertaken to develop proposals for the £3 million investment in the community facilities.
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### **4. Progress – Phase One**

- 4.1. The implementation plan contained in section 14.3 of the Business Case outlines the key timescales to enable the transfer of phase one services, facilities and staff. A project team was established to progress the actions in the implementation plan, overseen by a steering board chaired by the Chief Executive, with senior officers from the relevant professional disciplines.

- 4.2. Council officers and partners have worked together to ensure that the plan remains on target to allow services to successfully transfer on 1 July 2015. Employee consultation and engagement has been ongoing throughout the process and employees in scope for transfer, along with their relevant trade unions, have been formally notified in writing of the TUPE transfer.
- 4.3. Several workstreams were established to implement the actions necessary to develop the required documentation, agreements and processes to support the transfer. A summary of the main actions undertaken by each workstream is detailed below:

a) Legal

The main activities carried out include completion of the suite of contractual agreements covering the property leases/licences, collections and service agreements between Renfrewshire Leisure Ltd and the Council which have been reviewed by Renfrewshire Leisure Ltd. Completion of due diligence in relation to the titles for the properties being transferred has been assured and compliance with Procurement and State Aid rules confirmed.

b) HR

The team has developed revised staffing establishments and proposals for the integration of new staff structures with the current Renfrewshire Leisure Ltd operational structures. Staff within scope for transfer have been consulted along with their relevant trade unions and have been issued with regulation 13 letters advising of formal notification of the TUPE transfer.

c) Infrastructure

Service level agreements (SLAs) have been developed for all services including ICT which will continue to be delivered by Renfrewshire Council.

d) Finance

The team has developed the core finance systems to reflect the new Renfrewshire Leisure Ltd structure and reviewed and updated processes to reflect changes to order, payment and income practices in the lead up to and following the transfer of services along with revised banking arrangements for the Trust.

There has also been significant work undertaken to establish the net adjustment required to the service payment made by the Council to Renfrewshire Leisure to reflect the agreed transfer arrangements. The principle underpinning this workstream has focused upon ensuring that the Trust's service payment is appropriately adjusted, at the point of transfer, for the net cost of service provision transferring from the Council to the Trust, taking into account those services that will be retained by the Council and provided to the Trust under service level agreements. This approach is focused on ensuring that Trust is fully funded for the new responsibilities that it will assume under the transfer arrangements and that the Council is positioned to release the anticipated budget savings arising from the transfer.

There remains a limited amount of work to establish this position, in the context of the Phase 1 transfer, following the finalisation of a range of operational matters dealt with under the transfer agreement and service level arrangements. It is therefore proposed that, in the context of the principles outlined above, that the Director of Finance and Resources is delegated responsibility to finalise agreement with Renfrewshire Leisure the required net adjustment to the service payment following completion of both Phase 1 and Phase 2 transfers and that the agreed position be reported as part of future updates reports.

e) Operations

The main activities completed include the development of policies and procedures for the extended trust and development of protocols mirroring standard circulars 33,48 & 57 which specifically address the issue of outdoor education, trips and excursions and the welfare of young people. These have been communicated to staff. Procedures for complaints and FOI enquiries have also been agreed.

f) Marketing/Branding

The main activities undertaken include configuration of the Renfrewshire Leisure Ltd website to promote the wider service that will be offered from 1 July 2015. A review of data sharing and subscriber mailing lists has taken place in advance of the transfer. Social media links between the Council and Renfrewshire Leisure Ltd have been established and work has commenced on an integrated website “Whats On” in partnership between Renfrewshire Leisure Ltd and the Council which will assist events management.

g) Communications

Final employee communication and meetings took place in June and employees were notified of the communication process for the new organisation. Signage for each of the venues to inform the public of the change in management has been distributed and the Renfrewshire magazine will carry an article on the transfer arrangements to facilitate the transfer.

4.4. At the same time, the existing Board and senior officers of Renfrewshire Leisure Ltd have worked to implement the necessary changes to its own governance arrangements to facilitate the transfer. Renfrewshire Leisure Ltd Board subject to the final legal and financial documentation will, at its meeting on 25 June 2015, be asked to approve the final documentation and agree the payment for the delivery of the phase 1 services being transferred.

4.5. Overall, the project remains on course to achieve the phase one transfer date of 1 July 2015 and to deliver the anticipated maximum annual savings of approximately £600,000 in future years.

## **5. Community Facilities Investment Fund: Progress**

- 5.1. The Council approved £1.5 million in February 2014 to fund improvements in the community facilities. A further £1.5 million was approved in December 2014 to establish a community facility investment fund of £3 million. The Council has already committed £50,000 of this funding to support the Linwood Community Development Trust (LCDT) to progress redevelopment plans of the playing fields at the Clippens School site in Linwood. In addition to this initial funding commitment, the Council has provided positive indications to the Trust of providing further match funding to support the Trust to secure lottery funding to progress the development proposals through to delivery. In this context and for planning purposes £0.250 million has been earmarked for this purpose subject to future consideration of detailed funding proposals brought forward by the LCDT.
- 5.2. In relation to developing proposal for the remaining £2.7 million of funding, full condition surveys have been carried out in recent months on all the community facilities which indicate that this level of funding is unlikely to cover the cost of improvements envisaged. A methodology was therefore developed to assist in developing proposals that would target the fund to the facilities which would have the biggest impact and deliver the best outcomes for the community.
- 5.3. The criteria for selection of facilities for investment / re-provision is:
- strategic location:  
isolated, in an area with little or no other facilities offering community access
  - facility contains a library:  
library provision important to community, providing access, support and information on welfare reform, access to PCs, the lending of books, and other services.
  - community usage:  
level of community bookings, attendance at community learning and development sessions or community clubs.
  - state of repair of the facility:  
level of repairs required to allow the facility to meet basic access requirements and provide a comfortable environment for customers.
- 5.4. An evaluation of each of the facilities was carried out based on the criteria above; evaluation of each of the facilities is contained within appendix one in this report. Based on this assessment criteria, it is proposed that investment is targeted in the following facilities:
- Glenburn Community Centre, Paisley;
  - Gallowhill Community Centre, Paisley;
  - Cargill Hall, Bridge of Weir;
  - Foxbar Community Centre, Paisley;
  - Ralston Community Centre, Paisley;
  - Johnstone Castle Community Centre, Johnstone.

- 5.5. Work is ongoing to establish the scope of works required at each of the facilities identified within this report to assess the level of investment required. A further report will be brought to Council in the autumn detailing the required investment, strategy and timeline for the delivery of the proposal.
- 5.6. The fund will also provide resources to address immediate minor refurbishment works required at the community managed halls and this will be discussed further with the management committees of those halls when the final assessment of the condition surveys is complete.
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## **6. Council Representation on the Board of RLL**

- 6.1. In a separate report to Council on 18 December 2014 about 'Changes to the Council's Governance Structures and Arrangements', members agreed that the five Council representatives on the Board of the Culture and Renfrewshire Leisure Ltd Trust would be two officers (The Head of Finance and the Director of Development and Housing Services) and three elected members, two to be nominated by the administration group and one from the main opposition group. The nominations are Councillors James Harte, Margaret Devine and Iain Nicolson.
- 6.2. Following the successful transfer of services RLL will work to recruit two new directors to fill current vacancies with suitably skilled personnel. Appendix 2 lists the independent and staff board members for RLL.
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## **Implications of this report**

### **1. Financial Implications**

The report covers proposals for allocating money from the Community Facilities Investment Fund up to a value of £3million. In addition, as outlined in 4.3 (d) the annual service payment made by the Council to Renfrewshire Leisure will be adjusted as appropriate to reflect the agreed transfer arrangements. The service payment will be appropriately adjusted, at the point of transfer, to ensure that Trust is fully funded for the new responsibilities that it will assume under the transfer arrangements and that the Council is positioned to release the anticipated budget savings arising from the transfer.

### **2. HR and Organisational Development Implications**

As outlined in section 4.3 of the report.

### **3. Community Plan/Council Plan Implications**

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|---------------------------------------|--|
| Children and Young People             | - Investment in community facilities will allow better access and opportunities for young people.                        |
| Community Care, Health and Well-being | - The development of the trust and community facilities will offer communities further opportunities to access services. |

Empowering our Communities	- Proposed plans to develop improved community facilities will bring further opportunities for community participation.
Jobs and the Economy	- The proposals within this report have the potential to develop services and create jobs.
Safer and Stronger	- Provision of strong programmes and availability and access to services can assist in crime prevention.

#### **4. Legal Implications**

The creation of an expanded trust and the associated transfer of services to the expanded trust require to be carried out in accordance with procurement, state aid and public law. The transfer of staff will comply with the TUPE Regulations

#### **5. Property/Assets Implications**

The proposal involves the expanded Renfrewshire Leisure Ltd taking over operational responsibility of a number of Council properties.

#### **6. Information Technology Implications**

The proposal involves the transfer of hardware and software to support the operation of the services transferring.

#### **7. Equality and Human Rights Implications**

The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because for example it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

#### **8. Health and Safety Implications**

None.

#### **9. Procurement Implications**

None.

#### **10. Risk Implications**

A full risk log was prepared as part of the development of the business case. A risk register was also part of the monitoring arrangements for the work undertaken by the Project team while undertaking the implementation plan.

#### **11. Privacy Impact**

None.



## List of Background Papers

- (a) Background Paper 1: Council report on 18 December 2014 titled “Future of Cultural and Leisure Services including detailed Business case on the Culture and Leisure trust proposal.
- (b) Background Paper 2: Council report on 18 December titled “Changes to the Council’s Governance Structures and Arrangements.”

The foregoing background papers will be retained within chief executive’s for inspection by the public for the prescribed period of four years from the date of the meeting. The contact officers within the service are Ken Graham, Tel 618 7360 and Joyce McKellar, Tel 618 7194.

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*JMcK/KG/LG/AR*  
*16 June 2015*

**Authors:** Ken Graham, Head of Corporate Governance, Tel 618 7360 / Joyce McKellar, Acting Head of Service, Tel 618 7194



## Scoring Matrix

Venue	Strategic Location	Contains Library	Community Usage	State of Repair	Overall Score	Ward
Cargill	2	3	1	3	9	10
Elderslie	2	0	1	0	3	7
Foxbar	1	3	1	3	8	6
Gallowhill	2	3	2	3	10	2
Glenburn	2	3	3	3	11	5
Howwood	2	0	0	1	3	7
Hunterhill	2	0	0	0	2	3
Johnstone Castle	2	0	2	3	7	7
McKillop Institute	1	0	1	0	2	8
McMaster Centre	3	0	2	1	6	1
Ralston	2	3	1	2	8	3
South End Action Centre	2	0	3	0	5	2
Steeple Hall	1	0	0	1	2	8

**Scoring****Strategic Location**

No other facility within ward	3
Other facility but at a distance	2
Other facility but close by	1
Plenty other facilities within ward	0

**Contains Library**

Yes	3
No	0

**Community Usage**

49-60%	3
36-48%	2
23-35%	1
10-22%	0

**State of Repair (based on remedial costs yr 1-4)**

Over 200k	3
150-199K	2
100-149K	1
Up to £100k	0

**Staff and External Directors of Renfrewshire Leisure Ltd**

<b>Name</b>	<b>Position</b>	<b>Classification</b>
Bob Darracott	Director	Business Representative
Colin Neill	Director	Business Representative
John Rodger	Director (Secretary)	Sports Representative
Steven Truesdale	Director (Staff Representative)	Renfrewshire Leisure Ltd