

Agenda Item

Executive Board

15 February 2006

PJ/smep



Leisure Trust – Residual Issues

Summary

To formally consider a number of issues which arose from negotiation on transfer to the Leisure Trust.

Recommendation

- 1) That any salary increases within the Trust post-transfer are noted but will not be subject to an additional service payment.
- 2) That free car parking passes for appropriate Leisure East Devon (LED) staff be continued, as previously. That this be regarded as a 'quid pro quo' for free EDDC staff membership of sports centres.
- 3) That it is agreed that LED have their own web site, with good links to that of the Council, and that the Council ceases to provide operational information on Sports and Leisure Centres that LED runs, except with the express permission of LED.
- 4) That in any moves by LED to separate from services jointly commissioned with EDDC (eg Securicor collections) that the Council recognises it may lose price economies of scale.
- 5) That Members note the list of property which has transferred.

a) Reasons for Recommendation

That these issues which came up through negotiations be formally agreed.

b) Alternative Options

The recommendations may be refused or altered.

c) Risk Considerations

There is some small financial and 'influence' roles that could result.

d) Policy and Budgetary Considerations

There is no change, or impact to, policy. Potential budgetary issues are outlined in the report.

e) Date for Review of Decision

Jan 2007.

1 Main Body of the Report

- 1.0 The Leisure Trust (Leisure East Devon) was successfully launched on 1 January 2006 to programme.
- 1.1 The main outstanding issue is that relating to leases. These are 'leases at will' pending valuations and satisfying the necessary legal agreements for "disposal" of such leases for a fixed term.

1.2 During and following negotiations a number of matters arose which for reasons of transparency and probity should be formally agreed.

1.2.1 **Salary Increases**

It is known that, post transfer, that LED will have increased certain staff salaries. Members will note that any prior intent to do this was not known by the Council, and it did not form part of the negotiations on the service payment. The Council should agree that this should not form any part of future negotiation on the service payment to LED.

1.2.2 **Car parking passes**

Certain Leisure Services staff, as for other EDDC staff, received free parking passes for East Devon car parks for use when doing necessary work duties. LED has requested that this practice continues (in effect a condition of employment) post-transfer.

It is suggested that this be agreed, but be linked to the issue of continuing free EDDC staff membership of sports facilities (also effectively a condition of employment).

1.2.3 **Website**

Understandably LED will have their own website and wish to control the content and what is said about the services available. As such they have requested that all operational content about relevant sports and leisure facilities be taken from the EDDC website and a hyperlink formed between the sites. However there will be scope for the EDDC website to have content about LED activities etc by prior agreement.

1.2.4 **Separating Services**

Part of the reason for establishing LED was to free them from the financial and legal constraints relating to local authority services, hence it is anticipated that they will apply ingenuity to finding new service providers which might better meet their financial and operational needs.

The main services which will continue to be provided by EDDC staff to the Trust are subject to Service Level Agreements. These cannot be severed by either side (except by mutual agreement) without 12 months notice, to allow a transition in managing resources.

In some other cases the Council continues to purchase services for the joint benefit of LED and EDDC. In future it may be advantageous to the Trust to discontinue these arrangements and there may be some diseconomy to the Council (as bulk purchase discounts could be reduced for instance). The value of such extra costs is not calculable at present but are not expected to be significant. Indeed the Trust may be able to assist the Council in identifying other cost effective service providers.

Such changes in purchasing by the Trust are part of ensuring that service payments by the Council to the Trust can decrease in real terms overtime.

2.0 **Property which has transferred**

Following transfer some Members have requested an explanation and understanding of why certain sports facilities have transferred but not others.

In essence those which have transferred are the ones where Leisure Services had an operational presence in managing the site. Generally these are also sites with significant buildings and hence the NNDR savings are also more significant.

2.0 **Property which has transferred** contd..

There are other sports pitches with no on-site management which will now be managed by Street Scene as they will continue to provide the Grounds Maintenance service for them.

In other cases there are leases (or other legal arrangements) with specific sports organisations to manage sites (in which case the sports organisations may apply for any NNDR relief).

A list of transferred property is at Appendix A. Members will recall that it is intended to transfer the Manor Pavilion (Theatre complex) Sidmouth in April 2006.

Legal Implications

No legal comments.

Financial Implications

No significant financial implications are included within this report.

Consultation on Reports to the Executive

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Background Papers

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