

**ANGUS COUNCIL**

**COMMUNITIES COMMITTEE**

**3 MARCH 2015**

**FUTURE SERVICE DELIVERY MODEL FOR CULTURE AND LEISURE SERVICES**

**BACKGROUND**

Report no 506/14 to Angus Council on 11 December 2014 noted that further reports would be brought back to Angus Council providing detail on the further development and proposed governance arrangements surrounding the proposed charitable trust model for the delivery of Culture and Leisure services.

An update report has been to Angus Council on 12 February 2015 providing the Council with an update as to progress with identifying the stages involved in implementing this new corporate body for the future delivery of culture and leisure services in Angus

The Culture and Leisure Trust (CLT) Project Board have considered the issues surrounding the creation of the Corporate Body and the work-streams associated with achieving this goal and the steps required in order that Angus CLT is operational by 1 December 2015.

The work-streams have been identified at a high level and Lead Officers appointed to deliver specific pieces of work and the achievement of key milestones. This will be converted into a Phase 2 Project Plan to allow the Project Board and Project Team to track work-stream progress and interdependencies with regard to the overall Project Plan.

The potential input from our Strategic Partners EY has been discussed and they are in the process of confirming the areas of work and identifying the associated cost.

The Transforming Angus Board, Culture and Leisure Trust Project Board and Project Teams have been reviewing the key work streams and detailed work required to deliver a new operational body. Whilst the key milestones and work-streams are currently being developed and the exact nature of the detailed work required scoped out, it has been agreed that a Go Live date of 1 December 2015 is deliverable and proportionate. A single Go Live date has been selected as it provides certainty for staff and customers and provides a challenging but deliverable end date to achieve against.

Each of the Lead Officers has been tasked with providing Project Plans for their areas including Issues and Risk Logs and Exception Reports. This information will be used to populate the draft Project Plan and will show how it is intended to deliver each stage of the overall project.

The incorporation of a company limited by guarantee is the first step to allow the project to be developed. This involves submitting an application to Companies House to create a new company which will be wholly owned by Angus Council. Whilst the body to be established is in fact a company in terms of the Companies Acts it is referred to throughout this report as Angus CLT and members are asked to note that it is intended that the company will seek charitable status from OSCR. A key consideration in whether the company can be awarded charitable status the directors of the company must have independence and therefore it is proposed that once the Charitable Trust has been established that there will be a majority of independent directors, although there will be a number of Councillor Directors and the Council will exercise a degree of influence over the appointment of the independent directors.

However, in order to progress the work streams and in advance of the actual directors of the company being appointed, it is necessary to establish a "shadow board" to deal with all of the legal and financial issues involved in establishing the company and setting up its governance and operation. It was agreed that the Shadow Board will consist of four elected members, 2 Administration and 2 non Administration. The Shadow Board will be advised by relevant officers who will change as the key work streams progress. Once the corporate body has been incorporated, many of the other work-streams can follow including the appointment of permanent members to the Board of Directors.

Following the incorporation of the company limited by guarantee there will then be an application to OSCR for charitable status. Thereafter, officers will pursue Admitted Body Status with the Local Government Pension Fund which will ensure that employees of Angus CLT will retain their full pension rights and new employees will be eligible to join the pension fund. In addition, officers will proceed with, registering Angus CLT with HMRC for VAT purposes and applying for NDR relief once charitable status and other relevant milestones have been achieved.

Other work-streams will be working in parallel to look at appointment of the management structure for Angus CLT, overall employee structure, TUPE arrangements, lease arrangements, treatment of assets, procedures and protocols relating to operational matters. Further reports will be brought back to the Council as the project develops.

Communications with other parties will continue with the formal establishment of an Employee Forum with representation from each of the service areas within Services to Communities to allow service specific issues to be collated and raised through the forum. Project Board members will also be working out of some of the facilities to allow for informal employee drop-in sessions, specific site based employee briefing sessions, newsletters and the use of both work and personal e-mail addresses to deliver up-to-date information. Elected Members and Trade Unions will also be kept up to date by using the most appropriate communication methods.

EY will be working with the Council and will be involved in engaging with HMRC and the Rates Assessor in particular and will assist in developing the Full Business Case and a Business Plan for Angus CLT. Significant elements of the detailed work will however be conducted by Angus Council staff as part of the commitment to enhancing and developing in house skills and releasing the capacity of our current workforce.

As Angus CLT is a body which is independent of the Council and with its own legal status, it is not possible for the Council's legal team to provide advice to both the Council and Angus CLT on the terms of leases and services agreements which require to be entered into by the Council and Angus CLT. Therefore, it is necessary to appoint external solicitors to provide legal advice to Angus CLT in respect of these legal issues. At present the cost of such advice is an unknown and therefore it is proposed that the Strategic Director- Communities and the Head of Legal and Democratic Services procure the services of a legal firm to provide the necessary advice to Angus CLT.

It should be noted that as part of the overall redesign of Services to Communities, a review of the function of ACCESS offices and Libraries is conducted with the purpose of modernising services, making efficient use of the existing facilities and supporting the Digital Angus agenda and preparing these services for merger with Angus CLT.

The cost of the continuing work undertaken by EY will be met from the Transforming Angus budget and will continue to be scrutinised by the Project Board.

Any one off (external legal costs for example) and recurring costs will be identified as part of the work streams currently being addressed and will be reported to Council as they are identified and will be met by the TA budget.

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

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