

Corporate Policy and Strategy Committee

10am, Tuesday, 4 October 2016

Business Case for the Management Transfer of Secondary School Sport Facilities to Edinburgh Leisure - Progress Report

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| Item number | 7.2 |
| Report number | |
| Executive/routine | |
| Wards | City wide |

Executive Summary

This report provides an update on progress in relation to the recommendations contained in the committee report, 'Business Case for the Management Transfer of Secondary School Sport Facilities to Edinburgh Leisure' presented on 14 June 2016 to Corporate Policy and Strategy Committee.

Since June 2016 several meetings (in excess of 30) between Council officers and Edinburgh Leisure (EL) executives have been undertaken to take forward the transfer to EL of secondary schools sports facility management outwith core school hours. A steering group of senior Council Officers and EL's Chief Executive oversees progress of the project.

Consistent with the 14 June Committee's decision, work undertaken has initially focussed on the management transfer of school sports facilities in James Gillespie's High School (JGHS) in September 2016. This will be followed by Portobello High School in October 2016 and Boroughmuir High School by early 2017. By September 2017 EL will have management responsibility for sports facilities in all 23 of the Council's secondary schools.

Links

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| Coalition Pledges | P24 , P42 , P43 |
| Council Priorities | CP2 |
| Single Outcome Agreement | S02 |

Business case for the Management Transfer of Secondary School Sports Facilities to Edinburgh Leisure - Progress Report

1. Recommendations

Committee is asked to:

- 1.1 Note the progress made in the transfer of management arrangements of the sports facilities in JGHS to EL which goes live on 26 September 2016.
- 1.2 Note that Council priorities continue to be included as part of the conditions of transfer including:
 - 1.2.1 Flexibility within the revised arrangements where school requirements for the use of these facilities are prioritised and continue to be met, up to and in some instances, beyond 6pm from Monday to Friday and at weekends.
 - 1.2.2 Maintaining and supporting the development of a range of Active Schools programmes and activities.
 - 1.2.3 The development of a new school based Community Sports hub in JGHS and delivery of the Council's commitment to maintaining a mixed economy of sporting provision, including swimming lessons.
- 1.3 Note the development of a Memorandum of Understanding (MoU) that details all operational and financial requirements that enables EL to operate sports facilities in JGHS. The MoU will also inform future developments across the full secondary school estate and inform the final agreement that pertains to this project. Key elements contained within the MoU include:
 - 1.3.1 EL meet all requirements to operate Council facilities including holding required levels of public liability insurance as informed by Council insurers.
 - 1.3.2 Duration of the arrangement will be for six years with a six month termination clause available to either side.
 - 1.3.3 Any surplus income after operating costs for EL, any additional costs to the Council, core Council income budgets, and approved savings have been met will be reinvested in school sports facilities.
 - 1.3.4 The Council will support the arrangements through the continued provision of janitorial and cleaning cover in JGHS until the organisational review of Corporate Facilities Management is completed.

- 1.4 In addition to the above it should be noted that the management companies who operate the PPP schools have given an 'in principle' agreement for EL to operate within these schools.

2. Background

Issues arising from implementation

- 2.1 In addition to the progress detailed above, development of the revised arrangements in JGHS resulted in a range of issues that have, or will have, an impact upon their implementation. Where possible, solutions have been found. Issues included:
 - 2.1.1 The school was not built as a sports centre this resulted in the need to develop a sports facility reception area for customers outwith the school day.
 - 2.1.2 After the transfer, EL will be able to take online bookings for school sports facilities and will work with the school to identify a solution to reduce the volume of manual bookings.
 - 2.1.3 Lack of I.T. provision in the sports facilities to support 'walk in' bookings and receipt of cash payments. In the interim EL have agreed to use a wireless connection to support these tasks
 - 2.1.4 Potential requirement for air conditioning to be installed in the fitness suite - demand will determine whether this is required.
 - 2.1.5 Planning restrictions on use of floodlighting in a residential area restricts use of the synthetic pitch in the evening. This will have an impact upon income generation.
 - 2.1.6 Existing janitorial arrangements have been revised to support EL's arrangements to maximise use of facilities. This will however incur additional overtime costs to the Council.
- 2.2 The initial target date for EL assuming responsibility for JGHS sports facilities of August 2016 has been exceeded with the revised target date now being 26 September 2016. The main reasons for the delay included:
 - 2.2.1 Ongoing negotiations between EL board and the Council in respect of the MoU. This has now been agreed.
 - 2.2.2 EL were required to revise their insurance arrangements to meet Council requirements as detailed in MoU. This has now been addressed.
 - 2.2.3 Clarification of VAT implications and subsequent costs arising is being sought as this will result where EL are operating facilities on behalf of the Council.

- 2.2.4 Further clarification of potential TUPE arrangements for staff employed by EL to manage and operate school sports facilities is required in the event of termination of the arrangement.
- 2.2.5 Financial projections: All additional costs incurred from implementing the new arrangements will be funded from income received. Considerable work has been undertaken to capture all potential costs that concur with the original EL business case that no additional income or contribution to the agreed identified savings target of £500k will be realised until year three of operation. Further unknown costs may also arise only when operations commence.
- 2.2.6 It should be noted that the Council has implemented an interim staffing arrangement that ensures community access to new facilities is supported until the transfer on 26 September 2016.

3. Main report

Opportunities and impact arising from working together

- 3.1 The timescale set to achieve the implementation of the new arrangements in JGHS has resulted in a range of challenges and difficulties. However, the positive approach taken by both the Council and EL working in partnership has overcome many of these and this will continue to underpin future developments.
- 3.2 School offices will no longer need to take bookings and collect monies for use of sports facilities.
- 3.3 EL have utilised their expertise to source and provide fitness equipment for JGHS thereby saving the Council additional expenditure.
- 3.4 EL and the Council have worked together in the development of a new community sports hub for local sports clubs in JGHS. This will increase opportunities to participate and progress in a range of sports for local children, young people and adults.

Next Steps

- 3.5 Implementation of the transfer of secondary school sports facilities in the initial three high schools will be achieved by early 2017. Sports facilities in the remaining 19 secondary schools will have transferred to EL by September 2017. (EL currently operate the sports facilities in Queensferry High School, the new Queensferry High School will be incorporated into this project upon completion)
- 3.6 It is intended to synchronise the transfer of the remaining Council run schools with the completion of the facilities condition surveys which will be undertaken by the Council's Asset Management team commencing January 2017.
- 3.7 As part of the ongoing implementation there have been some key risks identified that require to be addressed and consolidated including:

- 3.7.1 Revised EL arrangements may require revising current PPP contract arrangements and incur substantial additional cost. The management and operational support from PPP providers is critical to the success of the Council's desire to increase access to school support facilities. Formal engagement with the Edinburgh Schools Partnership and Axiom Education Ltd. who manage the schools within the PPP school estate requires to be initiated at the earliest opportunity.
- 3.7.2 Costs to the Council will be incurred from: opening schools when they are not currently open e.g. on public holidays, cost of additional wear and tear from increased usage and additional utilities costs from extended openings.
- 3.7.3 The reduction in resourcing for and the organisational review of Corporate Facilities Management may impact upon availability of janitorial and cleaning staff to support the revised arrangements.
- 3.7.4 All costs incurred by the Council that will incur as a result of implementation of the new arrangements require to be met from income generated prior to any allocation toward the achievement of the £500k saving target. How achievement of the savings target can be accelerated still requires to be identified by Council officers and EL staff.
- 3.7.5 Due diligence continues to be undertaken systematically by the Council ensuring all risks and benefits arising from the transfer have been fully assessed and where possible are managed. This process will be completed by 31 March 2017. Any unmitigated risks identified will be reported to the Council Leadership Team and the Council at the earliest opportunity.

Governance and Management

- 3.8 A steering group established from the membership of the Joint Implementation Group is the body responsible for identifying and ensuring all tasks required to ensure the successful transfer to EL of secondary school sports facilities are taken forward. Regular update reports are provided to both the Corporate Leadership Team and EL board. Progress reports will also be provided to the Council's Corporate Policy and Strategy Committee and Education Children and Families Committee as requested by elected members.

4. Measures of success

- 4.1 By early 2017 EL will be managing sports facilities in three new Council secondary schools outwith core school hours.
- 4.2 By September 2017 all secondary school sports facilities will have transferred to EL.
- 4.3 A mixed economy of sports provision will continue to be available to residents of Edinburgh in secondary schools.

- 4.4 All additional costs to the Council will have been identified and will be met from income generated from the new arrangements.
- 4.5 The Council's savings target of £500k will have been realised from the successful implementation of the new arrangements by year three of operation. This figure will be kept under review by both parties as the project is implemented.
- 4.6 Data collected will show high levels of customer satisfaction and high levels of participation by a range of groups and individuals. Income generated will compare favourably to current levels of income for use of sports facilities in other secondary schools e.g. Forrester/St. Augustine's High Schools.

5. Financial impact

- 5.1 The original business case indicated that delivery of £500k approved savings (effective from 2016/17) would not begin to be delivered until year three (2018/19) of a six year operational plan. The Joint Implementation Group is seeking to identify where savings can be accelerated. This could include operational changes to the existing management model, ahead of full handover to EL. The outcome of these considerations will be reported in due course as part of the Council revenue monitoring arrangements and Transformation programme.

6. Risk, policy, compliance and governance impact

- 6.1 The transfer to EL of the management of community access to school sports facilities which, while not without risk, does support the Council's existing policies on improving health and well-being through greater participation in physical activity and sport, in line with national priorities and policies.
- 6.2 Any delay to the planned opening of the new schools would have a negative impact on the benefits of the transfer.
- 6.3 The Council has taken comprehensive advice on the legal and procurement aspects of the transfer to ensure legislative compliance

7. Equalities impact

- 7.1 These arrangements will widen access to all of the Council's sport facilities, and the development of an equalities and rights impact assessment is being progressed with all parties.

8. Sustainability impact

- 8.1 Carbon, climate change adaptation and sustainable development impacts assessments have enabled consideration of the public body duties under the Climate Change (Scotland) Act 2009. The findings of these assessments will also help to achieve a sustainable Edinburgh with regard to progressing climate change, social justice and community wellbeing objectives.

9. Consultation and engagement

- 9.1 Engagement that has taken place to date includes: Clubsport Edinburgh survey and engagement with a range of sports clubs throughout the city who utilise EL and Council school sport facilities. Further engagement has also commenced with Headteachers, staff in scope of the revised arrangements, **Sportscotland** and Trade Unions. As the transfer progresses, engagement will continue with a range of Council staff and other stakeholders who utilise secondary school sports facilities.

10. Background reading/external references

[Corporate Policy and Strategy Committee Report 14 June 2016](#)

[Corporate Policy and Strategy Committee Report 17 May 2016](#)

[Corporate Policy and Strategy Committee Report 29 September 2015](#)

[Culture and Sport Committee Report 11 March 2014](#)

[Scottish Government; Active Scotland Outcomes Framework](#)

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11. Links

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| Coalition Pledges | P24 Maintain and enhance support for our world famous festivals and events; P42 Continue to support and invest in our sporting infrastructure; P43 Invest in healthy living and fitness advice for those most in need. |
| Council Priorities | CP2 Improved health and wellbeing: reduced inequalities |
| Single Outcome Agreement | SO2 Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health |
| Appendices | None. |