

	<b>THE LEADER</b>  <b>5 NOVEMBER 2008</b>										
	<table> <tr> <td><b>Key Decision</b></td> <td><b>YES</b></td> </tr> <tr> <td><b>Cabinet Portfolio Holder</b></td> <td><b>Cllr Tom Fox</b></td> </tr> </table>	<b>Key Decision</b>	<b>YES</b>	<b>Cabinet Portfolio Holder</b>	<b>Cllr Tom Fox</b>						
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**REPORT OF: Head of Legal and Support Services – HLSS/08/042**

**WARDS AFFECTED: EASTFIELD, SEAMER, FALSGRAVE PARK**

**SUBJECT: GEORGE PINDAR COMMUNITY COLLEGE SPORTS CENTRE**

**RECOMMENDATION (S):**

That the Leader:

- (a) agree to the transfer of the management of the Pindar Leisure Centre to George Pindar Community Sports College in accordance with the decision of Cabinet of 22 July 2008.

**REASON FOR RECOMMENDATION (S):**

- To provide for more comprehensible management of the centre under a simplified structure.
- To achieve efficiency savings.

**HIGHLIGHTED RISKS:**

A deterioration in service to the public should the College's aspirations be detrimental to the product offered to the public.

## **1. INTRODUCTION**

- 1.1 On 1 April 2008 George Pindar Community Sports College became a Foundation School and acquired a Charitable Trust.
- 1.2 A Trust School is a local authority maintained school which is supported by a charitable Trust. In order to operate as a Trust school, schools must change their status to become a foundation school.
- 1.3 Trust Schools are a new kind of school established by Central Government. They are part of the local authority system, but supported by a Charitable Trust which will appoint some of the Governors. The Governing Body continue to run the school and be responsible for its performance.
- 1.4 The Trust was established as a separate company limited by guarantee with Trustees appointed by Sheffield United Plc, Pindar Plc, the Governors of the College and Scarborough Borough Council. The involvement of Scarborough Borough Council recognised the Council's interest in the school, arising from its management of leisure facilities for the public from the site and as representatives of the local Community.
- 1.5 At present leisure facilities are provided to the public from the site by virtue of a dual use agreement with the North Yorkshire County Council and the Borough Council manage the leisure facility for public use.
- 1.6 The school wish to operate the Leisure Centre as a dual use facility and believe that they can do so within their existing budgets together with income received from users of the facility.
- 1.7 On 22 July 2008 Cabinet decided in principle to agree to the transfer of the operation of the Leisure Centre. This report seeks final confirmation of approval to proceed with the transfer.

## **2. CORPORATE OBJECTIVES AND THE COMMUNITY PLAN**

- 2.1 This report is relevant to the objective of improving the quality of life, through active participation in leisure and cultural activities.

## **3. BACKGROUND AND ISSUES**

### **ISSUES**

- 3.1 The school governors have determined to become a Trust School and wish to operate the Leisure Centre.
- 3.2 The Council need to ensure that in any future arrangement:
  - (a) the future effective and efficient management of the Leisure Centre.

- (b) the value of the Leisure Centre as a community facility is maintained, given the Council's contribution to the costs of establishing the Centre
- (c) that the interests of its staff are protected in any new arrangement.
- (d) the interests of the Community and sports groups in Scarborough are reflected in any new arrangement.
- (e) the quantity and quality of the product on offer is at least maintained, and preferably improved
- (f) the maintenance of a single membership scheme for those wishing to use leisure facilities in the Borough

#### **4. CONSULTATION**

- 4.1 This report has not been the subject of formal consultation save to the extent consultation has been undertaken by the George Pindar Community College.

#### **5. ASSESSMENT**

- 5.1 The Borough Council presently manage community sport from the College through a dual leisure agreement with North Yorkshire County Council. The staff employed to operate the leisure facility are currently employees of the Council.
- 5.2 If the Governors of the school take over the management of the sports facility they will become the employers of the staff concerned and there will be a TUPE transfer of such staff to the college. There is no issue between the Council and the College on staff to be transferred. The Council requested that the pension arrangements of these staff be protected by the Governors under the current pension scheme. The Governors passed a resolution on 13 June 2008 confirming this arrangement.
- 5.3 The Governors will take on responsibility for the costs of the operation and maintenance of the centre. The College has discussed with officers its intentions in relation to the management of the centre. These discussions have been constructive, however, the detail needs still to be finalised.
- 5.4 There is an obligation under the Education Acts to promote community cohesion. George Pindar Community Sports College have been active in engaging the community and promoting sport and recognise and wish to promote this role and undertake activities, such as the operation of the Leisure Centre which they regard as complementary to their role as a College for the promotion of sporting excellence.
- 5.5 The Council has an interest in the future success of the Leisure Centre. An agreement for the transfer has been drafted that sets out a minimum defined level of service that the College will be required to meet. The agreement also provides for the consultation and engagement of those who use the sports facilities on a continuing basis in decision making through the consultative group known as the "Pindar Academy".

- 5.6 The Council committed £275,000 of public funds to the construction of the centre, which was built at a cost of £600,000 by the County Council. The land on which the centre stands is being transferred by the County Council to the Trust acquired by the College as part of its establishment as a Trust School. The Council needs to ensure that the asset is properly maintained.
- 5.7 In recognition of this the Council was invited to, and has appointed a director to the Trust which will manage the land. The Trust is subject to duties to protect the assets following transfer from the County Council.
- 5.8 The terms include continuation of the Borough's Leisure Card scheme and there is agreement in principle to a single scheme under which the Borough and Pindar share the income on a proportionate basis and those who become members can use the facilities operated both by the College and the Borough.
- 5.9 The Council will transfer the management of the All Weather pitch with sufficient funds to:
- (a) refresh the pitch and extend its life by seven years;
  - (b) provide £24,000 as seed funding toward the eventual replacement of the pitch.
- 5.10 In addition the agreement provides for equipment purchased by the Council to operate the centre to be transferred to the College to facilitate the operation of the centre.
- 5.11 The final agreement provides that George Pindar Community College operate the Leisure Centre without further cost to the Council for the duration of the original Joint Use Agreement (that is 21 years from January 1995).
- 5.12 As part funders of the original building and the All Weather Pitch the English Sports Council are joined in the agreement, and the funding agreement with North Yorkshire County Council is being novated to the George Pindar Community Sports College Trust. The obligations that were upon the Council in the original Joint Use Agreement, in terms of ensuring service delivery, fall upon the College in future, supplemented by additional obligations inserted by the Council. Provision has been made for the Projects and Partnerships Overview and Scrutiny Committee to monitor service delivery.
- 5.13 The Governors of the College and the Trustees of the Trust have given authority to enter into the agreement. In addition the English Sports Council have approved entry into the agreement. The parties are awaiting confirmation of novation of the funding agreement to enable the agreements to be signed.

## **6. IMPLICATIONS**

### **6.1 Policy**

There are no policy implications to this report

### **6.2 Legal**

The Legal implications of this report are set out within the body of this report.

### **6.3 Financial Implications**

6.3.1 When support costs and managerial overheads are excluded, the operation of the Pindar Leisure Centre runs at a net cost to the Council of £50k per annum. The Pindar Sports College are not seeking any contribution toward the costs of running the centre. Therefore following transfer the position will equate to a net saving to the Borough Council of £50k.

6.3.2 The Council operates a Leisure Card scheme under which those who join as members are entitled to use Council operated sports facilities on a differential basis. Presently few members join through Pindar Leisure Centre. However, clearly it is necessary to make provision for the eventuality that this changes. It is proposed that the public be permitted to continue to join the Leisure scheme through Pindar College in future, and payments will be accounted to the Borough Council, however, the revenue received from the scheme will be split on the basis of the share of revenue presently received. It is recognised however, that membership and resultant revenues overall could increase, and a formula for a share of the income is proposed based upon the proportion of revenue generated through Leisure Centre.

6.3.3 At a meeting on 13 June 2008 the Governors of the College agreed that non-teaching staff will remain within the Local Authority pension scheme. It is anticipated that the Borough Council will be asked to provide a guarantee to the pensions of staff transferred. The Pensions body has been requested to provide an actuarial valuation of the consequences to ensure that the financial implications are identified.

6.3.4 The Council has established a sinking fund of £24k for replacement of the all weather pitch. The College have requested that this fund be transferred to them as seed funding for replacement of the All Weather Pitch together with the sum of £7,300 to pay for refreshment of the facility which will provide for its continued use for a further period of seven years. Funds are available to meet these costs.

## **6.4 Staffing Implications**

6.4.1 The Staff employed at Pindar Leisure Centre are affected by this proposal.

6.4.2 The Human Resources Service have been consulted and have engaged with affected staff and highlighted to them the proposal and the likely timescale for its implementation. They have been advised that as yet no decision has been taken.



### **Head of Legal and Support Services**

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### **Background Papers:**

Report to Cabinet March 2008, HLDS/08/32

IF YOU HAVE ANY QUERIES ABOUT THIS REPORT OR WISH TO INSPECT ANY OF THE BACKGROUND PAPERS, PLEASE CONTACT Ian Anderson, on 01723 232348 or email [ian.anderson@scarborough.gov.uk](mailto:ian.anderson@scarborough.gov.uk)

**Appendix 1**

**Risk Matrix**

<b>Issue/Risk</b>	<b>Consequences if allowed to happen</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation</b>	<b>Mitigated Likelihood</b>	<b>Mitigated Impact</b>
<b>Transfer does not take place</b>	<b>The Centre continues to be operated by the Council; Cost savings lost.</b>	<b>Not likely</b>	<b>Medium</b>	<b>Review efficiency of the service operated from the Centre</b>	<b>Not Likely</b>	<b>Low</b>
<b>Transfer takes place but is not successful</b>	<b>The College struggle to manage the centre efficiently and there is pressure to reduce the product offered to the community</b>	<b>Not likely</b>	<b>Medium</b>	<b>Ensure effective managerial arrangements in place prior to transfer; Agree tight Service Level Agreement</b>	<b>Not Likely</b>	<b>Low</b>