

# TRUST BOARD MEETING



Date: 16 March 2017

Location: Grange Leisure Centre, Kilmarnock

Start time: 6pm

<b>AGENDA</b>			
<b>AGENDA ITEM</b>	<b>FOR NOTING</b>	<b>FOR DISCUSSION</b>	<b>FOR APPROVAL/ DECISION</b>
<b>1. Apologies for Absence</b>	✓		
<b>2. Declarations of Interest</b>	✓		
<b>3. Minutes of previous meetings</b> 3.1 Board Meeting: 6 March 2017			✓
<b>4. Best Value Service Review</b>			✓
<b>5. 2017/18 Charges for Services – continued items</b> Briefing Notes attached			✓
<b>6. AOCB</b>			
<b>7. Dates of Next Meetings:</b> <b>Development Session:</b> 19 April 2017 <b>Performance &amp; Audit Sub-Committee:</b> 22 May 2017 <b>Trust Board:</b> 6 June 2017			

For further information please contact: John Griffiths, Chief Executive  
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# REPORT TO BOARD OF TRUSTEES



## BEST VALUE SERVICE REVIEW

Date: 16 March 2017

Agenda Item: 4

Report By: John Griffiths, Chief Executive

### 1. PURPOSE OF REPORT

- 1.1 To inform Trustees of the completion of the Best Value Service Review (BVSR) of Leisure, Sport and Culture, and advise of arrangements for consideration of the recommendations arising from this review.

### 2. CONSIDERATIONS

- 2.1 As Trustees will be aware, as part of the Council's Best Value Review Programme, a BVSR of Leisure, Sport and Culture has recently been completed. The outcomes and recommendations arising from this review are now available and will be circulated, together with a draft response, in confidence, to Trustees. This will facilitate full consideration and discussion of the recommendations arising from the BVSR at the next Board Meeting on 16 March 2017, at which the Board will be invited to respond to the recommendations of the BVSR.

### 3. RECOMMENDATIONS

- 3.1 It is recommended that Trustees give consideration to the recommendations arising from the BVSR of Leisure, Sport and Culture, details of which will follow, in confidence, within a separate report.

Signature:

A handwritten signature in black ink, appearing to read 'J. Griffiths'.

Designation: Chief Executive

Date: 8 March 2017

## EAST AYRSHIRE LEISURE

### BRIEFING NOTE

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#### CHARGES FOR SERVICES 2017/18

#### INTRODUCTION OF MINIMUM CHARGE

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#### I. INTRODUCTION OF MINIMUM CHARGE

- I.1 As part of the core facility remit, East Ayrshire Leisure has responsibility for 6 facilities (Auchinleck Boswell Centre, Cumnock Town Hall, Darvel Town Hall, Grand Hall Palace Complex, Morton Hall Newmilns, and Stewarton Area Centre) which provide communities, groups and organisations with flexible meeting and programme event space. The charging policy currently in place transferred over from East Ayrshire Council and offers 3 charging options taking into account the status of the group/hirer, the purpose of the booking and frequency in which access to the facility is required.
- **Category A- Commercial Events – Full Economic Rate (FER) plus 15% for small or medium units. Large units negotiated with lessee. Medium units £56.00 or small unit £46.00**
  - **Category B- Fundraising and Social Events - 50% of FER Medium unit £28.00 or small unit £23.00**
  - **Category C Regular meetings/lets – 10% of FER Medium unit £5.60 or small unit £4.60**
  - **Category D- 100% Remission**
- I.2 Category A and B are straight forward in their application and provides a source of income to the Trust. Category C - 10% of FER, represents a 90% discount for facility access across community venues with Category D supporting East Ayrshire Council with free access. Currently East Ayrshire Leisure is supporting access to community venues for groups and organisations who predominately pay the lesser rate of £5.60 or £4.60 per hour.
- I.3 To put this figure into context, when Category C for charging at Auchinleck Boswell Centre, Darvel Town Hall, Morton Hall Newmilns, and Stewarton Area Centre is applied to bookings, the Trust incurs a minimum basic staff cost in relation to the living wage allowance of £8.33 (moving to £8.45 1<sup>st</sup> April) plus add-on costs of approximately 28.8% - £10.72 per hour. The charge passed to hirers does not cover the basic staffing cost within these sites or any other associated premises costs incurred such as utilities, supplies and services.
- I.4 Similarly to the loyalty discount, a full review of bookings has taken place for Category C bookings which has identified that this discounted charge is no longer sustainable with the trust required to move closer towards a break even position in relation to basic staff costs when providing access to community venues. Appendix I details a revised charging policy for community venues with a minimum charge of £10 per hour for groups who currently fall into Category C.
- I.5 Where 100% remission of charge is available to East Ayrshire Council, this will only apply within facility core hours. When facility access is required out with these times, full costs will be recovered by East Ayrshire Leisure. Where there is a competing access requirement between local groups and organisations and East Ayrshire Council within core hours, East Ayrshire Leisure will attempt to facilitate access across the venue remit to ensure both bookings can be accepted. When this is not possible, priority will be given to local group or organisations who are charged for access.
- I.6 The projected level of additional income following the introduction of the £10 minimum charge is £17,000 and will be applied to bookings from the 1<sup>st</sup> April 2017.

## Appendix I COMMUNITY VENUES CHARGING SCHEDULE

### CHARGES – FULL RATE

<b>Large Units</b>	Including – main halls, theatres and lecture halls	<b>£72 per hour</b>
<b>Medium Units</b>	Including – small halls, and kitchens.	<b>£58 per hour</b>
<b>Small Units</b>	Including – classrooms, general purpose rooms, meeting rooms, workshops, dressing rooms and staff rooms.	<b>£48 per hour</b>

<b>Negotiated Rate</b>	<b>Commercial Events – Negotiated with lessee</b>
	<ul style="list-style-type: none"> <li>All commercial events run for commercial gain or profits; for example Commercial concerts, dances, sales exhibitions, fairs, fashion show. i.e. large scale events.</li> </ul>
<b>Category A</b>	<b>Fund-raising and Social Events - Large – £36, Medium £29, Small £24</b>
	<ul style="list-style-type: none"> <li>Community or private events run for social, not financial gain; for example weddings, birthday parties, organisation's social; events.</li> <li>Fund-raising events run by youth, parent, voluntary, charitable and not for profit organisations.</li> <li>Recreational commercial lets run on a regular basis targeting young people.</li> <li>Departmental use out with the letting plan.</li> <li>MP Surgeries.</li> <li>Lets which are out with the establishment's letting plan.</li> <li>Councillor's surgeries out with the establishment's letting plan.</li> </ul>
<b>Category B</b>	<b>Regular Meetings - Large £15.00, Medium/Small £10.00</b>
	<p>Within the establishment's letting plan:</p> <ul style="list-style-type: none"> <li>Regular community group lets e.g. mothers and toddlers, sports groups, school activities, youth groups, community councils, church groups and community group committee meetings;</li> <li>Meetings of political groups (including business of political parties) and trade unions.</li> </ul>
<b>Category C</b>	<b>100% Remission of Rate</b>
	<ul style="list-style-type: none"> <li>Departmental/Council use of their own premises, within the letting plan;</li> <li>Councillors surgeries within the establishment's letting plan.</li> </ul>
<b>Elections</b>	In respect of the use of Council premises for all elections, charges will be set in accordance with National Provisions in force.

<b>Note</b>	<b>Any additional janitorial/cleaning costs will require to be charged separately.</b>
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**Officer: Chris Murphy**  
**Designation: Sport & Community Venues Manager**  
**Date: 7 March 2017**

## **EAST AYRSHIRE LEISURE**

### **BRIEFING NOTE**

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## **CHARGES FOR SERVICES 2017/18**

### **EAST AYRSHIRE LOYALTY DISCOUNT**

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#### **I. EAST AYRSHIRE LOYALTY DISCOUNT**

- I.1 As part of East Ayrshire Council's commitment to legacy, a facility discount scheme was introduced in partnership with East Ayrshire Sports Council (EASC). Affiliated clubs to EASC received a reduction on facility access charges to indoor halls, swimming pools and synthetic grass pitches. Over time this process evolved and following the establishment of the Trust, this was rebranded as the East Ayrshire Loyalty Discount. The discount is applied to affiliated EASC clubs who block book 30 sessions or more with a 30% discount available on indoor facility access. For groups or individuals who are unable to affiliate, but commit to 30 bookings or more, a 20% reduction is available for indoor access. Where groups block book 30 or more sessions on synthetic grass pitches, mid-week reduction of 50% is applied for training with a 40% reduction on mid-week/weekend matches.
- I.2 As the challenging financial situation continues with budgets pressures across the trust, coupled with need to generate additional income, the loyalty discount has become unsustainable. The Sport & Community Venues Team has undertaken a review exercise of this entire process and discounts on offer taking into account 2015/2016 and 2016/2017 bookings. It has been identified that in order to address budget targets, the Trust needs to remove the loyalty discount from offer.
- I.3 Whilst the Trust fully recognises the impact this will have on local sports clubs and organisations, the removal of the discount will see charges reach a similar level for facility access to that of neighbouring authorities and Leisure Trusts. The S&CV Team have completed a detailed benchmarking exercise as part of the annual review of charges which is coordinated by Sportscotland nationally with 32 local authority areas supporting this process. Where possible charges in place still remain below the national average, however, where it has not been achieved, charges set do not reach the maximum charge within Scotland for hall hire, pool hire or synthetic grass pitches.
- I.4 Based on historical bookings made, the removal of the discount would generate in the region of £104k of additional income, however, an expected drop off rate is accounted for based on 70% retention, generating £74k in 2017/2018 for the full financial year. As part of this process, the performance scorecard in relation to facility attendances will be amended to account for the projected reduction in attendances within Sport and Community Venues.
- I.5 To enable sufficient time to communicate effectively the removal of the discount to all affected sports clubs and organisations, it is proposed that the approved 2017/2018 charges for those currently benefiting from the loyalty discount is implemented 1<sup>st</sup> August 2017. This also takes into account the fact that 79% of the projected income relates to synthetic grass pitch hires, with the new season commencing in August 2017. The projected income from the removal of the discount from August 2017 will generate £52,000 of additional income. All other charges relating to Sports and Community Venues will come into effect as of the 1<sup>st</sup> April 2017.

1.6 The table below outlines new charges proposed in regards to synthetic grass pitch weekend bookings and provides comparisons with similar neighbouring trust organisations/local authority.

		East Ayrshire Leisure	South Ayrshire Council	KA Leisure	South Lanarkshire Leisure	Sportscotland Mean
<b>Weekend Booking</b>	<b>Duration</b>					
Adult	2 hours	£67.20	£94	£62	£122.70	£55.05
With Floodlights	2hours	£67.20	£127	£92	£122.70	N/A
Junior	2 hours	£44.80	£54.20	£44	£61.35	£35.92
With Floodlights	2 hours	£44.80	£90.40	£74	£61.35	N/A

**Officer: Chris Murphy**  
**Designation: Sport & Community Venues Manager**  
**Date: 7 March 2017**

## EAST AYRSHIRE LEISURE

### BRIEFING NOTE

## EAST AYRSHIRE YOUTH THEATRE

### INCREASED CHARGING PROPOSAL 2017/18

#### I. BACKGROUND

- I.1 The East Ayrshire Youth Theatre (EAYT) was established over ten years ago. It was initially started as an external funding initiative and was used as a way of increasing engagement with the theatre. Visible Fictions Theatre Company were used to deliver and develop the original workshops as part of a Creative Scotland funding package. As the period of funding came to an end, it was decided to continue to deliver the programme and used existing staff to develop and expand the offer to young people across East Ayrshire. It has been a highly successful project and provided many young people with invaluable life skills and careers in the theatre sector.
- I.2 The EAYT project has been subject to continual review over the past years, but has now reached a critical point where the costs of operating the workshops, linked with the pressure on staff teams to deliver across a range of service areas of our business has meant that we now need to consider alternative ways of delivering the workshop programmes if it is to continue.
- I.3 The main driver of our proposed changes is to make the EAYT more financially sustainable and to free our staff to be able to play a wider role in developing new programmes/events and engage a wider range of people in pursuit of our Business Plan objectives. The time allocated to the EAYT has now become unsustainable with the budgetary challenges that we now face and need now to outsource the workshop delivery element of the EAYT to ensure it becomes more sustainable and continues to form part of our wider cultural offer.
- I.4 Table A below outlines the benchmarking exercise that was completed to help inform the setting of our price point for hourly charges. It should be noted that each offer from the various organisations is different, so like for like comparisons are difficult to make. We have shown those that present shows however, against those that don't as we feel this is a critical part of our offer and what has made it special to both the young people involved and also the audiences. It also has a direct impact on the costs differential.

Table A

BENCHMARKING DATA FOR OTHER YOUTH THEATRE'S - HOURLY RATES							
SUBSCRIPTION TYP	EAYT CURRENT	EAYT PROPOSED	CENTRESTAGE	BORDERS YT	FIFE YT	RAZMATAZZ AYR YT	PERTH HORSECROSS YT
5-7 YEARS	2.26	5	4.3	3	3	7.5	8.75
8-11 YEARS	2.8	7	6	3	5	5.28	7.5
12-18 YEARS	2.8	7	6	3	5	5.28	8.33/9.17
SHOW INCLUDED	YES X 2	YES X 2	YES	NO	NO	NO	YES X 2

## 2. THE PROPOSAL

- 2.1 The proposal is to increase the subscription charge as indicated in the Table A above. Whilst this represents a significant increase, it also better reflects the true cost of operating the EAYT.
- 2.2 The current costs of operating the EAYT is shown at Table B, below. The proposal highlights the changes that we will make and the cost implications for the budget. It outlines our commitment to the continuation of the EYAT but set within a more sustainable Business Plan, where the true cost is passed to the parents of the young people.

Table B

EAST AYRSHIRE YOUTH THEATRE -BUDGET PROPOSALS			
EXPENDITURE	2016/17	2017/18	NOTES
Performance show costs - show 1	11393	8000	Reduce Show budget
Performance show costs - show 2	16662	10000	reduce show budget
Staff Costs/Commission	24700	21700	2016/17 - One member of staff G4 spending 60% of time and One member of staff G7 spending 35% of time. 2017/18 onwards - Will move to external commission managed by senior staff.
Marketing/merchandise	4500	4500	
Contingency based @ 5%	1778	2300	
<b>Total Expenditure</b>	<b>59033</b>	<b>46500</b>	
INCOME	2016/17	2017/18	NOTES
Ticket sales - show 1	3700	4000	
Ticket sales - show 2	10000	5210	
Subscriptions	14820	37290	New hourly charges:£5 per hour for 5-7 yr/£7 per hour for 8-11 and 12-18yrs (see benchmark table for current comparison).
merchandise sales yearly	3057	3500	
Other - including grants/sponsorship	1100	1500	
Income	32677	51500	
Minus income target	5000	5000	Income target to support savings package.
<b>Total Income</b>	<b>27677</b>	<b>46500</b>	
<b>Income/Expenditure</b>	<b>31356</b>	0	Income target not achieved 16/17 and covered from other service savings/Staff costs covered as core staff.

- 2.3 Our proposal is to continue to manage the EAYT but commission external theatre professionals to deliver workshops and stage the shows, under our management. We would offer the following range of workshops, all resulting in two professionally produced end of term public shows at The Palace Complex:

- 5-7 year olds - 11, 1 hour sessions x 1 term - 30 paid for and 3 free spaces for unemployed
- 8-11 year olds - 11, 2 hour sessions x 1 term - 35 paid for and 3 free spaces for unemployed
- 12-18 year olds - 11, 2 hour sessions x 1 term - 35 paid for and 3 free spaces for unemployed

We would offer three terms each year that parents can choose to book for their child/young person

- 2.4 The current cohort of young people are working towards their end of term performance and this finishes on June 2017. At this stage we would normally be promoting the next show for the next term. With the present cost structure and commitments to deploy our staff in new ways to better

increase the levels of engagement and increase income streams across the trust we would look to start the next term as soon as possible after June if approved.

- 2.5 We propose to write to all the parents of the current cohort of young people to inform them of the proposed changes to the charging structure to determine if there is a demand for the revised price structure. If we are unable to attract sufficient numbers then we will have to withdraw the service and offer the venue for commercial operators to stage a Youth Theatre. This is a model we have implemented at Cumnock Town Hall. The revenue implications of this would mean that we receive the venue hire costs from the operator. The programme and cost to individuals would be determined by the operator based on their own business model.
- 2.6 The proposed changes will allow us to meet our income target as was set out in the previous year and help us to develop the established brand, which is the East Ayrshire Youth Theatre.

**Officer: Adam Geary**  
**Designation: Cultural Services Manager**  
**Date: 7 March 2017**