

## **EAST AYRSHIRE COUNCIL**

**CABINET – 31 MARCH 2010**

### **LEISURE SERVICES GRANT FUNDING TO EXTERNAL ORGANISATIONS**

#### **Report by Executive Director of Neighbourhood Services**

#### **1. PURPOSE OF REPORT**

- 1.1 The purpose of this report is to advise Members of the Cabinet of the outcome of the evaluations of grant funded projects; to seek approval for future funding arrangements for 2010/11; and revised reporting and monitoring arrangements.

#### **2. BACKGROUND**

- 2.1 The Department of Neighbourhood Services has funded four external organisations to deliver a range of community based leisure services:-

- The Kilmarnock Leisure Centre Trust (KLCT) operating the Galleon Leisure Centre;
- The Cumnock and District Leisure Group (CDLG) operating Visions Leisure Centre;
- Dunlop and District Community Company (DDCC) operating Dunlop Village Hall; and
- Dunlop and Lugton Park Association (DLPA) operating play facilities in Dunlop Park.

- 2.2 All the organisations have previously been in receipt of annual funding, approved on a tri-annual basis, which contributes to their general running costs.

#### **3. GRANT APPLICATION AND ASSESSMENTS**

- 3.1 All organisations were subject to an evaluation by appropriately qualified assessing officers from the Department of Neighbourhood Services, Leisure Services.

- 3.2 A summary of the performance of each organisation over the last three years is noted in Appendix 1 of this report and a copy of the full evaluations is available on request.

- 3.3 In order to ensure the work of these organisations in improving health and wellbeing for residents is appropriately recognised a new monthly monitoring procedure is being established for the largest of the groups viz: Kilmarnock Leisure Centre Trust and Cumnock and District Leisure Group. This will enable performance information from groups to be included in the council's data collections for Statutory Performance Indicators.

### 3.4.1 Kilmarnock Leisure Centre Trust

The Galleon Centre is generally recognised in Scotland to be a top performing leisure facility in terms of its per-head subsidy. It exceeds most targets for the various facilities it provides for example in 2008/09 the centre recorded 500,019 attendances against a target of 459,000 across the range of activities available. The centre is also open approximately 93 hours per week, exceeding the 60 hours target set as a condition of the current Service Level Agreement

In addition to being widely accessed by the general public the centre is also utilised by a range of community groups, sports clubs and educational establishments and works closely with various local and national organisations including a number of Council services, East Ayrshire Sports Council, Skills Active and the Royal Caledonian Curling Club.

The Galleon Centre is a key partner in a number of East Ayrshire Wide initiatives such as primary school swimming lessons, SHOUT free holiday swimming and the Council's new Talented Athlete Support scheme. Over and above this the centre is widely engaged in initiatives that seek to promote equality and more specifically equitable participation in Sport working, for example with groups such as Sports for Special Needs, Park and Woodstock Schools, Hansel Village and is a significant contributor to the Council's access to leisure scheme for the homeless population.

The Council's grant is used to balance the deficit between the group's expenditure and income, and without this funding the operation of the Galleon Centre would not be sustainable.

Following assessment by appropriate Leisure Services officers it is recommended that Cabinet support this application. This would allow KLCT to continue to offer facilities and services to the local community and visitors to the area at The Galleon Centre.

- The amount of funding requested by this organisation is £335,000.
- In 2009/10 KLCT was awarded funding of £204,000.
- The amount of funding available in Council budgets for this organisation is £193,800 in 2010/11.

In 2008/09, total expenditure at the Galleon Centre was £1,942,838 with total income, including the Council grant, £1,968,116.

The group indicate that the impact of a 5% reduction in the grant award would be a reduction in expenditure for repairs and maintenance which is required to operate plant that is now 23 years old. Should the plant break down, associated costs could result in the Ice Rink being closed. There is additional and substantive evidence to confirm the possibility of closure. It should be noted that closure will have a detrimental effect on the Centre's ability to meet target attendances and generate income. The total maintenance budget for 2009/10 is estimated as £345,000.

KLCT has indicated that consideration has been given to providing a package for families on a Saturday evening including swimming and possibly a family fun swim, indoor carpet bowls, soft play, badminton, table tennis etc would be part of the package. Each family could participate in as many of these as they wished for one price for the whole family, with no additional charges. However the conclusion was that this would be very difficult to justify given the present economic situation and that as the grant subsidy looks likely to be cut, a cost analysis would require to be completed.

### **3.4.2 Cumnock and District Leisure Group**

Visions Leisure Centre provides an excellent example of Community action within the heart of Cumnock and is indeed an inspiration to many other community groups with similar hopes and aspirations. Visions generally exceeds target attendances for the various facilities it provides, for example in 2008/09 the centre recorded 91,519 attendances against a target of 87,000 across the range of activities available. Visions is also open 75 hours per week, exceeding the 40 hours target set as a condition of the Service Level Agreement.

In addition to being widely utilised by the general public it is also accessed by a range of community groups, sports clubs and educational establishments and works closely with various local and national organisations including a number of Council services, East Ayrshire Sports Council, local youth organisations such as YIP World and National Governing Bodies of Sport.

Visions is a key partner in a number of East Ayrshire Wide initiatives such as primary school swimming lessons, SHOUT free holiday swimming and the Council's new Talented Athlete Support scheme. Over and above this, the centre supports a range of equalities initiatives which seek to engage more people in physical activity for example via delivery of the Council's access to leisure scheme for the homeless population and has in the past been involved in a range of alternative curriculum programmes for those not destined for education, employment or training.

The Council's grant is used to balance the gap between the group's expenditure and income, and without this funding the operation of Visions would not be sustainable.

Following assessment by appropriate Leisure Services officers it is recommended that Cabinet support this application. This would allow CDLG to continue to offer facilities and services to the local community and visitors to the area at Visions Leisure Centre.

- The amount of funding requested by this organisation is £173,400.
- In 2009/10 CDLG was awarded funding of £170,000.
- The amount of funding available from Council budgets for this organisation is £161,500 in 2010/11.

Total expenditure at Visions in 2008/09 was £457,053 with income, including Council grant, at £442,929.

The group indicate that the impact of a 5% reduction in the grant award would be to reduce the funding available to support the ongoing programme of maintenance and this would ultimately impact on the service provided. The total maintenance budget in 2009/10 is £53,614.

To be able to continue to operate and to be open to the public, to schools and to members, the plant, equipment and the property itself require to be maintained to a high standard, must meet health and safety regulations and to be fit for purpose.

CLDG has considered ways of encouraging more family use on Saturday evenings, however in light of the proposed cuts in revenue support it would be unable to consider extending opening hours. The board has indicated that CLDG would be interested in examining any proposals to extend opening hours for family use should additional revenue funding be made available as social inclusion remains a key objective.

### **3.4.3 Dunlop and District Community Company**

Since April 2007 the Dunlop Village Hall has had in excess of 1000 lets per annum and used on average by 1800 people every month. A total of 60 volunteers are involved in running the café and in hall-keeping duties. The hall is available for use to the general public and main users of the facility at the moment include East Ayrshire Council, local community groups, MP and MSP, special interest groups and a local church.

Following assessment by appropriately qualified Leisure Services officers it is recommended that Cabinet support this application. This would allow Dunlop & District Community Company to continue to operate this very well used facility.

- The amount of funding requested by this organisation is £11,000.
- In 2009/10 DDCC was awarded funding of £10,150.
- The amount of funding available for this organisation is £9642.50.

The total expenditure for this facility in 2008/09 was £53,408 and income, including Council grant, was £40,963. DDCC do not have a budget specifically for maintenance, although this is currently being considered. So far in 2009/10 £3000 has been spent on maintenance.

DDCC has indicated that they would be able to manage with a 5% reduction. A significant budget heading for the village hall is repairs and maintenance and this area is hugely variable and difficult to predict the work that will be required. Any cuts would be taken from this element as other costs are fixed.

### **3.4.4 Dunlop and Lugton Park Association**

Dunlop and Lugton Park Association has maintained the facilities at the Dunlop Park.

Following assessment by appropriately qualified Leisure Services officers it is recommended that Cabinet refuse this application. Whilst Dunlop and Lugton

Park Association state that the park and its facilities are in good order, well used, popular, well managed with maintenance being provided by local volunteers in partnership with East Ayrshire Council, as per Service Level Agreement, they presently hold funds of £50,063.83 and have not been able to demonstrate their need for continued grant aid.

- The amount of funding requested by this organisation is £1000.
- In 2009/10 DLPA was awarded funding of £1,000.
- The recommendation following assessment is that the Council refuses this application on the grounds that the DLPA has significant levels of unallocated funds available to meet its running costs.
- The amount of funding available for this organisation is £950.

The overall running costs for this facility in 2008/09 were £964 from the organisation's general fund and £41,542 was expended from their designated fund, whilst income was £3,066, including the Council's grant. The maintenance budget for 2009/10 is £1,850.

The group indicate that impact of a 5% reduction in the grant award would be that annual costs are higher than annual income reducing their ability to fulfil the Service Level Agreement.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 The financial awards made in 2007/08, 2008/09 and 2009/10 are noted in Appendix 1 along with the proposed funding recommendations for 2010/11 which take into account the requirement for the council to save 5% across all controllable budget lines in order to meet the 2010/11 funding gap.
- 4.2 Funding is available within existing budgets to provide the detailed level of contribution.

#### **5. POLICY/COMMUNITY PLANNING IMPLICATIONS**

- 5.1 The four organisations deliver leisure services within the framework of the Leisure and Cultural Strategy and the Community Plan and in line with the principles of Best Value.

#### **6. LEGAL IMPLICATIONS**

- 6.1 Financial support for the four organisations will be underpinned by Service Level Agreements and the council's standard Conditions of Grant.

#### **7. RISK MANAGEMENT**

- 7.1 The recommendations in this report have been based on a review and evaluation of the organisations and the terms of the local audit report on Following the Public Pound.

## **8. CONCLUSIONS**

- 8.1 The Galleon Centre and Visions Leisure Centre provide excellent leisure services to the community of East Ayrshire. As demonstrated in point 3.4.1 and 3.4.2 both groups generally exceed their targets and work with a wide variety of organisations to ensure equitable participation in their services. It is unlikely that either group could continue to deliver services without grant aid support from the Council and this is highlighted within their grant application, assessment and operating budgets.
- 8.2 Dunlop and District Community Company are a relatively new organisation made up of dedicated volunteers who take responsibility for the ongoing management of the Dunlop Village Hall. The groups have greatly improved the facilities at the hall in recent years and this is reflected in the upturn in hall usage. The group's grant application and subsequent assessment clearly demonstrates the need for continued funding to ensure that the hall is maintained and developed.
- 8.3 Dunlop and Lugton Park Association have substantial funds in their current bank balance and within their grant application and follow up assessment they were unable to demonstrate continued need for financial support from the Council.
- 8.4 There are existing Service Level Agreements in place for three of the four organisations. These agreements are currently being reviewed and revised in consultation with the organisations and a new Agreement is being formulated for Dunlop and District Community Company
- 8.5 Existing monitoring arrangements for each of the four groups are being reviewed and revised to ensure compliance with the Council's financial regulations Following the Public Pound guidance and to ensure that the levels of service continue to be delivered for the residents of East Ayrshire.

## **9 RECOMMENDATIONS**

- 9.1 It is recommended that Cabinet:-
- i) support the application from Kilmarnock Leisure Centre Trust and approve funding of £193,800.
  - ii) support the application from Cumnock and District Leisure Group and approve funding of £161,500.
  - iii) support the application from Dunlop and District Community Company and approve funding of £9642.50.
  - iv) refuse the application from Dunlop & Lugton Park Association due to the large amount of funds held in bank accounts, which are unallocated as yet.
  - v) otherwise note the contents of this report.

William Stafford  
**Executive Director of Neighbourhood Services**

WS/JAG/AM  
16<sup>th</sup> March 2010

### **LIST OF BACKGROUND PAPERS**

1. Kilmarnock Leisure Centre Trust
  - Grant Application Form dated 29 October 2010
  - Monitoring Report for period 1 April 2007 – September 2009
  - Grant Assessment Form dated 15 February 2010
  - Financial Assessment Form dated 19 January 2010
  - Risk Assessment Form dated 20 January 2010
  
2. Cumnock & District Leisure Group
  - Grant Application Form dated 2 January 2010
  - Monitoring Report for period 1 April 2007 – September 2009
  - Grant Assessment Form dated 24 February 2010
  - Financial Assessment Form dated 25 January 2010
  - Risk Assessment Form dated 25 January 2010
  
3. Dunlop and District Community Company
  - Grant Application Form dated 11 November 2009
  - Monitoring Report for period 1 April 2007 – September 2009
  - Grant Assessment Form dated 15 February 2010
  - Financial Assessment Form dated 3 December 2009
  - Risk Assessment Form dated 3 December 2009
  
4. Dunlop & Lugton Park Association
  - Grant Application Form dated 4 February 2010
  - Monitoring Report for period 1 April 2009 – 30 September 2009
  - Grant Assessment Form dated 22 February 2010
  - Financial Assessment Form dated 9 February 2010
  - Risk Assessment Form dated 9 February 2010

Any person wishing to inspect the background papers should telephone Angie Bennett, Leisure Development Manager, on 01563 576722

Implementation Officer – [john.griffiths@east-ayrshire.gov.uk](mailto:john.griffiths@east-ayrshire.gov.uk)

## APPENDIX 1

| Organisation  | Funding History   | Bank balance as at 14/10/09   | Future Needs  |
|---|---|---|---|
| <p><b>Dunlop &amp; District Community Company</b></p> <p><b>Purpose:</b></p> <p>To manage the premises and facilities of Dunlop Village Hall for the benefit of the residents</p> | <p>2007/08- £10,150</p> <p>2008/09- £10,150</p> <p>2009/10- £10,150</p> | <p>£66,045.75 –</p> <p>Builders retention £9455.63</p> <p>Contribution to new extension £15,000</p> <p>1 year's running costs also held reserve as per company policy £41590.12</p> | <p>The funding applied for will help to subsidise the cost of running the village hall, allowing community groups to access the facilities at an affordable rate.</p> <p>Over and above this, the company intend to further improve the facility by building a small extension in order to provide storage space for current or new users, extra serving and circulation space for functions and a 'wet room' for arts and crafts activities.</p> |

| Organisation  | Funding History  | Bank balance as at 30/10/09   | Future Needs  |
|---|--|---|---|
| <p><b>Dunlop &amp; Lugton Park Association</b></p> <p><b>Purpose:</b></p> <p>To maintain and develop Dunlop Park for ongoing benefit of the local community and visitors to the area.</p> | <p>2007/08- £1,000</p> <p>2008/09- £1,000</p> <p>2009/10- £1,000</p> | <p>£50856.77</p> <p>Funds are being held for maintenance and for commencement of phase 2 of development of park</p> | <p>The funding applied for will assist with administration costs.</p> <p>Over and above this, the group has indicated that they plan to improve and develop the park, but have not been able to indicate what this entails.</p> |

| Organisation   | Funding History  | Bank Balance as at 03/12/09   | Future Needs  |
|--|--|---|---|
| <p><b>Cumnock &amp; District Leisure Group (Visions)</b></p> <p><b>Purpose:</b></p> <p>To provide in the interests of social welfare, facilities for recreation and other leisure time occupation for the public in the area covered by the former Cumnock and Doon Valley District.</p> | <p>2007/08- £160,000</p> <p>2008/09- £165,000</p> <p>2009/10 -£170,000</p> | <p>£133,189.98</p> <p>Funds are held to meet revenue costs and contingencies. As of 01/02/10 this balance was reduced to £106k. Salaries are approximately £20k per month and ventilation system had to be repaired in January.</p> | <p>The funding applied for will help to subsidise the cost of running the facility during 2010/11.</p> <p>Over and above this, Cumnock and District Leisure Group has commissioned detailed consultancy work to identify options for the use of renewable energy systems, and has also commissioned a feasibility study for further development of the site, with the aim of providing a centre of sporting excellence.</p> |

| Organisation  | Funding History  | Bank Balance as at 27/10/09  | Future Needs   |
|---|--|--|--|
| <p><b>Kilmarnock Leisure Centre Trust (The Galleon Centre)</b></p> <p><b>Purpose:</b></p> <p>To provide and manage a leisure centre in Kilmarnock and to encourage the widest use of the recreation facilities provided, by residents within and visitors to Kilmarnock and Loudon District</p> | <p>2007/08- £174,000</p> <p>2008/09- £189,000</p> <p>2009/10 -£204,000</p> | <p>£10,662.50 &amp; £111,418</p> <p>Funds are held for salaries and wages (approx £40,000). Remainder is reserves to meet liabilities of Trust (4 – 8% of annual turnover recommended by OSCAR</p> | <p>The funding applied for will help to subsidise the cost of running the facility during 2010/11. £105,000 would also go toward the refurbishment of the ice rink.</p> <p>Over and above this, capital investment of £105,000 is planned for the ice rink during 2010/11.</p> |