

EAST AYRSHIRE COUNCIL

COMMUNITY SERVICES COMMITTEE – 8TH NOVEMBER 2006

CUMNOCK AND DISTRICT LEISURE GROUP – 3 YEAR FUNDING AGREEMENT

Report by the Executive Director of Neighbourhood Services

1. PURPOSE OF REPORT

- 1.1 To seek approval in principle for a three year funding agreement between the Council and the Cumnock and District Leisure Group (CDLG) in relation to the operation of the Visions Centre, Cumnock to commence in 2007/08.

2. BACKGROUND

- 2.1 The CDLG receives funding from the Council on an annual basis. At the Council meeting on 22 June 2006 additional funding was awarded to the organisation bringing the total funding for 2006/07 to £160,000. Made-up of £90,000 from Quality of Life funding and the remained from Council balances. At the same meeting it was agreed that three year budget proposals should be developed and scrutinized by an external consultant before being presented to this Committee.
- 2.2 The full Council recommendation also included the requirement to assess the performance of Visions since its opening.

3 CONSIDERATIONS

- 3.1 Financial projections for the Visions for the next three years were prepared by the CDLG Board; these projections reflected current user trends and assumed that there would be no major changes in the core facilities at the Visions Centre in this period. These figures were examined by the Consultant (Alan Jones from Alan Jones Associates) and compared to the performance of other similar Leisure trusts.
- 3.2 The Overview of the CDLG Business Plan Review produced by Alan Jones is available as a background paper to this report. In terms of revenue funding the findings of the Consultant's report can be summarized as follows:-
 - The Cumnock and District Leisure Group is a company limited by guarantee and a registered Scottish charity. The company has been operating effectively and efficiently for over 2 years.
 - The company work in close partnership with East Ayrshire Council and through this partnership they have achieved many of the social and health related objectives that the local authority are keen to deliver particularly in socially deprived areas.
 - The company's business plan shows depth of thought and creativity in looking for continually changing solutions for maximizing income and controlling expenditure whilst not forgetting the markets they exist to serve.

- Their business plan is focused and transparent and the levels of subsidy sought from the Council are what reasonably could be asked of any other Council in Scotland.

3.3 There is a service level agreement in place with the CDLG and this agreement can be used to underpin any new 3 year funding agreement. The SLA will be subject to ongoing review. Progress reports will also continue to be presented to this Committee. In order to assist the CDLG with their cash flow it would be beneficial to pay the corporate annual grant at the start of the financial year, rather than in two stages. Should the whole grant not be required in a financial year an adjustment would be made to the following years payment.

4. FINANCIAL IMPLICATIONS

4.1 The CDLG has indicated that it will require the following funding to operate the Visions Centre in the next three years:

2007/08	£160,000
2008/09	£165,000
2009/10	£170,000

It should be noted that Quality of Life funding will not be available beyond 2007/08.

5. LEGAL AUTHORITY/IMPLICATIONS

5.1 Financial support for CDLG is underpinned by the Service Level Agreement and the Councils standard Conditions of Grant.

6. POLICY / COMMUNITY PLAN IMPLICATIONS

6.1 Support for the CDLG and the Visions Centre is in line with the Promoting Community Learning; Improving Opportunities; Improving Community Safety; Improving Health; Eliminating Poverty and Improving the Environment themes of the Community Plan.

7. CONCLUSIONS

7.1 The CDLG continues to offer good value for money in its operation of the Visions Centre and the funding requirement for the three year from 2007/08 has been assessed as reasonable and achievable.

7.2 A three year funding agreement will allow the CDLG to plan for the future and respond to service needs with greater effectiveness. Any decision at this stage would be in principle only and subject to the Council making an appropriate allocation during the budget planning process for 2007/08 and beyond.

8. RECOMMENDATIONS

8.1 It is recommended that the Committee:-

- (i) approve in principle the award of a three year funding package to the Cumnock and District Leisure Group as follows; 2007/08 - £160,000; 2008/09 - £165,000; 2009/10 – £170,000; and
- (ii) otherwise note the content of the report.

William Stafford
Executive Director of Neighbourhood Services

WS/JAG

23rd October 2006

LIST OF BACKGROUND PAPERS

1. Overview of the Cumnock and District Leisure Group's Business Plan 2006 – 2010 (Alan Jones Associates – August 2006)

Any person wishing to inspect the background papers list above should telephone 01563 578179 and ask for John Griffiths, Head of Leisure Services.

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