

# Corporate Policy and Strategy Committee

10am, Tuesday 14 June 2016

## Business Case for the Management Transfer of Secondary School Sport Facilities to Edinburgh Leisure

Item number	7.6
Report number	
Executive/routine	
Wards	All

### Executive summary

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This report provides an update on progress in relation to the recommendations contained in the committee report, 'Citywide review of Council-owned sports facilities and services: key findings and recommendations' presented on 29 September 2015 to Corporate Policy and Strategy Committee.

Following approval by the Corporate and Policy Strategy Committee on 29 September 2015, and further to the report to this committee on 17 May 2016, a Joint Implementation Group consisting of Council Officers and Edinburgh Leisure executives has been working to take forward the transition of secondary schools sports facility management to Edinburgh Leisure outwith core school hours.

Consistent with the Committee's decision, the Joint implementation Group will focus on the management transfer of school sports facilities together with the delivery of £500k approved savings. It is essential that all Council costs are met prior to any additional income generated being allocated toward the achievement of the savings. There will be no detriment to the education provided to pupils or their ability to access school facilities; with no financial detriment to the Council or Edinburgh Leisure and to ensure a mixed economy of delivery.

### Links

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Coalition pledges	<a href="#">P24</a> , <a href="#">P42</a> , <a href="#">P43</a>
Council outcomes	<a href="#">C04</a> , <a href="#">C10</a> , <a href="#">C20</a>
Single Outcome Agreement	<a href="#">S02</a>

## **Business case for the Management Transfer of Secondary School Sports Facilities to Edinburgh Leisure**

### Recommendations

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Committee is asked to:

- 1.1 Note the Joint Implementation Group is working in partnership to review detailed operational requirements for each school to ensure any risks posed to both the City of Edinburgh Council (CEC) and Edinburgh Leisure (EL) are recognised and managed.
- 1.2 Note that Council priorities must be included as part of any 'conditions of transfer,' including:
  - 1.2.1 Ensuring flexibility within the revised arrangements where school requirements for the use of these facilities is prioritised and continues 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 Supporting the provision and future development of school based Community Sports hubs and ensuring the delivery of the Council's commitment to delivering a mixed economy of sporting provision, including swimming lessons, across the city.
- 1.3 Note that priority will be given to identifying how the achievement of £500k savings from the integration of sports services can be accelerated through the ongoing work being undertaken by Council officers and Edinburgh Leisure staff. This will include revising current staffing and pricing arrangements in some facilities and identifying new income streams from all new and existing school sports facilities.
- 1.4 Note that implementation of the revised arrangements will result in EL supporting the Council to achieve the identified savings target of £500k.

- 1.5 Note that a change programme will be developed to ensure the range of current arrangements in place in schools (for example, external funding agreements for sport and related activity and the continuation of a 'mixed economy' of provision) are clarified and continue to be supported under the new management arrangements.
- 1.6 Agree that the transfer of the management of school sports facilities to EL, outwith core school hours, will commence from August 2016 with the transfer of school sports facilities in three new Council high schools: James Gillespie's High School, Portobello High School, and Boroughmuir High School from when each is open.
- 1.7 Note that at the time of preparing the business case for the proposal, EL were advised that sports facilities in the primary and special schools were not deemed to be in scope. It is intended to examine the feasibility of including these facilities in the new arrangements after the successful transfer of secondary school facilities to EL. If this is progressed it would ultimately ensure a single point of access to all school sports facilities.

## Background

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- 2.1 Following the Committee decision in September 2015 EL created a project proposal setting out timescales for the development of the business case to transfer the management of community access to secondary school sports facilities from CEC to EL. A range of information was collated and provided to EL by CEC staff and a programme of visits and meetings with various stakeholders was facilitated by Community Access to Schools (CATS) staff and school based staff, to inform the development of the business case. The business case was presented to, and approved in principle, by the EL board on 7 March 2016. Following receipt of the EL board report to CEC, CEC then received the business case on 14 March. Following a meeting between CEC officers and EL on 16 March a slightly amended version of the business case was received on 22 March. Supplementary information has continued to be shared within the Joint Implementation Group which has informed an implementation process for the transfer of sports facilities in James Gillespie's High School detailed in Appendix 1. The implementation process will also inform the development of a full implementation plan for the transfer of sports facilities to Edinburgh Leisure in the remaining secondary schools.

## Main report

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- 3.1 A Joint Implementation Group consisting of City of Edinburgh Council officers and Edinburgh Leisure executives was established in May 2016 to work in partnership to take forward the business case and associated tasks.
- 3.2 The Joint Implementation Group proposes that the process for the initial transfer of secondary school sports facilities to EL begins from August 2016, with the transfer of school sports facilities in three new Council high schools: James Gillespie's High School, Portobello High School, and Boroughmuir High School from when they open.

The benefits of this proposal are to:

- 3.2.1 Develop new ways of working that support greater access to school sports facilities and maximise community access to, and income generation from, sports facilities in the three new schools;
  - 3.2.2 Identify the success of the model in the three new schools by developing agreed annual targets based on industry benchmarks for: usage, income and customer satisfaction. These benchmarks were referred to in Appendix 1 a report by Max Associates contained in the committee report: 'Citywide review of Council-owned sports facilities and services: key findings and recommendations' to the Corporate Policy and Strategy Committee, 29 September 2015;
  - 3.2.3 Initiate the collation of baseline data in the three selected new build schools which evidences an effective contribution to the achievement of the key ambitions contained within city's physical activity and sports strategy targets;
  - 3.2.4 Build momentum in achieving the Council's ambition to deliver savings targets from the transfer of secondary school sports facilities at the earliest possible opportunity.
- 3.3 The development of a change programme will be required, necessitating engagement with key stakeholders such as: schools, community groups, sports clubs, **Sportscotland** and commercial providers. This will ensure that current arrangements, e.g. external funding agreements and the continuation of a 'mixed economy' of provision are clarified and supported prior to the new management model being implemented. Engagement with a range of stakeholders has already commenced including: Headteachers of the initial three schools, some staff in scope of the transfer arrangements and **Sportscotland** and Trade Union representatives.
  - 3.4 In addition to the transfer, a due diligence examination of the remaining nineteen secondary schools (See Appendix 2) will be undertaken. Council officers and Edinburgh Leisure staff will continue to work closely together to give detailed consideration to a range of issues arising from the operational requirements ensuring all risks and benefits have been fully assessed and can be managed.

- 3.5 A series of workshops for CEC and EL staff are being developed to ensure all operational requirements and associated issues are identified in the initial three schools to ensure the successful transfer of the management of the sports facilities to EL. It is anticipated that this will result in the following:
- 3.5.1 Development and implementation of an engagement strategy that will involve all relevant stakeholders, including: Head Teachers, Parent Councils, customers and the voluntary and commercial sector who utilise school sports facilities, (for example; SwimEasy and Aquatic Learning);
  - 3.5.2 Development of a 'community use agreement' for each school that shall contain programming information that will inform the operation of these facilities by EL. The community use agreement will aid a shared understanding of, and underpin a partnership approach to planning the use of these facilities. This will also support the 'mixed economy' model of sports provision including: school use, Active Schools programmes, school based Community Sports Hubs and commercial provision, within school sports facilities;
  - 3.5.3 Development of robust plans to ensure the Council's saving target of £500k is delivered from the implementation of the new arrangements. All additional costs that the Council may incur as a result of the new arrangements will be met prior to any additional income generated being allocated toward the achievement of the saving target;
  - 3.5.4 Identification of the Facilities and Asset Management implications and an agreement on how the additional associated costs of the transfer will be met and/or funded;
  - 3.5.5 Give due consideration to the Council's transformation programme and the impact any organisational reviews of related Council service areas will have upon the revised management and operational arrangements for school sports facilities. This is required to ensure the proposals are fully implemented and work successfully;
  - 3.5.6 All Council staffing issues will be identified and future staffing arrangements/requirements to support the transfer. Any staff transfers required under TUPE will be consulted upon with all relevant stakeholders including Trade Unions. It should be noted that there are no TUPE implications relating to the transfer of facilities in the three new schools;
  - 3.5.7 The initiation of formal engagement with the Edinburgh Schools Partnership and Axiom Education Limited who manage the schools within the PPP school estate, with a view to renegotiating the existing secondary school PPP contracts. Current arrangements are identified as constraining the usage of these schools because of the associated costs. The management and operational support from PPP providers is critical to the success of the Council's desire to increase access to school facilities.

- 3.6 By taking into account all the points detailed above, and to ensure that any risk to the Council and Edinburgh Leisure is minimised, it is proposed that the implementation process is applied to the remaining secondary school sports facilities and that the transfer of will be fully achieved by August 2017. The benefits this approach will bring are:
- 3.6.1 All necessary due diligence will have been undertaken systematically within a realistic timeframe ensuring any business case assumptions have been addressed, and all risks have been identified and/or mitigated;
  - 3.6.2 All staff resources required to support the model are identified and accounted for;
  - 3.6.3 All asset management issues, including reconfiguration of school entrances and associated minor works and on-going maintenance proposals would be fully costed, planned and systematically implemented and all associated risks identified and managed.

### **Governance and Management**

- 3.7 A steering group will be established from the membership of the Joint Implementation Group and will become the body responsible for identifying and taking forward all tasks required to ensure the successful transfer of secondary school sports facilities to Edinburgh Leisure. Regular update reports will be provided to both the Corporate Leadership Team and Edinburgh Leisure 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.

### **Measures of success**

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- 4.1 By January 2017 Edinburgh Leisure will be managing sports facilities in at least three new Council secondary schools.
- 4.2 By August 2017 all secondary school sports facilities will have transferred to Edinburgh Leisure.
- 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 additional 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.
- 4.6 Data collected will show high levels of customer satisfaction and high levels of participation. 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.

## Financial impact

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- 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 progressing the review of all income and cost assumptions to seek to identify where savings can be accelerated. This could include operational changes to the existing management model, ahead of full handover to Edinburgh Leisure. The outcome of these considerations will be reported in due course as part of the Council revenue monitoring arrangements.

## Risk, policy, compliance and governance impact

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- 6.1 The main recommendation of this report is for a substantive change in the management of community access to school sports facilities which, while not without risk, would 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 as detailed in paragraphs 3.2.1 – 3.2.4.
- 6.3 The Council is taking comprehensive advice on the legal and procurement aspects of this proposal to ensure legislative compliance.

## Equalities impact

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- 7.1 The main recommendation would widen access to all of the Council's sport facilities. If Council approves the recommendation to transfer management of school sport facilities to Edinburgh Leisure, the development of an equalities and rights impact assessment will be an integral part of the ongoing work with Edinburgh Leisure.

## Sustainability impact

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- 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.

## Consultation and engagement

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9.1 As stated in paragraphs 2.1 and 3.2 above, some initial engagement work has taken place. ClubSportEdinburgh also facilitated engagement with a range of sports clubs throughout the city who are currently using EL and CEC 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 the Joint Implementation Group will continue to engage with a range of Council staff and other stakeholders who utilise secondary school sports facilities.

## Background reading/external references

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[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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### Links

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<b>Coalition pledges</b>	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.
<b>Council outcomes</b>	CO4 - Our children and young people are physically and emotionally healthy ; CO10 - Improved health and reduced inequalities; CO20 Culture, sport and major events – Edinburgh continues to be a leading cultural city where culture and sport play a central part in the lives and futures of citizens; CO26 The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives.
<b>Single Outcome Agreement</b>	SO2 Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health
<b>Appendices</b>	Appendix 1: Implementation process for the transfer of school sports facilities Appendix 2: Secondary School sports facilities to be transferred to Edinburgh Leisure by August 2017

## APPENDIX 1

Implementation Process for transferring management of secondary school sports facilities at James Gillespie's High School.

This implementation process has been designed to consider and evaluate all the business and operational requirements necessary for the successful transfer of the management of secondary school sports facilities outwith the core school day in James Gillespie's High School to Edinburgh Leisure.

Activity	Proposed Timeline	Who
Form and activate work groups to identify all operational requirements	02/06/2016	CEC/EL
Update EL Board on progress in relation to initial transfer arrangements and keep updated with developments to ensure their continued support for implementation of the proposal	27/06/2016	CEC/EL
Implement communication and engagement strategy with all relevant stakeholders.	Commence from w/c 6/06/2016	CEC/EL
Confirm sports facilities available to Edinburgh Leisure	30/06/2016	CEC/EL
Assess net income assumptions and agree net income projections (includes identification of all additional costs)	15/08/2016	CEC/EL
Agree opening hours available	30/06/2016	CEC/EL
Confirm arrangements for janitor and cleaning cover	31/07/2016	CEC/EL
Assess and evaluate all implications for managing the Council's assets: Day to day maintenance, lifecycle works, insurance cover etc	15/08/2016	CEC/EL
Assess proposed changes for new Facilities Management Service Level Agreement	15/08/2016	CEC/EL
Edinburgh Leisure communication with Head Teacher	17/06/2016	CEC/EL
Confirm community use agreement	30/08/2016	CEC/EL
Assess implications of current mixed economy arrangements and agree new arrangements	30/08/2016	CEC/EL
Assess implications for adult education	30/08/2016	CEC/EL
Agree equipment ownership and replacement	31/07/2016	CEC/EL
Agree customer contact and booking process ( Ensuring that the customer has a single point of contact)	30/08/2016	CEC/EL
Agree Pricing structure	31/07/2016	CEC/EL

**APPENDIX 1**

Agree Process for Receiving and Transferring Income	15/08/2016	
Agree Principles on Financial Arrangements	15/08/2016	CEC/EL
Agree Terms and Conditions of Transfer	28/08/2016	CEC/EL
Formalise Transfer Arrangements	30/08/2016	CEC/EL

This Implementation Process will be used to inform the development of a full implementation plan for the transfer of all management of secondary school sports facilities school outwith the core school day to Edinburgh Leisure by September 2017.

**SECONDARY SCHOOL SPORTS FACILITIES TO BE TRANSFERRED TO  
EDINBURGH LEISURE BY AUGUST 2017**

BALERNO COMMUNITY HIGH SCHOOL
BROUGHTON HIGH SCHOOL (PPP2)
CASTLEBRAE COMMUNITY HIGH SCHOOL
CRAIGMOUNT HIGH SCHOOL (PPP1)
CRAIGROYSTON COMMUNITY HIGH SCHOOL (PPP2)
CURRIE COMMUNITY HIGH SCHOOL
DRUMMOND COMMUNITY HIGH SCHOOL (PPP1)
FIRRHILL HIGH SCHOOL (PPP1)
FORRESTER HIGH SCHOOL (PPP2)
GRACEMOUNT HIGH SCHOOL (PPP1)
HOLYROOD R.C. HIGH SCHOOL (PPP2)
LEITH ACADEMY COMMUNITY HIGH SCHOOL
LIBERTON HIGH SCHOOL
St AUGUSTINE'S R.C. HIGH SCHOOL (PPP2)
St THOMAS of AQUIN'S R.C. HIGH SCHOOL
THE ROYAL HIGH SCHOOL (PPP1)
TRINITY ACADEMY
TYNECASTLE HIGH SCHOOL (PPP2)
WESTER HAILES EDUCATION CENTRE
N.B. Edinburgh Leisure currently operate the sports facilities in Queensferry Community High School