

EAST RENFREWSHIRE COUNCIL
AUDIT AND SCRUTINY COMMITTEE

18 March 2021

Report by Director of Education

EAST RENFREWSHIRE CULTURE AND LEISURE TRUST
BEST VALUE REVIEW

PURPOSE OF REPORT

1. The purpose of the report is to advise the Audit and Scrutiny Committee on which recommendations from the East Renfrewshire Culture and Leisure Trust Best Value Review are still relevant and share the associated action plan.

RECOMMENDATIONS

2. It is recommended that the Audit and Scrutiny Committee consider and comment on the East Renfrewshire Council and East Renfrewshire Culture and Leisure Trust Finance and Business Review and Best Value Review Action Plan.

BACKGROUND

3. The Audit and Scrutiny Committee approved the deletion of the audit of the operation of the East Renfrewshire Culture and Leisure Trust from the 2019/2020 Internal Audit Plan on 15th August 2019. This was agreed on the basis that the Scrutiny and Evaluation Officer would progress a Best Value Review of the Trust and that the findings would be reported to the committee in due course.

4. The Best Value Review of East Renfrewshire Culture and Leisure Trust was considered by the Audit and Scrutiny Committee on 25th June 2020. A copy of the Review including the 23 recommendations is included as Appendix 1.

5. The Committee noted that the Best Value Review was undertaken prior to the onset of the COVID-19 pandemic. This had, and continues to, impact on the Trust with most employees furloughed, buildings closed, and work and activities suspended.

6. As a result the Committee noted the recommendations and agreed that the Director of Education, in partnership with the Chief Executive of the East Renfrewshire Culture and Leisure Trust, review the recommendations within the Report in light of the current Covid-19 pandemic and advise which are still valid in a report to a future meeting of the Audit and Scrutiny Committee.

REPORT

7. The scope of the Best Value Review was agreed jointly between the Trust and the Council and was focused on Eastwood Park; performance; governance; joint working between the Council and Trust and value for money. The report suggested 23 recommendations to be undertaken individually by the Trust; individually by the Council or jointly between the Trust and Council.

8. The Best Value Review report concluded overall that the Trust *'is meeting its savings targets, in accordance with the original objectives when the Trust was established in 2015/16, demonstrating sound, and resilient financial management practices, including improved financial planning through three-year budgeting.'* The report also highlighted that relationships between both organisations were strong and based on mutual respect and understanding.

9. The Report noted a number of opportunities for further improvement, including revisions to the SLAs to reflect the need for stronger ties to be stated for closer alignment of the strategic goals of both organisations, and for discussions to commence on the joint booking arrangements for sports pitches and pavilions,

10. The closures of the Trust facilities and services during the Covid-19 pandemic have significantly impacted their operations and income. Operating income for 2020-21 is forecast to reduce to £921k, a decrease of £3.7 million from the budget of £4.7 million. Through the use of the furlough scheme, accessing external funding and managed opening of services to minimise costs the Trust has managed to reduce the forecast loss for 2020/21 to £179k. In addition, the Foundry and Carmichael Hall are currently being used as vaccination centres.

11. The Director of Education, in partnership with the Chief Executive of the East Renfrewshire Culture and Leisure Trust, has reviewed the 23 recommendations within the Report in light of the current Covid-19 pandemic.

12. Nine of the recommendations do not require further action, namely recommendations 1, 3, 4, 7, 8, 9, 12, 14 and 22. In addition, recommendation 10, in light of the Covid-19 pandemic is now considered closed. Recommendation 17 is considered on an annual basis through the end year performance report.

13. The Audit and Scrutiny Committee will be aware of the Solace in Business report and associated action plan, which was approved by the Trust's Board in June 2018 and is overseen by the Director of Education, the Chief Finance Officer, and the Trust's Chief Executive. This existing action plan has been updated to incorporate the remaining 12 best value review recommendations (Appendix 2).

CONCLUSION

14. ERCL will continue to self-evaluate its performance and take the necessary steps in partnership with the Council, to improve those areas identified for improvement in the action plan as part of its business planning process.

RECOMMENDATION

15. It is recommended that the Audit and Scrutiny Committee consider and comment on the East Renfrewshire Council and East Renfrewshire Culture and Leisure Trust Finance and Business Review and Best Value Review Action Plan.

Director of Education
18th March 2021

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Background Papers

Report by Chief Executive to Audit and Scrutiny Committee, 21 November 2019:
East Renfrewshire culture and Leisure Trust Best Value Review

Report by Chief Executive to Audit and Scrutiny Committee, 26 September 2019:
Audit and Scrutiny Committee Work Plan

Report by Chief Executive to Audit and Scrutiny Committee, 15 August 2019:
Potential Areas for Scrutiny and Review Investigations

Report by Chief Executive to Audit and Scrutiny Committee, 25 June 2020.
East Renfrewshire Culture and Leisure Trust Best Value Review

Appendix 1

East Renfrewshire Culture and Leisure Trust: Best Value Review

Appendix 2

East Renfrewshire Council and East Renfrewshire Culture and Leisure Trust Finance and Business Review and Best Value Review Action Plan

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EAST RENFREWSHIRE COUNCIL

**East Renfrewshire Culture and Leisure Trust:
Best Value Review**

Report by Scrutiny and Evaluation Officer

(V1.0)

Charles Leleux
Scrutiny and Evaluation Officer
Chief Executive's Office
Chief Executive's Business Unit
25 March 2020

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EXECUTIVE SUMMARY

1. Joint working arrangements have been agreed between the Trust and the Council, concerning the provision of a new leisure centre and theatre in Eastwood Park;
2. Informal discussions are taking place between the Leader of the Council and the Chair of the Trust Board, to ensure the strategic directions of both organisations are aligned;
3. Revised complaints handling procedures are recommended for introduction by the Trust and the Council;
4. Sustained growth of participation rates in sports development, including grassroots development has been achieved since the Trust's inception in 2015;
5. Libraries and Information Services are performing in the top quartile of Trusts for book issues, physical and virtual visits, and active borrowers, based on CIPFA data;
6. Opportunities to be explored for further commercial development of halls, community facilities, and school lettings through joint discussions between the Trust/Council;
7. The launch in late 2019 of new memberships products and pricing, combined with a marketing campaign aimed at new members, demonstrates decisive leadership by the Trust Board and senior management (subject to later analysis of the financial results);
8. The Trust is continuing to make significant contributions towards improving health and wellbeing outcomes across the East Renfrewshire community since 2015, in line with the Council's Outcome Delivery Plan; Community Plan/Fairer East Ren objectives;
9. Savings have been delivered by the Trust on Non Domestic Rates and VAT, in line with the original objectives when it was established in 2015. However, savings targets for the Trust in 2020/21 will be challenging;
10. The Service Level Agreements have mostly worked well, although recommendations have been made for improvement measures to be undertaken by both organisations;
11. Evidence is provided of successful partnership working between the Trust and other bodies, in particular the Health and Social Care Partnership;
12. Assessments have been made concerning the value for money for the services which the Trust delivers, through its funding from the Council. This relates to its financial management; customer responsiveness; community planning; and performance; and
13. Recommendations have been provided on other improvement areas for both organisations to consider, such as the proposal to hold joint discussions on improving the experience for customers when booking sports pitches and changing pavilions, which are currently managed separately by the Council and the Trust.

1. INTRODUCTION

1.1 The Audit and Scrutiny Committee of East Renfrewshire Council (the Council) on 15 August 2019, approved the deletion of the audit of the operation of the East Renfrewshire Culture and Leisure Trust (the Trust) from the 2019/20 Internal Audit Plan. This was agreed on the basis that the Scrutiny and Evaluation Officer would instead undertake a best value review of the Trust, the findings of which would be reported to the committee in due course.

1.2 The background to this decision was that following a Solace-in-Business (SiB) review in 2018 of the Trust's financial governance, it was considered after three full years' of operation, a best value review of the Trust should be undertaken. The aim was to determine what has worked well in the formation of the Trust, and what areas could be improved going forward.

1.3 The scope of the best value review was agreed in October 2019, between the Chief Executive and Director of Education of the Council, and the Chief Executive of the Trust. Thereafter, the Audit and Scrutiny Committee at their meeting on 21 November 2019 noted the scope and timeline of the review, further details of which are provided at Section 2. The review was carried out between January and March 2020, although some preparatory visits and discussions took place towards the end of 2019.

1.4 The review was conducted using the principles which underpin the 'best value' audit process:

'Best value is about ensuring that there is good governance and effective management of resources, with a focus on improvement, to deliver the best possible outcomes for the public.'

(Audit Scotland: Best Value/What is Best Value? Accessed: 25.2.20)

<https://www.audit-scotland.gov.uk/our-work/best-value>

Establishment of Trust and Related Issues

1.5 The Trust was formed on 2 July 2015, with the aim of providing improved culture and leisure services to the residents of East Renfrewshire, and achieving financial benefits through the formation of a charity, with the potential for savings on Non-Domestic Rates (NDR) and VAT. Evidence is provided from this review that significant savings have been made, and that the core guiding principles agreed at the inception of the Trust are still being adhered to.

1.6 The performance of the Trust is reported to the Council by the Director of Education who has responsibility for this through the Management Agreement, which was established at its inception. Each year, the Director of Education presents the Annual Business Plan, and the Trust End Year report, for approval by the Council. Commentary on the progress made by the Trust on various fronts has been provided in later sections.

1.7 The importance of good relationships and shared vision between both organisations are fundamental to the successful delivery of leisure and cultural services to the East Renfrewshire community. Examples of joint working are provided, including proposals for a new leisure centre and theatre in Eastwood Park. The Service Level Agreements (SLAs) which were put in place when the Trust was formed have been reviewed as to what has worked well; what could be improved moving forward; and the extent to which they have the customer in mind (Section 4).

1.8 The commercial environment in which the Trust operates has to be recognised, including how it responds to pressures which it faces from the private sector, and the changing

needs of customers. The remodelling of the gym price structure to create one of the most competitive offers in the Greater Glasgow area, and the move to earlier opening hours of the Trust's leisure facilities from January 2020, are good examples of decisive leadership. Both were supported by an integrated approach which included a marketing campaign to attract new members, and retain existing ones. The Trust Board and senior management have taken a financial risk by introducing these changes, the results of which have still to be analysed, although early indications are encouraging.

1.9 A key factor in the establishment of the Trust, was how culture and leisure services can best contribute to the Community Plan (including a Fairer East Renfrewshire). This aspect is explored in detail in the review, and some specific examples are provided where the Trust has prioritised social inclusion and physical/mental health, above that of commercial gain, which is notable. The Health for Heroes programme (Section 4) is a very good example of this.

1.10 A series of twenty-three interviews, meetings and visits were undertaken as part of this review, involving representatives of the Trust and the Council, further details of which can be found in Section 3, and in Appendix 2.

1.11 The review considered the core objectives of the Trust's existence, relating principally to finance, governance, performance and improvement, customer responsiveness, and social inclusion reflecting the shared objectives of the Council's Outcome Delivery Plan; the Community Plan, and the Fairer East Ren Plan. Commentary on these areas has been provided at each section where they were explored, including recommendations for both the Trust and the Council to consider.

2. SCOPE OF INVESTIGATION

2.1 The Best Value review of the Trust was conducted by the Scrutiny and Evaluation Officer between January and March, 2020, working to the brief which had been agreed jointly between the Council and the Trust:

1 Eastwood Park

The review would take into account the planned new leisure centre in Eastwood Park, and the closure of facilities for maintenance and improvement;

2 Performance

To consider:

- Baseline data from 2015 to 2019 of customer activity and visitor numbers across all areas. This would include performance indicators from 2015, and benchmarking data, as evidence of continuous improvement and customer satisfaction rates;
- Other evidence of continuous improvement and service re-design of the Trust's activities and responsibilities, involving customer engagement and participation, since 2015;
- Evidence of improvement in health and wellbeing across the East Renfrewshire community since 2015, and correlating with the involvement of the Trust where possible. A general assessment was to be based on outputs. However, if scope existed to develop more meaningful indicators as a natural progression of existing work at a later stage of the review, then that was to be the subject of further discussion;

3 Governance

To review the legal agreement between the Council and the Trust having regard to:

- Suitability of the Trust model to deliver (1) efficiency savings in line with Council annual targets, and (2) annual savings on Non-Domestic rates and VAT, in accordance with original objectives;
- Evidence of the ongoing contribution of the Trust to Council goals and community planning objectives, including exploring the scope to make more explicit some of the wider contributions which the Trust could be expected to make; and
- The agility of the Trust model to deliver transformational change across Trust facilities and services, and whether or not the Trust is best served by Council support services in this regard, such as Property and Technical Services;

4 Joint Working Between the Council and Core Activities of the Trust

To consider opportunities for further collaboration between the Council, the Health and Social Care Partnership (HSCP), and the Trust, which have the potential to provide improved services and outcomes for the residents of East Renfrewshire, and which should be considered in more detail in the future; and

5 Value for Money

To consider evidence of value for money being achieved by both the Council and the Trust, including within the individual Service Level Agreements for delivery of core services.

3. METHODOLOGY

3.1 A mixed-methods approach was used by the Scrutiny and Evaluation Officer in the conduct of the review, which included:

- 1 Telephone interviews;
- 2 Semi-structured interviews with staff involved in providing support services functions to the Council and the Trust, e.g. Property and Technical Services; Financial Services; ICT services; Human Resources; Performance, Communications; Health and Safety etc.
- 3 Undertaking visits to various Trust facilities, and discussions with venue managers, service managers, and respective Heads of Service;
- 4 Follow-up requests for submission of documentary evidence, following interviews and visits;
- 5 Internet searches, and telephone discussions with other organisations, to gather information concerning the operation of leisure and cultural trusts elsewhere in the United Kingdom; and
- 6 Sharing of information and interim findings with the Council and the Trust, at different stages of the review, as part of a learning and partnership approach.

3.2 A full list of the interviews, meetings and visits undertaken is provided at Appendix 2.

4. FINDINGS

Scope Item 1. Eastwood Park

The review would take into account the planned new leisure centre in Eastwood Park, and the closure of facilities for maintenance and improvement

4.1 In view of recent developments concerning the selection of Eastwood Park as the preferred site for a new Eastwood Leisure Centre and Theatre, and acknowledging that these proposals are at an early stage of development, it has not been possible to address this part of the review in detail. Instead, the information provided in this section is primarily for information purposes only, and demonstrates a good example of joint working and shared vision between the Council and the Trust.

4.2 On 31 October 2019, the Council approved Eastwood Park as the preferred site for a new Eastwood Leisure Centre and theatre. It was also agreed that the Director of Environment report back as soon as possible with options and costs regarding the new facilities, and to note the progress being made with the Eastwood Park master planning exercise. At the subsequent meeting of the Council held on 18 December 2019, it was decided to:

- 1 note the current position with regard to the Eastwood Leisure Centre and Eastwood Park Masterplan;
- 2 approve the proposal to establish a joint member/officer working group with Elected Member representation from the Leisure Trust; and
- 3 agree that the member/officer working group would comprise of the following:

Provost Jim Fletcher;
Councillor Tony Buchanan (Leader);
Councillor Barbara Grant;
Councillor Colm Merrick;
Councillor Paul O’Kane;
Councillor Gordon Wallace;
Chief Executive of the Trust; and
One unelected member of the Trust Board.

4.3 With joint representation on the working group involving the Council and the Trust, including the Trust Chief Executive, this would ensure that the proposals reflected the developing vision and relationship between both bodies, and importantly, that the new project and the Trust Business Plan were aligned. The working group will report back to the Council with firm recommendations on the way forward, with the leisure centre and theatre being prioritised, and wider master planning issues to be considered at a later date if necessary.

Recommendation:

To note the constructive joint working arrangements which were agreed in December 2019, involving the Council and the Trust, for the provision of a new leisure centre and theatre in Eastwood Park, including the Eastwood Park Masterplan.

Scope Item 2. Performance

General

4.4 Meetings take place on a monthly basis between the Council's Head of Education Services (Quality Improvement and Performance) and the Chief Executive of the Trust to discuss the formal aspects of performance monitoring. This has been refined over time, and an extensive level of scrutiny takes place. The Trust gathers information on customer comments, cancellations, changing patterns of customer activity, including new customers being asked what attracted them to join. Analysis of the results can help inform future service delivery and targeting, for example the recent change in opening hours of leisure centres (see below) was based on feedback from customers who wished to use the facilities earlier in the morning. Pilot projects have been used to assess the likelihood of success of more permanent arrangements.

4.5 Performance information is gathered on a continuous basis by the Trust, and covers all of its front-line services grouped under the headings: Sports and Physical Activity; Libraries and Information Services; Communities and Arts; and Operational Venues. The statistics are collated quarterly into the Balanced Scorecard and Business Performance Overview, which are considered by the Trust Board, its senior management team, and then disseminated widely across the organisation. This is a core requirement of the Trust to better understand the changing aspects of customer activity and experiences. The Trust website will be used to greater effect in producing information on visitor activity following proposed revisions.

4.6 The Annual performance of the Trust is reported to the Council through the Trust End Year report, produced by the Director of Education and the Head of Education Services (Quality Improvement and Performance).

Complaints

4.7 Complaints can be registered through various different channels including comments cards, phone calls, letters etc. They are then logged on to a common software platform used by both the Council and the Trust called 'LAGGAN'. The LAGGAN system allows complaints monitoring, and comparisons, to take place across all of the Council's services and the Trust's operations on an identical basis. The Council is however changing its Customer Relationship Management system away from LAGGAN in the next few months, which will inevitably involve a review of information gathered and how it is analysed.

4.8 More generally, the Trust in common with the Council and other public sector bodies has, on occasion, difficult decisions to make when determining whether or not feedback from a customer is an observation, and should therefore be treated as a comment, or alternatively it should be recognised as a complaint.

4.9 To assist public bodies in the consistent application of complaint handling procedures, the Scottish Public Services Ombudsman (SPSO), published on 31 January 2020 the revised Model Complaints Handling Procedure (MCHP) for Local Authorities. Public bodies are required to implement the updated MCHP in 2020/21, with full implementation due by no later than 1 April 2021. Part 2 of the new procedures include guidance on identifying what is and what is not a complaint. The Trust has already instigated a review of its complaints handling process.

Recommendation:

To agree that the Council and the Trust implement the revised procedures from the Model Complaints Handling Procedure within a timescale to be discussed and agreed jointly, through existing consultative arrangements for complaints handling.

Consider baseline data from 2015 to 2019 of customer activity and visitor numbers across all areas. This would include performance indicators and benchmarking data, as evidence of continuous improvement and customer satisfaction rates

Sports and Physical Activity

4.10 Community Sports Hubs in East Renfrewshire have grown from three in 2015, to five in 2019. Thirty local sports clubs are members of a Community Sports Hub with a combined membership of over 6,300 junior members and a volunteer coaching workforce of over 1,800. A network of Child Protection Officers within the Community Sports Hub network has been established, and training provided to support these volunteers to help improve safeguarding processes within local club sport. The Trust delivers about 157 commercial sports class activity sessions every week with over 2,600 individuals participating.

4.11 In 2018/19 over 550 individuals undertook coach education and training with the Trust's Sports Development services, which increased from 339 in 2015. Since 2015 the number of teams registered to play in the East Renfrewshire Soccer Development Association framework has increased from 96 to 203. The number of junior players that are participating has increased from 825 to 1,632 between 2015 and 2019, and the number of volunteer football coaches involved has increased from 207 to 416 in the same period. The Sports Development Service of the Trust has created a positive environment for children and young people in sport through: appreciating the value of effort and learning, an emphasis on personal improvement and performance, fostering a competitive but fair sporting mentality, dealing positively with mistakes, and where valuable life skills are developed through sports participation.

4.12 Since the Glasgow Commonwealth Games in 2014 there has been a steady increase in demand for gymnastics activities at a local level. The Trust's gymnastics programme has grown from 50 gymnasts participating on a weekly basis in 2015, to over 600 in 2019. The Trust has supported the development of a new gymnastics club in Barrhead, Flair Gymnastics, due to the gap in local club infrastructure. The Trust is also considering the development of a dedicated gymnastics centre to fully realise the local demand for grassroots gymnastics in East Renfrewshire, and to exploit the high demand for early years gymnastics.

4.13 **sportscotland** the national agency for sport in Scotland, introduced a School Sports Award programme in 2017. This is a national accreditation scheme for schools and awards are ranked Gold, Silver and Bronze. Twenty East Renfrewshire schools have been awarded Gold status (which is the largest pro-rated percentage of any authority in Scotland), and the Active Schools Team is working with the remaining schools to put the sporting systems in place to support the attainment of Gold accreditation.

Recommendation:

To acknowledge the continued growth of participation rates in sports development, including grassroots expansion, which has been achieved since the Trust's inception in 2015.

Libraries and Information Services

4.14 The Council's Cabinet on 28 November 2019 approved a new Public Library Strategy 2019-22 for East Renfrewshire. It replaced the previous Libraries Strategy and set out the new vision and strategic direction for the library service. The strategy reflects the 6 key themes of the national strategy for public libraries and how they are applied at a local level:

- Libraries promoting reading, literacy and learning
- Libraries promoting digital inclusion
- Libraries promoting economic wellbeing
- Libraries promoting social wellbeing

- Libraries promoting culture and creativity
- Libraries as excellent public services.

4.15 The new strategy identified the library service's contribution to the relevant outcomes of the Community Plan, Fairer East Ren, and Outcome Delivery Plan. The measures of success for this strategy and the library service lie in the impacts that it brings to reading and literacy levels, health and wellbeing, digital inclusion, etc. of the residents of East Renfrewshire. The strategy builds upon the work of the previous version which sought to establish libraries as community hubs within each East Renfrewshire locality. A further key element of the strategy is the emphasis on partnership working, which enable the delivery of library services, and supports other organisations to meet their aims and objectives.

4.16 Usage levels for the service have continued to be positive despite the generally falling national trends for public library usage. The Chartered Institute of Public Finance and Accountancy (CIPFA) benchmarking data for 2017/18 showed that for book issues, eBook issues, physical and virtual visits, and active borrowers, East Renfrewshire remained in the top quartile of Trusts. The cost per visit to libraries in East Renfrewshire had fallen considerably from £3.97 in 2015/16, to £1.06 in 2017/18, against a national average of £2.08. For comparison, the national average in 2015/16 was £2.58.

4.17 The reduction in costs per visit to libraries was achieved largely as a consequence of the successful delivery of a restructure in the Library Service undertaken between 2015/16 and 2016/17. This produced a very lean staffing model (noted below). With support from the Council for voluntary redundancies, the Trust were able to achieve a 20% reduction in the revenue budget for the Library and Information Services, with only an 8% reduction in service availability or opening hours. Interestingly, both attendances and usage numbers increased on previous years.

4.18 The Barrhead Foundry refurbishment had an impact on physical library visits, which were down 5% in 2017/18. More recently, in 2018/19, virtual visits to libraries in East Renfrewshire were up by 76% to 632,409, compared to 359,335 in 2017/18. Physical library visits are reducing slowly year on year from a peak of 578,157 in 2015/16, to 510,148 in 2018/19, although the rate of change is well-below the national average. Children and Young People's book issues have also been increasing year on year from 136,197 in 2015/16, to 152,260 in 2018/19. Electronic-book issues have risen by approximately 50% from 18,536 in 2017/18, to 27,295 in 2018/19 signifying positive trends by both customers and staff in moving towards greater delivery of services by digital methods, rather than visiting libraries in person.

4.19 The service runs with a fairly lean staffing complement to cover the ten facilities which it manages. On any given day, this requires flexibility from the staff with regards to working patterns, changing work locations, providing cover, lone working at single-staffed establishments etc. When staff absences and holidays are factored in, maintaining the performance of the service at the levels achieved is even more remarkable. Scrutiny of the performance of the Library and Information Service shows that it is performing well above the national average compared to other leisure and cultural trusts, and closer examination is required to better understand the reasons for this.

4.20 Some factors were noted during the review, which undoubtedly contributed to the strong performance levels being achieved. The service has a sound management structure and a committed workforce without whom the results being delivered could not be achieved; the service has a very good rapport with its customers across all age groups, and has embraced the move towards more digitally-delivered services. The citizens' panel results show consistently high satisfaction levels, as do other surveys of adults and children.

4.21 There are challenges which lie ahead, for example maintaining the (mostly) ageing property stock requires increasing levels of management attention, and discussion, regarding the scope of the Property and Technical Services SLA. Regarding ICT support, there is a continuing problem of being unable to access support outwith the normal operating hours of the Council. There are ICT firewall issues too, and implications which this causes for conducting external business by email. Property matters, and ICT issues relating to the respective SLAs are addressed in greater detail later in this report.

Recommendation:

To recognise the sustained performance of Libraries and Information Services, in the top quartile of Leisure Trusts in Scotland, for book issues, physical and virtual visits, and active borrowers, based on CIPFA data.

Communities and Arts

4.22 Planning for the transformation of theatre programming began in 2015/16, with significant progress being achieved over the past eighteen months through better understanding of the product and customer base. This also involved robust auditing of business processes, removing inefficiencies, developing products and forming new partnerships. A more commercially focused programming approach was adopted which included the creation of live-streaming and broadcasts by national companies such as the National Theatre, Sadler's Wells, the Royal Opera and others. Facilitated by investment from the Council, this allowed the theatre to programme individual performances with few overheads, and utilise discrete and otherwise empty slots within the programme to achieve the best use of the theatre's available time.

4.23 Partnerships have been developed with award winning British Sign Language (BSL) companies such as Solar Bear and the Royal Conservatoire, and Trust staff are keen to provide a positive experience for signing performers and audiences. A bank of freelance signers has been created to support signed performances. Transformation work around accessibility to Arts and Heritage services involves joint working with the Council's Equalities team to deliver exhibitions at the theatre, and programming of events includes provision for the Black, Asian and Minority Ethnic (BAME) community, with some direct lettings to BAME groups. The Community and Arts team has a long standing and positive working relationship with the BAME community. Teaching of Urdu is provided by volunteers from the BAME community, and they are given one of only a handful of free lets. The BAME community frequently hire larger halls for family events such as weddings. Examples of enhanced accessibility provisions include:

- Three programmed shows in the past twelve months had BSL interpretation provided by the Trust, all selling above anticipated levels;
- Trust stewarding staff have been given training on working with adults and children with Additional Support Needs (ASN);
- In conjunction with Alzheimer's Scotland, the Trust is currently running a focus group for those living with dementia to enable them to engage with the theatre programme;
- All BSL and 'relaxed' panto performances during 2019 were sell out shows; and
- Customer survey feedback for BSL/Relaxed performances has been very positive

4.24 'Relaxed' performances' apportion some of the programme to create a more inclusive and relaxed atmosphere, and sympathetic customer care for customers with ASN and their families, which includes such things as the creation of relaxation spaces within the theatre. They are an example of the Trust balancing their commercial considerations with a commitment to provide an inclusive offer to a broad range of customers, including those with special needs.

4.25 Through use of an alternative business model, there could be capacity to promote certain halls and facilities (e.g. Clarkston Hall and Eastwood House) to new markets such as themed nights and Christmas Parties. This would require joint discussion between the Trust and the Council regarding the implications for both organisations, including responsibility for events coordination and development.

4.26 The general condition of the halls and community facilities which the Trusts manages continues to be a challenge. Access to WiFi which is not currently offered, has been raised as a continuing concern. The following improvements, if implemented, would improve the marketing potential of the facilities which the Trust currently manages on behalf of the Council:

- Investment in new equipment to expand the screening programme;
- Upgrading of the auditorium to meet customer expectation, whilst awaiting the development of the new theatre within Eastwood Park;
- More theatre outreach work (especially in hard to reach communities); and
- Installation of WiFi in community halls

4.27 Community Halls provide safe spaces for people to meet and make new friends, to celebrate, perform, to exercise and learn. In difficult times they provide space for communities to come together, to be a focal point, and even a place of shelter. Despite the digital and sometimes isolated world in which some people live, community halls continue to provide a reassuring place for citizens and groups to visit across the entire East Renfrewshire area.

4.28 The Trust Business Support Team manages bookings of classes, halls and schools, ticket sales, taking payments, and processing payroll and absence. It supports the procurement process and ensures that goods and services are ordered to keep front line services functioning. The team manages school lettings on behalf of the Council via an SLA. In addition to the SLA there are contractual arrangements in place for the use of PPP/PFI schools. The Trust trains its staff to maximise the income from the contracted allocation available for use of the PPP/PFI contracts by signposting customers to PPP/PFI schools.

4.29 The Trust's ability to generate new income beyond existing levels is minimal, as prime time spaces are mostly at full capacity. Additional capacity exists but not at high demand times. The main barriers to generating additional income are the costs outwith contracted hours, and the latest layout/design of new schools which have open plan multi-purpose spaces.

4.30 For bookings within Council-owned schools, the Council's facilities management team is currently reviewing their staffing model. Previously, this has had an impact on the Trust's ability to generate income, as on occasion there were no Council staff available to cover bookings at weekends and during school holidays. The opportunity exists to develop a more robust approach towards cover for school lettings via the Education SLA. The number of visitors to schools (through bookings) has been increasing year on year since 2016/17:

- No. of visitors to schools 2016/17: 606,827
- No. of visitors to schools 2017/18: 628,490
- No. of visitors to schools 2018/19: 679,071

Recommendation:

To explore opportunities for further commercial development of the halls and community facilities, and school lettings, through joint discussions between the Trust and the Council, to include: alternative business models; events coordination/development; investment in new equipment; more theatre outreach work; extending school lettings periods; and installation of WiFi.

Operational Venues

4.31 The facilities which the Trust manages under these headings are diverse, which makes a generic assessment of overall performance difficult to undertake. There are other factors too which influence attendances quite significantly, such as closures of facilities for refurbishment, which require qualifications to be included when comparing one year to another. The facilities which are analysed in this section can be broken down into three main categories:

- Swimming Pools
- Dryside (games halls, gyms, courts and health suites)
- Outside Usage (jogging, walking, and EHSC tracks and pitches)

4.32 Pool usage has reduced year on year since a peak of 284,494 in 2015/16, to 236,632 in 2018/19. However, there have been significant periods when the pools have been unavailable due to extended closures due to repairs or major refurbishment, such as at The Foundry, Barrhead. On the other hand, a significant modernisation programme for the swimming pools has been delivered, including: building infrastructure, plant and equipment; maintenance and operations; opening times and programming; the Learn to Swim programme; staff training and development, pricing and payment; and recruitment and retention of customers. In 2016/17 the Trust worked in partnership with the Council to deliver an innovative redesign of pool plant, making East Renfrewshire the first Trust/Council in Scotland to use salt hydrolysers in all of its pools. This effectively eliminates hazardous chemicals by creating chlorine on site using salt, and de-risks operating procedures, and the Trust's supply chain and storage issues at the various sites.

4.33 The Learn to Swim programme, which is worth around £750k p.a. to the Trust was reviewed recently, and a business development programme implemented. Based on a combination of assessment of the facilities, performance to date, capacity and market-based information using Experian demographics, forecasts for a three-year period were developed and a programme put in place to assist the Trust to grow the customer base. This entailed a comprehensive overhaul of the programme to improve its quality, value for money and performance. The project also brought renewed focus on product, pricing and promotion.

4.34 A revision of the concession policy, with standardisation of discounts was implemented in 2018. The product structure was simplified, and a more commercial product development process was introduced, including a new allocation of pool time in 2019. This was designed to balance the competing demands for finite pool access between different client groups: public (pay-as-you-go swimming); swimming lessons (child, adult, special needs customers, BAME groups); swimming and diving club bookings; galas, events and competitions; and parties/family fun sessions. A new learn to swim framework (the Scottish Swimming product) was introduced in 2019.

4.35 Direct Debit payments were introduced for swimming to make payment 'frictionless' and improve retention rates. However, this was complex as it necessitated revising opening hours and the whole operating model, due to it involving a rolling programme of lessons throughout the year, whereby a huge number of lessons, especially those on Friday or Mondays, would be affected by public holidays and the closure of the venues. The Trust Board weighed-up these risks in supporting the changes. To date over two-thirds of customers have now moved to making their payments by direct debit.

4.36 The use of games halls, gyms, courts and health suites have increased from 309,375 in 2015/16, to 405,540 in 2018/19, although the phased refurbishment of the gym and other facilities at The Foundry had a major impact overall on usage figures. Surveys of users of the leisure centres which were conducted in 2014/15 (the year before the Trust came into existence), compared to 2017/18, showed some interesting variations:

- 20% increase in users to 83% who agreed the facilities provided a *welcoming atmosphere*;
- 13% increase in users to 90% who agreed that staff are *friendly and approachable*;
- 23% increase in users to 83% who agreed that staff are *knowledgeable and well-informed*;
- 14% increase in users to 72% who agreed that the facilities were *well suited to customers' needs*; and
- 16% increase in users to 70% who agreed there were a suitable range of activities on offer.

4.37 New catering operations were opened in 2018/19 at The Foundry and at the Eastwood Leisure Centre, which enhances the attractiveness and versatility of these venues for customers. The refurbishment of the gym at The Foundry has proved to be very popular. It is also worthwhile noting that the value of free lets and concessions provided by the Trust to the Council and other organisations in 2018/19 amounted to £237,053.

Consider other evidence of continuous improvement and service re-design of Trust activities, involving customer engagement and participation, since 2015.

4.38 The Trust website which was launched in 2016, makes good use of colour coding to signpost users, and is relatively simple to navigate. It keeps users up to date with current news and events involving the Trust, and there are useful links to information on partner organisations' activities, e.g. MacMillan Cancer Support:

<https://www.ercultureandleisure.org/article/10206/Clarkston-Cancer-Information-and-Support-Services>

4.39 Further refinements are being considered to improve the information which can be obtained from the website to assist with the overall experience for customers, and to enhance the potential for online interaction. Social media is used to gather users' views, including the undertaking of polls. New Fitness Membership products and pricing have been developed after consideration of customer feedback, which involves examination of complaints, cancellation reasons, NPS comments, customer comments and feedback from employees, and the use of competitor analysis.

4.40 The top three reasons for negative NPS scores were: 'condition of facilities'; prices too high'; and 'opening hours don't suit me'. In response, the Trust implemented the following changes to improve the customer journey from October 2019 to January 2020:

New Gym & Fitness Membership Products and Pricing

4.41 These were launched with a marketing campaign on 1 October 2019 and lowered the membership price from £42 to £29 per month. The new pricing has resulted in a significant increase in membership sales, especially 12 month contract memberships. Membership sales in Quarter 3 in 2019/20 increased by 86%, compared to Quarter 3 in 2018/19. Twelve month membership packages, as a percentage of total membership sales, increased from 27% to 52%. The increased numbers of memberships is welcome both from a financial point of view, and in terms of increased motivation for all staff who were involved in the promotions.

Barrhead Foundry

4.42 The gym and fitness studio at the Foundry were refurbished during November and December 2019, improving the gym and fitness experience by refreshing the gym equipment and increasing the size of the functional training area. This resulted in increased membership sales at this venue, up from 98 in January 2019, to 266 in January 2020.

The gym equipment in Eastwood Park was refreshed in December 2019, and increased the number of available spin bikes, which had been a specific customer and staff request. Membership sales at Eastwood Park have increased from 54 in January 2019, to 98 in January 2020.

New Extended Opening Hours

4.43 These have been introduced for gym and fitness customers at Eastwood Park Leisure; Neilston Leisure; and at Barrhead Foundry in late 2019. All three gyms are now open from 6am Monday to Friday (previously opening at 7.30am), which gives customers the opportunity to exercise prior to starting work. Early morning fitness classes were introduced after polling customers to ask them what fitness classes they would like and at what time. Nineteen new early morning fitness classes have now been introduced since January 2020.

4.44 The changes and improvements detailed above have involved a collective team effort across the Trust's services, involving input from: venues; systems; finance; business support; and marketing staff. The new fitness offer was put in place in time for the key annual marketing campaign in late 2019. This campaign delivered 435 new sales in January 2020, compared to 177 in January 2019. The re-modelling of the membership packages, and revised opening hours has involved a certain degree of financial risk being taken by the Trust, and while early indications are positive, more in-depth analysis will take place later in this financial year.

Recommendation:

To invite the Trust, later in 2020/21, to undertake financial and performance analysis of the move to earlier opening hours of facilities, and the introduction of a revised membership pricing policy.

Consider evidence of improvement in health and wellbeing across the East Renfrewshire community since 2015, and correlate with the involvement of the Trust where possible. (A general assessment will be based on outputs. However, if there is scope to develop more meaningful indicators as a natural progression of existing work at a later stage, then that could be the subject of further discussion).

4.45 Some elements of the brief for the best value review will require analysis to be undertaken at a later date with partners such as HSCP, once the activities have been operating for a sufficient length of time to allow for the gathering of data. It has however, been possible to provide information and analysis on certain areas of activity:

Health and Wellbeing of School Pupils

4.46 Opportunities are being created for children and young people to participate in school sport and physical activity, increasing steadily year on year since 2015. The Active Schools programme had its highest participation figures in the 2018/19 academic session of 8,200 participants making 169,000 visits to 7,200 activity sessions. In the 2015/16 academic session 6,500 participants made 141,000 visits to 7,100 activity sessions. Activity sessions included lunchtime programmes, after school activities, festivals, tournaments and showcase events, which are now a core part of the school experience for school pupils in East Renfrewshire.

4.47 The Trust Active Schools Team has increased the number of inter school sports events on offer and has thus increased the number of pupils who are participating in these activities year on year since 2015/16. The Team delivered 17 inter school sports events in 2018/19 which is an increase of 5 events from 2017/18. These events provide pupils with the opportunity to compete against pupils from other schools across East Renfrewshire and to visit other schools, to showcase their talents and to experience a large scale sporting event.

Sports events which were staged included: Athletics, Badminton, Basketball, Dance, Girls Football, Golf, Gymnastics, Netball and Rugby. In the summer term, the Trust delivered the East Renfrewshire Inter School Games which, since 2016, this multi- sport event has involved seven secondary schools.

Child Poverty

4.48 The Trust is committed to reducing the impact of child poverty in East Renfrewshire and delivers the highly respected holiday programme during school holidays. Free places are available on the catered Holiday Activity Camps at Barrhead High School, and Eastwood High Sports Centre, to pupils who are entitled to free school meals. Over 1,300 children participated in the Holiday Activity Catered Camp programme in 2019/20, approximately 50% of whom were from free or concessionary categories. This programme supports the most deprived children in East Renfrewshire in accessing high quality holiday activity experiences, and provides a healthy lunch throughout the school holidays, which is especially important in the 6/7 week summer school holiday period. Almost 1 in 5 young people in Barrhead live in workless households, and 8.6% of 0-19 year olds in East Renfrewshire live in poverty.

General Practitioner Health Referral Programme

4.49 655 people participated in the GP referral programme 'Live Active' in 2018/19, against an NHS target of 560. In 2017/18, 606 people participated in the programme. Demand is increasing as the population ages for these types of specialist interventions.

4.50 Information has been provided in the earlier paragraphs of this section which gives the reader a sense of the performance of the Trust since it was formed in 2015. In the following section covering 'Governance' evidence is provided of the ongoing contribution which the Trust makes to Council goals and community planning outcomes, including exploring the scope to make more explicit, some of the wider contributions which the Trust is expected to make. The relationships between the Trust and the Council are also examined in more detail.

Recommendation:

To welcome the contribution which the Trust is continuing to make towards improving health and wellbeing across the East Renfrewshire community since 2015, subject to ongoing analysis to compare information on performance to the outcomes of the Community Plan, Fairer East Ren, and the Council's Outcome Delivery Plan.

Scope Item 3. Governance

Review the legal agreement between the Council and the Trust having regard to:

Suitability of the Trust model to deliver (1) efficiency savings in line with Council annual targets, and (2) annual savings on Non-Domestic rates and VAT, in accordance with original objectives;

Financial Management and Savings

4.51 When the Trust was formed in 2015, it was agreed that the Council would pay an annual management fee to the Trust, with the Trust's budget being made up of this fee, its earned income, plus any external funding it managed to source. The transfer of services from the Council to the Trust was designed to generate savings in NDR and VAT, accepting at the same time, there will be some additional recurring costs. Expected net savings were £420k. The transfer of budgets to the Trust occurred on 02/07/15, i.e. part-way through the financial year, and the Trust received a proportion of the full year budget, on which the targeted savings (£242k) had already been removed.

4.52 The revenue budget for 2016/17 reflected total savings of £798k, which included a saving in relation to NDR and VAT less recurring costs arising from the operation of the Trust, equating to a net saving of £420k. The balance of savings for the transferring services had previously been identified as part of the Council's three year budget-setting process. These were summarised in the Trust Business Plan. The Trust was given an opportunity to bring forward alternative proposals for achieving the same level of reductions, e.g. through increased efficiencies and income generation.

4.53 In the financial year 2017/18, identified savings of £271k, which had also been approved as part of the Council's three-year budgeting cycle 2015/16 - 2017/18, were applied to the service fee along with an additional £97k of savings which were required to ensure the Council had a balanced budget position. The Council, in partnership with the Trust, commissioned an independent finance and business review from Solace-in-Business (SiB) to review the performance of the Trust to date, in the light of a forecasted deficit of £225k. The joint Trust/Council action plan is still being implemented, and is overseen by the Director of Education, the Trust's Board and its Chief Executive. One of the key recommendations from the SiB review was that the Council should provide additional funding to the Trust.

4.54 The Trust operated within budget in 2018/19, following additional budgeted support from the Council, which was provided in part through deferring the planned savings of £110k and also in the form of additional one-off investment funding of £239k for that financial year to assist the Trust with the implementation of the SiB review recommendations.

4.55 In 2019/20, following additional budgeted support from the Council of £200k, it was decided not to take the approved savings of £110k for that year, and nor would the deferred savings be taken from the previous financial year. The decisions which were taken regarding the planned savings for 2018/19 and 2019/20, were made to give the Trust the best opportunity to improve its financial position going forward, and taking into account the increasingly competitive commercial environment in which it operates. Commendably, the Trust delivered £420k of net base savings on NDR and VAT during the agreed three year budgeting period since 2016/17.

4.56 For the 2020/21 financial year savings of £110k approved as part of the three-year cycle 2018/19-2020/21, and additional savings of £101k were included following decisions taken by the Council on its 2020/21 budget in late February 2020, making a revised savings target of £211k.

Additional budgeted support of £200k given in 2019/20 has been removed from the 2020/21 service fee. Progress monitoring on the performance of the Trust in meeting the savings targets for the 2020/21 financial year, will take place jointly by both organisations.

4.57 The Trust self-evaluates its performance, and in partnership with the Council reviews areas identified for improvement through its business planning processes, in particular addressing the sustainability of trading activities. Where the Trust has experienced loss of income due to closure of facilities, the Council has provided compensation, subject to consideration of supporting evidence. It was noted that an opportunity will become available for the Trust to market office space at The Foundry, Barrhead due to recent office relocations.

VAT

4.58 The Trust model allows the Trust to exempt from VAT a significant proportion of their sales which had previously been standard-rated under Council control. The downside of this is that VAT on purchases is no longer fully recoverable, and this creates a VAT cost for the Trust. Despite this irrecoverable VAT, the Trust has still achieved VAT savings of approximately £100-115k each year since 2015/16. This is in line with the best case position as set out in the report considered by the Council on 24 June 2015. The Trust is undertaking a VAT review with the aid of an external consultant, and has recently reached agreement with HMRC on the application of a further VAT Exemption on income generated from live theatre performances. The Cultural Exemption will increase ongoing VAT savings from 2019/20, and a 'one-off' backdated repayment of VAT going back four years, amounting to £66,000, has recently been received. The Trust is engaging on Stage 2 of their VAT review, and there could be potential for further savings by applying VAT exemptions to other income streams.

Recommendations:

To acknowledge the financial performance of the Trust in meeting savings targets on NDR and VAT since 2015/16, in line with the original objectives of the Trust when it was first established;

To recognise the work carried out by the Trust since 2015/16, and which is ongoing, to increase the resilience of its financial management, allowing the Trust to move forward with its business planning and improvement agendas, including the implementation of the Solace-in-Business review recommendations, following additional financial support from the Council;

To monitor closely, and on a joint basis by both organisations, the performance of the Trust in meeting its savings targets for the 2020/21 financial year (£211k), as agreed recently by the Council; and

To invite the Trust to market the vacant office space at The Foundry, Barrhead to maximise the commercial opportunity which this now presents.

Evidence of the ongoing contribution of the Trust to Council goals and community planning objectives, including exploring the scope to make more explicit some of the wider contributions which the Trust could be expected to make

4.59 The principal working document in the provision of services is the Business Plan for the Trust. This is prepared annually and following agreement by the Trust Board, is then submitted to the Council for consideration as part of the budget-setting process. On 18 December 2019, the Council approved the fifth annual Trust Business Plan (2020/21), which included clear direction that was in accordance with the Council's strategies and outcomes.

The Plan was supported by detailed operational plans which will deliver the Council's objectives under the Community Plan, Fairer East Ren Plan and Outcome Delivery Plan. These plans would then guide the work of the Trust and its staff to deliver high quality services to the residents and communities of East Renfrewshire. The Council confirmed the budget allocation to the Trust at the Council meeting held on 27 February 2020.

4.60 The Trust is actively involved in the Community Planning Partnership, and contributes to improved outcomes for East Renfrewshire residents. The Trust has a particular focus on the outcomes of the Community Plan concerning the strategic priority *Learning, Life and Work*, with support being provided for a range of activities which promote social inclusion. This involves: adult education; access to libraries and information services; GP referral schemes to help people recover from illness or inactivity; and holiday activity programmes (including meals), for children from disadvantaged backgrounds. Two specific areas where the Trust has successfully engaged with the East Renfrewshire community, in partnership with other organisations, are described below:

MacMillan Cancer Support

4.61 In January, 2019, the Trust launched a new partnership with Macmillan Cancer Support with the aim of improving opportunities to provide information and support for people affected by cancer. Macmillan East Ren was formed, and set out the following aims:

- To grow a body of trained volunteers to lead on delivery of activities;
- To provide people in East Renfrewshire with high quality information and support relating to cancer; and
- To support people affected by cancer in East Renfrewshire to become more physically active

These aims are being achieved through provision of weekly information and support drop-in sessions within libraries to have a 'cuppa and a chat' with volunteers, and also through the physical activity programme: *'Move More'*. These support people affected by cancer to build up their strength, coordination and confidence through a menu of different activities, each tailored to the individual's needs. All of the services are free at point of delivery, and are delivered by teams of inspiring volunteers who receive full in-house training to ensure that they are equipped to offer the correct and relevant help for each individual.

4.62 In year one, the project delivered the first Cancer Information and Support Service (CISS) at Clarkston library; created a physical activity programme for people affected by cancer; and recruited a skilled group of volunteers who are essential to the delivery of the service. A second CISS drop-in space was installed in late 2019 in the Foundry, Barrhead. This will open up opportunities to signpost and refer more people to appropriate support.

4.63 Plans for year two include growing the *'Move More'* project by adding more gentle movement classes, training walk leaders to create more Macmillan friendly walking groups, and to offer a circuit class, creating for some a progression from gentle movement, or acting as a bridge into mainstream fitness activities. The Trust website provides details of cancer information and support services, including helpful links.

Health for Heroes Programme

4.64 Following receipt of a letter in 2019 from an armed forces veteran to the Chief Executive of the Council, in which extra support was requested to help improve the mental health of veterans, the suggestion was discussed further with the Trust. Through the assistance of the Council's Veterans Support Adviser in consultation with the Trust, and the HSCP, a Health for Heroes programme was developed by the Trust which is believed to be the first of its kind to date in Scotland.

4.65 The programme is based on the concept that undertaking physical activity on a regular basis can help improve mental health, which it is widely accepted can be a major issue for many veterans returning to and coping with civilian life. Forty free gym memberships have been made available to veterans with mental health issues, who can be accompanied by a member of their family or a friend. Following the launch of the programme in the autumn 2019, and after initial assessment of potential participants, more than 50% of the places have been filled. There is also the possibility of veterans undertaking coaching qualifications, and accessing employment opportunities through the Trust.

4.66 A Live Active Project, which is managed by the HSCP, is linked to the Health for Heroes programme through the provision of additional professional advice on exercise, dieting, losing weight, coping strategies etc. A breakfast club has also been launched in association with the Health for Heroes programme the first session of which was held on 12 February 2020, which was well-attended. The initial results which are being generated from the Health for Heroes Programme are very positive, which includes constructive feedback received from participants. The Trust is now considering ways in which the programme concept can be disseminated more widely to other local authorities and leisure/cultural trusts.

Recommendation:

To acknowledge the work of the Trust being carried out to promote a range of opportunities for groups and individuals to access the services of the Trust, to help improve their life circumstances.

The agility of the Trust model to deliver transformational change across Trust facilities and services, and whether or not the Trust is best served by Council support services in this regard, such as Property and Technical Services

Service Level Agreements

4.67 A separate Support Services Specification was agreed when the Trust was established in 2015, and included individual SLAs for the services that the Council will provide to the Trust. It was agreed from the outset that a joint review process would be undertaken for the revision of the SLAs. The Head of Education Service (Quality Improvement and Performance), on behalf of the Director of Education, writes to the various services on an annual basis to gather views on past performance and current developments.

4.68 The SiB report in 2018, contained a specific recommendation that the SLAs needed to be reviewed and reset, to ensure the levels of service and information which Council services provide to the Trust could meet its developing business needs. Work on reviewing the SLAs started in 2018, and is at an advanced level in relation to some of the key functions: Property and Technical Services, certain Finance functions, and Information and Communication Technologies (ICT). An overview of these SLAs is provided in the sections below. Deadlines should now be set for these discussions to be completed, and the new SLAs signed-off.

4.69 The SLAs for Communications, and Health and Safety Services, were discontinued by the Trust in 2018/19, although the Health and Safety SLA was reinstated to a limited degree in July 2019. Although the Trust has put in place its own arrangements for delivery of Communications, and most of its health and safety requirements, the Council remains open to discussions on the possibility of both of these services returning to being provided by the Council. Good relationships exist between the Trust senior management and the Council's Head of HR and Corporate Services, with discussions set to continue in the coming months regarding the Human Resources SLA, following the revised case management business model which was introduced recently by the Council.

It is not the intention of this review to re-visit the work of the SiB regarding the SLAs, which put in motion a series of improvement measures which are still underway. Instead, a general assessment of the SLAs has been undertaken, taking into account views given by the Council and the Trust, and looking at examples from elsewhere, leading to the formation of the recommendations shown below.

Recommendations:

To refresh the wording of the Support Services Specification to ensure that: a shared vision is maintained continuously between the Council's and the Trust's strategies, including Community Planning/Fairer East Ren outcomes; that they retain the flexibility to respond to the changing needs of customers; and generally, they reflect current thinking on 'best value';

To confirm that the Service Level Agreements have, in the main, worked well and are fit for purpose in terms of the original Services Agreement. They set out the services which the Council will deliver, and provide a mechanism for regular review and discussion, including arrangements for dispute resolution, recognising that there can be tension at times between the Council's model for delivery of the services specified, including stated response timescales, to be set against the needs of the Trust as a commercial organisation;

To note the steps which the Council is taking to address the gaps identified on response times, particularly with property repairs and ICT services, through ongoing discussions on the revision of these particular Service Level Agreements, and provision of additional support;

To consider the setting of dates to be agreed by the Council and the Trust, by when each of the Service Level Agreements which are currently being reviewed, will be completed, to allow new arrangements to be introduced; and

To note that where SLAs have been discontinued or are operating in a limited way, for example with Communications, and Health and Safety Services, the Trust is required to demonstrate each year that best value is continuing to be achieved for the funding which it receives.

Property and Technical Services SLA

4.70 The Management Agreement contains arrangements for the maintenance of the buildings licensed to the Trust. The Council retained responsibility for the maintenance of these buildings and continues to hold the maintenance budget. The Trust has the obligation to report any maintenance issues and to operate in such a way as to protect the Council's assets. The Council's Property and Technical Services (PaTS) have a fundamental obligation to maintain properties in a wind and watertight condition, and to ensure they do not pose any risk to the safety of staff or public. Non-emergency repairs and maintenance are carried out depending upon availability of the existing budget. Major maintenance issues or proposals are contained in the Trust's annual Business Plan.

4.71 Communications and working relationships between both organisations were found to be positive, and based on mutual respect. Trust managers were appreciative of the quality of work carried out, however there is ongoing tension concerning the limited availability of budget to carry out repairs and maintenance, and the speed at which this then happens. Undoubtedly, this can have a direct impact on the ability of the Trust to deliver front-line services. Given the limited level of revenue budget, and with the need to avoid any overspend, it is imperative best value is achieved. To this end, small non-essential repairs and maintenance items have been compiled into a package of works to be undertaken by a term contractor, working to specified response times, recognising however this may not always suit the operational needs of the Trust.

4.72 The PaTS SLA review was presented to the Trust Board in June 2019, following which, discussions have continued between both organisations on how service provision can be enhanced. In recognition of the pressure which the Trust is facing, the Council during 2019/20 established a 'Building Enhancement Fund' of £150k, which is available for the Trust to allocate against capital works, in conjunction with the Community Facilities Improvement Fund of £100k, giving a total of £250k. This combined fund allocation will reduce to £200k per annum as of 2021/22. Due to the need to develop costed briefs for works in 2019/20, the combined fund has only been part-used. The unspent allocation will however roll-over to the 2020/21 financial year, when some of the fund will have to be used for major renewal projects. Part of the fund was used in 2019/20 to address external works at Neilston Leisure Centre, and flooring at Eastwood Leisure Centre. Further ways in which the Council can help the Trust in relation to general maintenance are also currently being explored.

4.73 The Trust has the option to submit proposals for consideration against the Council's capital programme, subject to these being sponsored by a Council department. Bids will be evaluated along with all other proposals from Council departments, and decisions taken when the capital programme is discussed and agreed. The Council accepts that some of the buildings are approaching the end of their lifecycle, and to meet some of the future needs, provision has been made in the capital programme for new leisure centres in Eastwood Park, and at the Neilston Learning Campus. Significant funding has also been provided by the Council to upgrade the swimming pool, gym, and related facilities at the Foundry complex, Barrhead.

Recommendation:

To note that the review of the Property and Technical Services Service Level Agreement is ongoing, and that the Council is looking at ways in which additional support can be provided to the Trust, including the future joint assessment of the impact of the Building Enhancement Fund by both the Council and the Trust.

Finance SLA

4.74 In relation to the finance-related SLAs covering Accountancy and Treasury Management, work is ongoing to review these through discussions between the Trust's Director of Finance, and the Council's Finance Business Partner. Budget development work has been based on the Council's three-year budget cycle and the use of estimates, which at times has not always been compatible with the mid to longer term requirements of the Trust, operating as a commercially operating company. The SiB report acknowledges this point, and included a recommendation for Trust to perform more mid to longer term planning.

4.75 The Trust's Director of Finance will undertake a gap analysis in 2020/21 to identify any financial service requirements which are outwith the scope of the current SLA. Discussions on these items will take place at the regular meetings referred to above, and with the respective Council manager. A report will also be prepared by the Trust Director of Finance, explaining the rationale for each of these requirements and the impact of any shortfall in service for consideration by the Trust Audit Committee, and the Trust Board. The Trust as a matter of course considers the business case, including risks, for any new ventures.

4.76 A new general ledger is now in place, and further development has been programmed for the 2020/21 financial year, which should support full inter-company accounting, enabling production of balance sheets as required. There are a number of supporting processes which are being worked on with the Council, which aim to reduce the number of transactions being posted to suspense/control accounts, leading to production of more up to date balance sheets. This will improve the quality and timing of the information available.

4.77 In 2019/20, the Trust produced a three-year budgeting programme, and would like to be in a position to roll this model forward each year to give a better sense of direction including mid to longer term targets for the business, enabling them in particular to put in place plans to deliver the required income growth. This model would allow for better planning of operational efficiencies/restructures where the Trust is required to make savings, and will provide a more sustainable and manageable business model. This would also lead to improved understanding of the long term drivers of the business, enabling more informed decision making and better overall financial management.

4.78 The main drawback to working with a three-year budgeting model, centres on the need for the Council to predict the service fee for each particular year, which amounts to 50% of income, and is subject to a variety of external factors which are outwith the Council's control. The Trust also has to plan for how it will achieve its income targets. However, the concept of three-year budgeting for the Trust is based on sound principles, and is supported by the Head of Accountancy and the Finance Business Partner from the Council, accepting of course, that the financial content will be based on predictions rather than confirmed amounts. The Council uses three year financial planning cycles too, particularly in relation to savings targets for the Trust, which should lead to shared and improved understanding of both organisations' needs.

Recommendations:

To note that work is ongoing to review the Service Level Agreements in relation to Accountancy and Treasury Management, involving joint discussions on a regular basis between the Finance Business Partner (Council), and the Director of Finance (Trust); and

To support the further development of improved financial planning for the Trust, based upon collaborative three-year budgeting, involving closer alignment with the three-year model currently being used by the Council, with particular regard to savings projections; income growth; improved mid to longer term planning, and more collaborative sharing of information in relation to the service fee.

Information and Communication Technology Services SLA

4.79 The Trust's operations cover a timespan when they are open to the public which starts from before the Council goes 'live' each working day at around 8.45 AM, continues after the Council offices generally close to the public at 4.45 PM, and carries on over weekends too. ICT systems support from the Council is generally provided, excepting emergencies, during standard times when the Council offices are open to the public, which does not include weekends. The Trust is therefore reliant on ICT systems for extended periods when support from the Council may not be available, which can cause problems for the Trust particularly in the areas of cash handling, bookings, customers' records, and the impact which this can have for its commercial integrity and reputation. The Council and the Trust are currently discussing the potential for solutions being found to address the points raised above, within a revised ICT Services SLA.

Recommendation:

To note that discussions are ongoing between the Council and the Trust to revise the Information and Communication Technology Services Service Level Agreement, to better reflect the business needs of the Trust.

Scope Item 4.**Joint Working between the Council and Core Activities of the Trust**

Consider opportunities for further collaboration between the Council, HSCP and the Trust which have the potential to provide improved services and outcomes for the residents of East Renfrewshire, and which should be considered in more detail in the future

4.80 During the course of the review, a range of areas were explored where the Trust and the Council were working closely for the benefit of the residents of East Renfrewshire, and these have been analysed in greater detail elsewhere in this report.

4.81 The Council considers annually, the Trust End Year report, which covers the important area of performance, and is based upon the indicators and activities contained in the Outcome Delivery Plan (Council), and the Trust's annual business plan. The business plan is also considered for approval by the Council each year, with emphasis placed by the Director of Education on the strategic aims of the Trust, including its contributions to the Community Planning Partnership. There is clear evidence of closer alignment of the respective strategies of both organisations, as shown in the joint working arrangements agreed recently for the provision of a new leisure centre and theatre in Eastwood Park. It was noted the Leader of the Council and the Chair of the Trust Board have recently established an informal mechanism for regular dialogue.

4.82 As detailed in the previous section concerning the SLAs, there are established mechanisms for reviewing performance on a regular basis between both organisations, and for agreeing joint improvement plans. Linked to this, a recommendation has been included in this report to consider taking the opportunity to refresh the wording of the SLAs, to enable a shared vision to be maintained between the Council and the Trust strategies, including Community Planning outcomes, and crucially, that they retain the flexibility to respond to the changing needs of customers.

4.83 The Trust and the Education Department of the Council have assessed the national and international research into improving educational outcomes through participation in sport and physical activity. The Trust is committed to the equity aims of the Education Department in providing additional support so some pupils can access the activities that most take for granted and as a result helping to close the attainment gap. The Trust has worked with schools and the Education Department over the last few years to develop a sophisticated monitoring and tracking system in each school. Pupil participation in school-based clubs and activities including local community participation is recorded and tracked. Highlighted inactive pupils or targeted pupils such as those who are care experienced or those who are disadvantaged backgrounds are given priority places on extra-curricular programmes. These pupils are supported so they can develop the skills and competencies associated with participation in these types of activities.

4.84 The Trust works in partnership with the HSCP to deliver the 'For Your Entertainment Scheme' (FYE) as part of its Corporate Parenting responsibilities. All children and young people in East Renfrewshire who are supported by Social Work Services are entitled to free access to the Trust's sport, leisure and cultural activities through the FYE Scheme. All care experienced pupils are automatically enrolled and a Plus One element of the scheme for these pupils has been developed so they can come with a friend or family member. Participation in these types of activities is vital to the development of the whole child and the FYE scheme is a core part of East Renfrewshire's targeted approach. Progress of the scheme is reported to the Health and Wellbeing Champions Group of the Council on a quarterly basis.

4.85 The Vitality programme is a very successful partnership between NHS GG&C Health Board and the Trust. Part funded by NHS and delivered by the Trust, the programme provides group exercise classes for local people who are living with medical conditions, such as Parkinson's, MS, Stroke, Cardiac Conditions, Osteoporosis, Cognitive impairments and COPD. It gives participants the opportunity to safely look after their physical and mental health and be socially connected. With 15,500 attendances in 2018/19 and almost 8,000 attendances in the first two quarters of 2019/20, Vitality continues to grow. There has been an 11% increase overall in participation; and a 42% increase in the strength and balance classes, which cater for the most frail. There are around 800 regular participants, 37% of whom have been part of the Vitality programme for over 2 years. The programme continues to be a key part of continuing care of the population in East Renfrewshire who require additional support to lead active lives. The Trust has recently invested in training more staff to lead Vitality classes as they remain committed to meeting the needs of the area's ageing residents.

4.86 Examples have been provided earlier in this report where help has been given by the Trust to disadvantaged groups or people in the community, to engage with sport or cultural activities, including: the Health for Heroes programme which includes support from the Council and HSCP; working with HSCP and medical centres to include physical exercise as part of patient recovery plans; working with the Education Department to provide free places on activity programmes for children from disadvantaged backgrounds during school holidays; understanding and responding to the needs of BAME communities within East Renfrewshire; and providing theatre events workshop with support for the hearing impaired, and families with ASN.

4.87 Regarding the potential for integrating bookings of the Council's sports pitches and the Trust's pavilions, which is currently a shared operation between both organisations, it is acknowledged this is not an ideal situation for customers as a single point of contact is not currently available. It is accepted by both organisations the service to customers could be improved.

Recommendations:

To note the existing arrangements which are in place involving joint working between East Renfrewshire Council; East Renfrewshire Culture and Leisure Trust; and the Health and Social Care Partnership, to contribute to the delivery of improved outcomes for East Renfrewshire residents, within the Outcome Delivery Plan, Community Plan, and Fairer East Ren; and

To explore further, the issue of dual booking arrangements for sports pitches and pavilions, involving joint discussions between the Council and the Trust, including clarification of the maintenance and support costs of providing the current services.

Scope Item 5.**Value for Money**

Consider evidence of value for money being achieved by both the Council and the Trust, including within the individual SLAs for delivery of core services.

4.88 Evaluating whether or not the Council and the Trust are receiving value for money for the delivery of core services is a difficult task to undertake, due to the broadness of the scope of this review, and the potential for subjective assessments being made which can be narrow in focus, and perhaps fail to take into account overall performance. Taking account of customers' views and how these have been responded to, is also an essential part of any evaluation too. The approach used in this review to assess the extent of 'value for money' being achieved, and takes account of certain established facts about some key operations of the Trust. It should be recognised however, the assessments provided below, do not take account of every aspect of the Trust's operations.

Financial Management

4.89 The Trust delivered savings of £242k in year one of its operation, and has achieved net base savings on NDR and VAT of approximately £420k during the three year target period since 2016/17. The savings on NDR are essentially fixed due to the structure of the Trust when it was established as a charitable organisation in 2015/16. Savings in VAT requires a certain amount of management and interpretation of current rules by the Trust, which it has achieved successfully each year since 2015/16. The Council has continued to provide financial support to the Trust in different ways, in particular to allow the Trust to implement the recommendations from the SiB review, allowing it to develop more fully its commercial objectives.

Assessment: The Trust is meeting its savings targets, in accordance with the original objectives when the Trust was established in 2015/16, demonstrating sound, and resilient financial management practices, including improved financial planning through three-year budgeting. Only through establishment of sound financial stewardship, and sustainable business modelling, can opportunities then be considered by the Trust Board to implement and improve the experience of customers, meet the shared Community Planning objectives, and provide services which represent value for money to all parties concerned.

Customer Responsiveness and Value for Money

4.90 Taking account of customers' views and to compete with other service providers in the private sector, the Trust Board acted decisively in recently approving earlier opening hours of leisure centres with effect from January 2020. Coupled with a marketing campaign to attract new members and retain existing ones, which included a new and reduced pricing policy, this has positioned the Trust better than before in being able to offer some of the cheapest gym membership options of leisure and cultural trusts in Scotland.

Assessment: The Trust Board acted decisively in approving the move to earlier opening hours of leisure centres, and a revised pricing policy. This move comes with some financial risk, and will be assessed by the Board in due course, however, initial results from these moves look to be positive regarding new members joining and retention of existing ones.

Community Planning and Fairer East Ren Objectives

4.91 Establishing the Trust's role at the heart of East Renfrewshire's communities is a strategic objective. The Trust Board since its inception, has increasingly prioritised the implementation of a number of initiatives which are aimed at providing opportunities for involvement in sporting and cultural activities for citizens with health issues, and marginalised individuals and groups in the East Renfrewshire community.

Assessment: The Trust Board, its senior management, and its staff are to be commended for the excellent work which they are carrying out on social inclusion and improving engagement opportunities for citizens. This demonstrates a responsible and caring approach in the use of the Trust's finances to represent all parts of the community, in meeting the Outcome Delivery Plan; Community Plan; and Fairer East Ren objectives of improving the quality of life for citizens.

Performance

4.92 The Trust is performing strongly in the performance of its services for arts, sports, libraries and community facilities, and against the Council's Outcome Development Plan indicators. Fuller details are provided in the Trust End-year report for 2018/19 which was approved by the Cabinet on 29 August 2019, and in the Trust's Annual Business Plan 2020/21, which was approved by the Council in December 2019.

Assessment: The Trust has put in place robust systems for monitoring and reviewing performance at Board and service levels, using a balanced scorecard approach. Business improvement plans are prepared each year by the Trust to modernise services and to reflect customers' needs, which are considered for approval by the Council each year.

5. CONCLUSION

5.1 The guiding principle in the establishment of the Trust in 2015, was for it to succeed. This basic, but fundamental, premise has underpinned the Council's approach to supporting the Trust in a number of ways since then. This included deferring savings targets in 2018/19 and 2019/20 enabling the Trust to implement recommendations from the SiB review, and compensation being given when the Trust suffers loss of income due to closure of facilities.

5.2 The Council made additional funding available to the Trust through the provision of a Building Enhancement Fund in 2019/20, and 2020/21, to undertake capital works to the properties which it manages, amounting to £150k each year. The work to modernise pool plant, or to provide live-streaming capability in Eastwood Theatre, are examples of collaborative capital planning to improve the services, increase revenues or financial returns, whilst improving the estate.

5.3 Arguably, the financial support provided to the Trust by the Council, is reasonable and proportionate given the original objective to support the Trust. By setting up the Trust, the expected savings on NDR and VAT have been achieved. Through work by the Trust, additional VAT savings are likely to be achieved, however, all Councils in Scotland are working to very tight financial constraints with significant reductions in budgets in real terms over many years, limiting the extent of financial support which the Council can provide to the Trust.

5.4 There is an expectation from the Council, and more recently from the SiB review, that the Trust acts in an increasingly commercial manner, and this can be challenging, given the environment in which the Trust operates in competition with the private sector, the buildings and facilities it operates, and some of the constraints upon it. Two interesting developments have emerged during the review in relation to the Trust's commercial focus:

- 1 First, the Trust Board and senior management have shown strategic leadership in responding to customers' views, by introducing new opening hours for the leisure centres since January 2020. This, coupled with a marketing campaign to attract new members and retain existing ones, has proved on initial findings to be a success. The commercial viability of the move to earlier opening hours has, though, still be assessed fully; and
- 2 Second, the Trust Board and senior management have gone to great lengths to develop social inclusion in East Renfrewshire, involving partnership working, and importantly, they have prioritised this on occasion above commercial interests. This is a considerate approach to meeting Community Planning outcomes, and examples of these interventions have been provided throughout the report.

5.5 The importance of good relationships between the Council and the Trust cannot be over-emphasised, and this is especially so between the Trust Board and the Council's Elected Members. Experiences from elsewhere have shown where relationships have fragmented, or financial management has not been to the required standards of stewardship, this can be to the detriment of all concerned, and especially the local community. In some cases the respective Trust has returned to Council control, or the entire governance structure has been re-defined to ensure, in future, an early-warning system is in place to address any issues.

5.6 Based on the evidence provided, the relationship in East Renfrewshire between the Trust Board and the Council is very positive, and is developing stronger roots, founded upon mutual respect and understanding. This forecast is based on the examples of joint activities, and discussions, which are taking place between both organisations on a wide range of areas, and at different levels, which include:

- the continued implementation of a shared action plan, following the SiB review in 2018;
- ongoing discussions to redefine certain SLAs;
- the shared strategic vision of both organisations which is reflected in the Trust Business Plan 2020/21, including the joint working arrangements which have been agreed recently for the proposed new Eastwood Leisure Centre and Theatre; and
- informal meetings which are taking place between the Leader of the Council and the Chair of the Trust to discuss strategic issues.

5.7 The Management Agreement which was adopted in 2015, lays out the services that the Trust will provide. A key point here is that the Trust is expected to take a fresh look at the services delivered, introducing improvements to existing services as well as new services or developments. The Trust has been reported by the Head of Education Services to be generally proactive in developing opportunities where it can work together with the Council, so that the direction of both bodies complement each other. For their part, under the Management Agreement, the Trust has to continue to demonstrate best value is being obtained from the funding provided by the Council.

5.8 In relation to services delivered by the Trust, strong performance levels continue to be recorded in arts, sports, libraries and community facilities, and these are reported to the Council through the End-Year report which is considered by the Cabinet each autumn. The Trust Board has a robust business improvement programme, and this is documented in the Trust Annual Business Plan, the latest of which for 2020/21 was approved by the Council on 18 December 2019.

5.9 There was evidence of good relationships amongst Trust staff, and strong levels of support for each other. There was positive identification with the Trust as a body, and above all, there was commitment to make the Trust a success, which was also true from the Council's perspective. A participative management style is being adopted by the Trust senior management team, through the direction of the Trust Board. Notably, and with direct links to these observations, the Trust has invested in its staff, especially in the areas of training, creative development, and business development.

5.10 There are several areas for improvement to be worked on however, including revisions to the SLAs to reflect the need for stronger ties to be stated for closer alignment of the strategic goals of both organisations, and for discussions to commence on the joint booking arrangements for sports pitches and pavilions, which is not particularly customer-focused. Early conclusion is recommended of SLAs which are currently under review.

5.11 The Articles of Association for the Trust define its charitable purposes as: the advancement of education; the advancement of the arts, heritage or culture; the advancement of public participation in sport; and the provision of recreational facilities, or the organisation of recreational activities. These have the object of improving the condition of life for the persons for whom the facilities or activities are primarily intended. Collectively, these goals are continuing to be met through support from the Council; the strategic direction of the Trust Board and its senior management; and delivered by a well-trained and committed workforce, including the pursuit of the Trust's vision to be the *'highest performing Leisure Trust in Scotland'*.

Acknowledgement

The author extends his thanks to the Chair of the East Renfrewshire Culture and Leisure Trust Board, to the staff of the Trust, and to the Chief Executive, Director of Education, and staff of East Renfrewshire Council for the valuable assistance which was afforded to him in the undertaking of this review.

RECOMMENDATIONS

It is proposed that the Trust and the Council consider the following recommendations:

1. To note the constructive joint working arrangements which were agreed in December 2019, involving the Council and the Trust, for the provision of a new leisure centre and theatre in Eastwood Park, including the Eastwood Park Masterplan;
2. To agree that the Council and the Trust implement the revised procedures from the Model Complaints Handling Procedures within a timescale to be discussed and agreed jointly, through existing consultative arrangements for complaints handling;
3. To acknowledge the continued growth of participation rates in sports development, including grassroots expansion, which has been achieved since the Trust's inception in 2015;
4. To recognise the sustained performance of Libraries and Information Services in the top quartile of Leisure Trusts in Scotland, for book issues, physical and virtual visits, and active borrowers, based on CIPFA data;
5. To explore opportunities for further commercial development of the halls and community facilities, and school lettings, through joint discussions between the Trust and the Council, to include: alternative business models; events coordination/development; investment in new equipment; more theatre outreach work; extending school lettings periods; and installation of WiFi;
6. To invite the Trust, later in 2020/21, to undertake financial and performance analysis of the move to earlier opening hours of facilities, and the introduction of a revised membership pricing policy;
7. To welcome the contribution which the Trust is continuing to make towards improving health and wellbeing outcomes across the East Renfrewshire community since 2015, subject to ongoing analysis to compare information on performance to the outcomes of the Community Plan, Fairer East Ren, and the Council's Outcome Delivery Plan;
8. To acknowledge the financial performance of the Trust in meeting savings targets on NDR and VAT since 2015/16, in line with the original objectives of the Trust when it was first established;
9. To recognise the work carried out by the Trust since 2015/16, and which is ongoing, to increase the resilience of its financial management, allowing the Trust to move forward with its business planning and improvement agendas, including the implementation of the Solace-in-Business review recommendations, following additional financial support from the Council;
10. To monitor closely, and on a joint basis by both organisations, the performance of the Trust in meeting its savings targets for the 2020/21 financial year (£211k), as agreed recently by the Council;
11. To invite the Trust to market the vacant office space at The Foundry, Barrhead to maximise the commercial opportunity which this now presents;

12. To acknowledge the work of the Trust which is being carried out to promote a range of opportunities for groups and individuals to access the services of the Trust, to help improve their life circumstances;
13. To refresh the wording of the Support Services Specification to ensure that: a shared vision is maintained continuously between the Council's and the Trust's strategies, including Community Planning/Fairer East Ren outcomes; that they retain the flexibility to respond to the changing needs of customers; and generally, they reflect current thinking on 'best value';
14. To confirm that the Service Level Agreements have, in the main, worked well and are fit for purpose in terms of the original Support Services Specification. They set out the services which the Council will deliver, and provide a mechanism for regular review and discussion, including arrangements for dispute resolution, recognising that there can be tension at times between the Council's model for delivery of the services specified, including stated response timescales, to be set against the needs of the Trust as a commercial organisation;
15. To note the steps which the Council is taking to address the gaps identified on response times, particularly with property repairs and ICT services, through ongoing discussions on the revision of these particular Service Level Agreements, and provision of additional support;
16. To consider the setting of dates to be agreed by the Council and the Trust, by when each of the Service Level Agreements which are currently being reviewed will be completed, to allow new arrangements to be introduced;
17. To note that where Service Level Agreements have been discontinued or are operating in a limited way, for example with Communications, and Health and Safety Services, the Trust is required to demonstrate each year that best value is continuing to be achieved for the funding which it receives;
18. To note the review of the Property and Technical Services Service Level Agreement is ongoing, and that the Council is looking at ways in which additional support can be provided to the Trust, including the future joint assessment of the impact of the Building Enhancement Fund by both the Council and the Trust;
19. To note that work is ongoing to review the Service Level Agreements in relation to Accountancy and Treasury Management, involving joint discussions on a regular basis between the Finance Business Partner (Council), and the Director of Finance (Trust);
20. To support the further development of improved financial planning for the Trust, based upon collaborative three-year budgeting, involving closer alignment with the three-year model currently being used by the Council, with particular regard to savings projections; income growth; improved mid to longer term planning, and more collaborative sharing of information in relation to the service fee;
21. To note that discussions are ongoing between the Council and the Trust to revise the ICT Services Service Level Agreement, to better reflect the business needs of the Trust;

22. To note the existing arrangements which are in place involving joint working between East Renfrewshire Council; East Renfrewshire Culture and Leisure Trust; and the Health and Social Care Partnership, to contribute to the delivery of improved outcomes for East Renfrewshire residents, within the Outcome Delivery Plan; Community Plan and Fairer East Ren; and
23. To explore further, the issue of dual booking arrangements for sports pitches and pavilions, involving joint discussions between the Council and the Trust, including clarification of the maintenance and support costs of providing the current services.

List of Interviews, Meetings and Visits

Date	Location	Attending
11.11.19	The Foundry, Barrhead	Trust: Head of Operations Trust: Venue Manager
15.11.19	Mearns Primary School	Trust: Head of Sport and Physical Activity
20.11.19	Council Headquarters	Council: Finance Business Partner (Education)
26.11.19	Williamwood High School	Trust: Support Services Manager
27.11.19	Council Headquarters	Council: Policy and Improvement Officer
2.12.19	Clarkston Hall	Trust: Head of Community and Arts Trust: Support Services Manager
2.12.19	Clarkston Library	Trust: Head of Library and Information Services
3.12.19	Carmichael Hall and Eastwood Park Theatre	Trust: Head of Community and Arts Trust: Performing Arts Development Officer
4.12.19	Mearns Community Library	Trust: Head of Library and Information Services
4.12.19	Council Headquarters	Council: Head of HR and Corporate Services
9.12.19	Council Headquarters	Council: Strategic Services Senior Lead Council: Partnerships Team Leader
16.12.19	St John's Annexe, Barrhead	Trust: Chief Executive
28.1.20	St John's Annexe, Barrhead	Trust: Performance Quality Coordinator
28.1.20	St John's Annexe, Barrhead	Trust: Director of Finance
28.1.20	St John's Annexe, Barrhead	Trust: Marketing Officer
29.1.20	Council Headquarters	Council: Head of Digital and Community Safety
3.2.20	Council Headquarters	Council: VAT/PFI Officer
4.2.20	Council Offices, Barrhead	Council: Head of Education Services (Quality Improvement and Performance)
13.2.20	Council Headquarters	Council: Veterans Support Advisor
28.2.20	Council Headquarters	Council: Communications Manager
28.2.20	Telephone interview	Trust: Chair of the Trust Board

2.3.20	Telephone interview	Council: Principal Officer (Property and Asset Management)
4.3.20	Telephone interview	Council: Health and Safety Manager

East Renfrewshire Council and East Renfrewshire Culture and Leisure Trust

Joint Action Plan to Address Recommendations of Finance and Business Review and Best Value Review

March 2021 Update

Recommendation		Action	Responsibility	Timescale	Co-dependencies	Success Criteria	Solace in Business Action	BVR Action	Status
1	The Trust Board should meet every second month increasing the number of meetings to six per year.	Proposed timetable of meetings will be presented at the June Board	A. McReavy	June-Sept 2018	ERC Finance (availability of management information)	<ul style="list-style-type: none"> 5-6 Board meetings (inc Development day) in place 2019 Increased scrutiny 	✓		Closed
2	The financial reports provided to trustees should be enhanced	<ul style="list-style-type: none"> Closure of action 7 is required to enable robust management accounts to be produced to include I&E, Balance sheet & Cash flow statement. 	C. Campbell K. Storie	Mid July 2018	ERC Finance	<ul style="list-style-type: none"> Management accounts produced in a timely manner (by WD10). Agreed format and content for reporting is operational (agreed at workshop in Feb 2018) for 2018/19 reporting. Extended reporting developed for balance sheets and cash flows 	✓		Closed
3	The Trust's Chief Executive should lead and oversee the development and production of an integrated Monthly Performance Report	Balanced Scorecard to be introduced for Q1 report 2018/19	A. McReavy Trust SMT	September 4 Board meeting	ERCL / ERC Finance & HR	Balanced Scorecard report agreed by board. Trustees and Council better informed of Trust's performance	✓		Closed
4	The Trust, working with its ICT Business Partner, should produce an IT development plan	<p>Develop an ICT action plan for the Trust to focus on the following:</p> <ol style="list-style-type: none"> Contract management and future development of core systems Realisation of ERCL Digital Platform Implementation of Open Plus Implementation of iCAM solution <p>Enabling CPA bid submitted May-Sept 2018</p>	S. Simpson R. Taylor	<p>Outline CPA May 2018</p> <p>Dev Plan & Full CPA Sept 2018</p> <p>Full realisation March 2020 (renewal of core systems contracts)</p>	ERCL / ERC ICT Capital provision and revenue implications tbc	<p>Funding and resourcing secured to implement plan</p> <p>Improved customer journey</p> <ul style="list-style-type: none"> a seamless link between customer interface (i.e. website) and core business applications barriers to payments and bookings removed reduced costs to customer interactions (channel shift) 	✓		Open
5	The terms and conditions of the present Service Level Agreements between the Trust and ERC need to be reviewed and reset to ensure that the levels of service and information council services provide to the Trust meet its developing business needs	Gap analyses of key services (Finance/Creditors, HR, Marketing, ICT, PaTS) undertaken and discussed with business partners Revision of Service Level Agreements undertaken	M. Ratter A. McReavy	End Nov 2019	ERCL & ERC	Revised SLAs agreed and in place	✓		Open
		To refresh the wording of the Support Services Specification to ensure that: a shared vision is maintained continuously between the Council's and the Trust's strategies, including Community Planning/Fairer East Ren outcomes; that they retain the flexibility to respond to the changing needs of customers; and generally, they reflect current thinking on 'best value'	A McReavy	Dec 2021	ERC	Revised Support Services Specification in place		✓	Open
		To consider the setting of dates to be agreed by the Council and the Trust, by when each of the Service Level Agreements which are currently being reviewed will be completed, to allow new arrangements to be introduced	A McReavy	May 2021	ERCL & ERC	Key SLAs agreed and revised based on an agreed schedule.		✓	Open

East Renfrewshire Council and East Renfrewshire Culture and Leisure Trust

Joint Action Plan to Address Recommendations of Finance and Business Review and Best Value Review

March 2021 Update

6	Repair and maintenance policies of facilities the Trust operates need to be reviewed to provide an appropriate quality for a commercial operation.	Bid to establish an annual capital line to fund minor works outwith current repairs and maintenance (décor, minor repairs, moveable assets, fixtures, fittings, improvements to customer environments). Enabling CPA bid submitted May-Sept 2018	P. Daws A. McReavy	Outline CPA May 2018 Full CPA Sept 2018 (Funding from April 2019 if agreed)	Capital provision	Funding and Resourcing secured to address issues noted in report / Property Asset Management Plan <ul style="list-style-type: none"> Improvements to customer environments Reduction in complaints in relation to facilities' condition Realise objectives / address issues highlighted in Property Asset Management Plan 	✓		Closed
7	The Trust's financial management processes and how financial information is configured, presented and disseminated, need to be reshaped.	<p><u>Processes:</u></p> <ul style="list-style-type: none"> Accruals & Prepayments posted into the ledger each period. One sided journals are corrected in each period. Where possible, cause for one sided journals is fixed at source Suspense / Control accounts are reconciled / balanced and cleared where possible for each period. <p><u>Configuration / Presentation</u></p> <ul style="list-style-type: none"> Format / content agreed at workshop in Feb 2018 for period end service reports is implemented for 18/19 reporting DoF/ERC finance work together to establish standard reporting suite for FAR/Board reporting which would minimise re-work <p><u>Distribution:</u></p> <ul style="list-style-type: none"> Once revised reporting suite is embedded, enable online through BOXI 	C. Campbell K. Storie	March 2020	Core Systems delivery	<p><u>At the end of each period:</u></p> <ul style="list-style-type: none"> Actuals within GL reflect accruals based accounting. 90-95% of accruals / prepayments posted by ERC. Balance Sheet balances Balance sheet control accounts / suspense accounts are cleared where possible with reconciliation of open / aged balances Reduction in re-work between DoF/ERC finance Reporting suite is available online <p>Trust has a robust suite of financial reports reflecting a trading operation</p>	✓		Open
8	Specific financial control and reporting requirements of the Trust need to be addressed by modifying and upgrading the financial accounting systems it uses.	(ERCL) DoF is actively engaged in the core corporate systems project which is looking to replace the existing General Ledger and some of the supporting finance systems. <ul style="list-style-type: none"> Detailed Trust requirements have been submitted DoF involved in the evaluation of the new system provider DoF has been asked to join core corporate Board which is essentially the steering committee for the project. 	C. Campbell K. Storie	March 2020	ERCL / ERC Core Systems Group	A system is selected that can meet all of the Trust's requirements including full inter-co accounting.	✓		Closed
8a.	Consider the benefits of an ERP	<ul style="list-style-type: none"> A review of the current Accountancy services has been completed with the paper due for presentation to the Trust Board in June 2018. Recommendation is for discussions to progress with ERC on the best way for the Trust to receive those services. The outcome of these discussions will inform a recommendation for future service provision at the Trust Board in September 2018. 				Financial Control processes noted in Action 7 are embedded in the services provided by ERC.	✓		Closed
8b.	The Trust could procure its own separate financial accounting and reporting system.					A recommendation of the future finance service provision and how it will be delivered is presented to the Trust Board and is supported by ERC	✓		Closed
8c.	The Trust could continue to operate on the present basis drawing on the Council's existing financial infrastructure and systems with an improved reporting interface.						✓		Closed

East Renfrewshire Council and East Renfrewshire Culture and Leisure Trust

Joint Action Plan to Address Recommendations of Finance and Business Review and Best Value Review

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9	Business Plans and financial budgets should be based on a bottom up approach.	Complete Gyms, Swimming and Fitness analysis and revise monthly targets Establish sales targets (financial & seat) for Theatre	K. Storie A. McReavy	By Sept 2019		Budgets and Business Plans for all services established including monthly budgets for income drivers (e.g lead generation, sales and retention, class / event / show / programme capacity etc).	✓		Closed	
10a	The next iteration of the Trust's business plan requires greater emphasis and focus on market opportunities and on commercial and financial issues	Draft Business Plan 2019-20 to September 5 Board for revision and agreement in December Cap Ex / CPAs to be reviewed and agreed by FAR Commercial and ancillary income streams identified	A McReavy / SMT / ERC Finance	Sept 2019		Reduced deficit in service areas Clear business development plans in place for commercial services Business plans supported by 3 yr financial plan	✓		Open	
		To explore opportunities for further commercial development of the halls and community facilities, and school lettings, through joint discussions between the Trust and the Council, to include: alternative business models; events coordination / development; investment in new equipment; more theatre outreach work; extending school lettings periods; and installation of WiFi.	M McFadden	2021/22 subject to Covid-19 recovery	ICT Education				✓	Open
		To invite the Trust, later in 2020/21, to undertake financial and performance analysis of the move to earlier opening hours of facilities, and the introduction of a revised membership pricing policy	A McReavy	2021/22 as part of quarterly performance reporting to board					✓	Open
		To invite the Trust to market the vacant office space at The Foundry, Barrhead to maximise the commercial opportunity which this now presents	R Hammond	N/A					✓	Open
		To support the further development of improved financial planning for the Trust, based upon collaborative three-year budgeting, involving closer alignment with the three-year model currently being used by the Council, with particular regard to savings projections; income growth; improved mid to longer term planning, and more collaborative sharing of information in relation to the service fee	K Storie	N/A					✓	Open
		To explore further, the issue of dual booking arrangements for sports pitches and pavilions, involving joint discussions between the Council and the Trust, including clarification of the maintenance and support costs of providing the current services	A McReavy	Dec 2021					✓	Open
11	Senior managers need to adopt a more positive approach to the Council in relation to securing investment in venues and facilities.	Improved partnership working on funding (capital and revenue) submissions to ERC supported by FAR/Board. Guidance on available funding sources provided by Accountancy, including criteria and application process for each Additional challenge and support provided by ERC partners for submissions.	A McReavy / SMT / ERC Business Partners	From May 2018		Increased success rate of capital and other funding bids.	✓		Closed	

East Renfrewshire Council and East Renfrewshire Culture and Leisure Trust
Joint Action Plan to Address Recommendations of Finance and Business Review and Best Value Review
March 2021 Update

12	The Trust's chief executive and senior management team need to focus on reducing the operating deficit	See 9 above	K. Storie A. McReavy	Mar 2020	As per Action 9 above	As per Action 9 above	✓		Open
13	The Council and the Board of Trustees need to review both the Trust's current business model and its level of funding through the Service Fee	See actions below	C. Campbell K. Storie	As below	As below	As below	✓		Closed
13 a.	Fund libraries with a ring fenced Service Fee allocation	<ul style="list-style-type: none"> 2018/19 budget for Libraries will be agreed as part of Revised Trust budget to be presented to Trust Board in June 2018. Agreement on calculation of Service Fee mechanism and the ring-fenced element for future years, including application of any savings targets for subsequent years. 	M. McCrossan C. Campbell	May 2018 Aug 2018		Methodology for service fee agreed for future years including approach to ring-fenced budget	✓		Closed
13 b.	Set the other services clear objectives to grow the income each earn at rates sufficiently greater than they increase expenditure	See 9 above Operational Management Committee performs cost / benefit analysis on any operational business cases approved.	K. Storie A. McReavy	From May 2018		Operating Margin improves on a sustained basis.	✓		Closed
13 c.	Contain expenditure in Central Services to a level that will enable the overall operating deficit to be reduced significantly year on year.		K. Storie A. McReavy			See Action 9/ 10	✓		Open
14	Increase in the Service Fee the Trust receives from ERC in both 2018/19 and 2019/20 by between £200,000 and £300,000 in 2018/19, and hold it at broadly similar level in 2019/20. Thereafter the Service Fee should be reviewed in the light of the progress the Trust achieves over the next two years.	Budget agreement for 2018/19 in place ERC agree to fund reserves for 2018/19[Not clear what this means – perhaps agree funding to permit minimum level of reserves to be retained?] Discuss 3 year funding arrangements	M. McCrossan	May 2018			✓		Closed
15	To agree that the Council and the Trust implement the revised procedures from the Model Complaints Handling Procedures within a timescale to be discussed and agreed jointly, through existing consultative arrangements for complaints handling	Agree timescale for delivery Implement revised procedures to align with the Model Complaints Handling Procedures	A McReavy	N/A	ERC			✓	Open