

16. WEST LoTHIAN LEISURE MANAGEMENT FEE 2017-18

The Council Executive considered a report (copies of which had been circulated) by the Head of Finance and Property Services seeking approval of the proposed management fee for West Lothian Leisure for 2017/18, including services and facilities transferring from the council to West Lothian Leisure on 1 April 2017.

The report recalled that West Lothian Leisure was established in 1998 and was a company limited by guarantee with the council as the sole member. The organisation was managed by the senior management team and a Board comprised of volunteers who provided strategic direction.

West Lothian Leisure provided sports facilities and services across West Lothian in conjunction with partners including the council, NHS Lothian and Sportscotland, contributing to outcomes in West Lothian Community Planning Partner's Single Outcome Agreement.

On 25 October 2016 the Council Executive agreed to the transfer of certain sports, leisure and cultural functions to the modernised trust, West Lothian Leisure on 1 April 2017. Delegated authority was granted for the Depute Chief Executive to progress and conclude all actions to ensure implementation of the transfer with the exception of the management fee and West Lothian Leisure representation on the West Lothian Leisure Board.

The Head of Finance and Property Services advised that officers from the council and West Lothian Leisure were working in partnership to finalise arrangements for the transfer of services to West Lothian Leisure on 1 April 2017. Areas discussed included staffing, property, legal and IT matters relating to the transfer of services.

The council's Revenue Budget for 2017/18 included budget savings of £532,000 relating to Non Domestic Rates following the transfer of facilities to West Lothian Leisure. The charitable status of West Lothian Leisure allowed Non Domestic Rates relief to be claimed thus allowing for the saving to be made.

The report went on to advise that the management fee which was paid to West Lothian Leisure would include the fee paid for the current provision of leisure facilities. For 2017/18 this was a total funding package of £1.985 million.

The budget transferring relating to the transfer of services to West Lothian Leisure were in respect of Lowport Outdoor centre, Howden Park centre, Polkemmet golf facilities and the sports and leisure activities at West Lothian Secondary Schools which included the community and leisure facilities in two community high schools.

A robust process was undertaken to review the budgets for transferring services and appropriate due diligence was undertaken. The budgets being transferred were equivalent to the budgets which would have

remained under West Lothian Council if the transfer had not been proposed with the exception of £532,000 Non Domestic Rates saving.

Further discussions were ongoing in relation to insurance arrangements and appropriate budget transfers would be made when the lease and insurance arrangements for these facilities concluded.

In conclusion the report advised that the proposed management fee to be paid to West Lothian Leisure in 2017/18 was £2.455 million which was comprised of £1.985 million for the existing management fee arrangements and an additional £470,000 for the services and facilities transferring from the council to West Lothian Leisure on 1 April 2017.

The report recommended that Council Executive:-

1. Agree with the proposed management fee for services transferring from the council to West Lothian Leisure on 1 April 2017, as set out in section D4 of the report; and
2. Agree that delegated authority for any minor adjustments to the proposed management fee was granted to the Head of Finance and Property Services.

#### Decision

To approve the terms of the report.