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**REPORT TO: EDUCATION, COMMUNITIES AND ORGANISATIONAL  
DEVELOPMENT COMMITTEE ON 18 NOVEMBER 2020**

**SUBJECT: REVIEW OF MORAY'S LEISURE SERVICE**

**BY: DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES AND  
ORGANISATIONAL DEVELOPMENT)**

**1. REASON FOR REPORT**

- 1.1 To inform the Council of the progress made in relation to the Review of Moray's Leisure Services and to agree to the development of a Business Case on the preferred option for the future delivery of Leisure Services.
- 1.2 This report is submitted to the Education, Communities and Organisational Development Committee following a decision of Moray Council on 17 June 2020 to agree a simplified committee structure as a result of the COVID-19 pandemic. In the case of this Committee the combining of the delegated responsibilities of Children and Young People Services, Governance, Strategy and Performance (para 9 of the minute refers).

**2. RECOMMENDATION**

**2.1 It is recommended that the Committee:-**

- i) **notes the progress made in relation to the Review of Moray's Leisure Service;**
- ii) **approves the new Business Plan for the Sport and Leisure Service;**
- iii) **agrees to the development of a Business Case on the preferred option for the future delivery of Leisure Services for reporting to a future meeting of the Education, Communities and Organisational Development Committee;**
- iv) **agrees to use Improvement and Modernisation programme funding for expert external support to the maximum of £10,000 to help create the Business Case;**
- v) **agrees that the Leisure Estate Project Board report back via the Education, Communities and Organisational Development Committee on future developments; and**

- vi) **approves the extension of the Active Schools and Community Sports Hub programmes from existing budget for a further one year period from 1 April 2021 in partnership with sportscotland at a cost of £177,000, with the potential of continuing this partnership on an annual basis up to 31 March 2023.**

### **3. BACKGROUND**

#### Review of Leisure Services

- 3.1 A secondary review of the Leisure Service within Moray has been ongoing since March 2016 with the last update report to the Council on 17 December 2019 (paragraph 11 of the Minute refers).
- 3.2 Between December 2019 and February 2020 the Leisure Estate Project Board undertook option appraisals on every option that has been identified for the Estate/Service since March 2016.
- 3.3 In addition, officers created a Business Plan for the development of the Council's Sport and Leisure Service, incorporating a more commercial approach. There had previously been concerns expressed as to the ability of Council Services to transform and adopt a more commercial approach, however the Leisure Estate Project Board were receptive to the early outline Business Plan that they had sight of in February 2020 and considered this to indicate the right direction of travel for the service. A copy of the final Business Plan is attached in **Appendix 1**.
- 3.4 Since February 2020 staff and public surveys regarding the Sport and Leisure Service have been collated and analysed. Staff and partner workshops have also been held to collectively identify the vision, values and objectives for the Service going forward. The feedback from these engagements are embedded in the new Business Plan.
- 3.5 In relation to the preferred option for the future delivery of Leisure Services the Leisure Estate Project Board have identified that the aim is to achieve a single Leisure Service for Moray, where the aims are consistent across the Service and delivery to the public is seamless, regardless of provider. The recommendation is to progress this through a 2 stage approach:

#### First Phase (up to September 2021)

- Approval of new Business Plan and initial implementation demonstrating capacity to improve
- Specification and development of a Service Level Agreement with Moray Leisure Centre
- Explore the option of single management across the Service (Moray Council and Moray Leisure Centre)

#### Second Phase (to be considered at the conclusion of Phase 1)

Develop options for closer working, including sharing of resources and staff and a single brand for the service:

- For all Moray Council Sport and Leisure functions
- Include Moray Leisure Limited Services

→ Specification and development of a Business Case for the Service either through a single management approach or introducing a shared service arrangement with another public sector provider.

- 3.6 It has been identified that the development of the Business Case may require expert external support via an individual/organisation with marketing/business acumen. If required it is proposed to use modernisation programme funding to support the development of the business case, up to a maximum of £10,000.

#### Active Schools and Community Sports Hub programmes

- 3.7 Despite 2019/20 being a challenging academic year due to the Covid-19 pandemic the Active Schools and Community Sports Hub programmes have continued to deliver an excellent service to our local community – both in terms of supporting young people to be active and also supporting our volunteers and local clubs/organisations to develop. A summary of their achievements in 2019/20 is contained in **Appendix 2**.
- 3.8 The sportscotland Board have agreed to in principle investment to support the employment of the Active School Managers, Co-ordinators and Community Sports Hub Officers across Scotland for the period 2019-2023, which equates to a four year partnership with Local Authorities. Although a partnership agreement for a 4 year period has been agreed the financial agreement between sportscotland and Moray Council has only been established on an annual basis due to the Council's financial position.
- 3.9 This agreement in principle is subject to the Council sustaining their financial contribution towards these programmes, which equates to approximately 32% of the overall investment. Any reduction in the Council's contribution would result in a reduction of sportscotland contribution which would result in a reduction in staffing within the Active Schools and Sports Development team.

## **4 SUMMARY OF IMPLICATIONS**

### **(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

In relation to the LOIP, this report supports the healthier children focus within the Moray priority to build a better future for our children and young people in Moray. It also supports the improving life chances and development of stronger, more resilient, supportive, influential and inclusive communities focus within the Moray priority for empowering and connecting communities. The report also impacts on the employment focus within the Moray priority for growing a diverse and sustainable economy.

In relation to the Corporate Plan, this report contributes to ensuring our communities are caring and healthy, promotes economic development and growth, and maintains, and promotes, Moray's landscape and biodiversity, works towards a financially stable Council that provides valued services to our communities, more of our activities, services and

plans are influenced by the communities they service and positive management of workforce reduction and change.

**(b) Policy and Legal**

Local Authorities have a legal duty to ensure adequate provision of facilities for recreational, sporting, cultural and social activities. Improving the health and wellbeing of the Moray community through sport, leisure and recreation is not only an integral part of the local vision, but it is also a national priority. In particular, the report aims to fulfil the aspirations of everyone having access to a network of quality places where you can get involved in sport, as identified as a key objective in sportscotland's Corporate Strategy "Sport for Life". The report also links to the Scottish Government's Active Scotland Outcomes Framework, which aims to improve our active infrastructure – people and places.

**(c) Financial implications**

The Council's overall financial position is unsustainable and the size and composition of the Leisure Estate was identified as an area that required to be reviewed to deliver savings in a timeous manner.

The additional spend identified within this report equates to a maximum of £10,000 from the Improvement and Modernisation programme funding for external expert support to help create the Business Case. This requirement is due to a skills gap within the Service relating to marketing/business acumen and also due to current staffing pressures/capacity.

To retain the existing Active Schools and Community Sports Hub staff/service the Council would be required to continue the current contribution of £177,000 annually which would secure the current level of sportscotland funding. Sportscotland have contributed £250,672 towards Active Schools this financial year and have agreed in principle to support this programme for another financial year. If the Council were to reduce or remove its contribution sportscotland would also review their share of the funding and may withdraw from the arrangement.

Over and above this in 2020/21 sportscotland contributed £39,919 towards the Community Sports Hub programme and have agreed in principle to support this programme for another financial year. The Council have contributed in-kind costs towards the Community Sports Hub programme annually through line management, computer and phone provision, office space etc.

**(d) Risk Implications**

If the Council does not contribute financially to the Active Schools and Community Sports Hub programmes then the risks would include sportscotland withdrawing all their financial contribution to the service which would result in no Active Schools or Community Sports Hub service operating in Moray. The only Sport and Leisure provision then delivered by the Council would be through the provision of Sports Facilities (swimming pools, fitness rooms etc).

Sportscotland also provide additional financial support locally through investments in facilities (such as Moray Sports Centre) and direct to sports clubs. Without an Active Schools and Community Sports Hub Service in place it would make the continuation of these investments more difficult.

Removal of the Active Schools and Community Sports Hub programmes would have a negative impact on the Fit Life Scheme memberships (and income to the Council) as many families subscribe to Fit Life due to the holiday and children's coaching/activity programmes organised and delivered through this Service.

Local volunteer community sports clubs and physical activity groups in Moray would also be negatively impacted as there would no longer be a support mechanism for these clubs to develop and be sustained long term, therefore the health of our community would suffer.

**(e) Staffing Implications**

If the Council do not contribute financially to the Active Schools and Community Sports Hub programmes then the staffing implications would result in the loss of the 1 FTE Active Schools and Sports Development Manager post, all 7.8FTE Active Schools Co-ordinators posts, the 1 FTE Community Sports Hub Officer post and all Sports Coaches and Assistants.

Cessation of these programmes would result in redundancy costs due to 5.3FTE within the service being permanent members of staff. A number of sports coaching staff would also receive redundancy payments due to their continual service.

**(f) Property**

There are no property implications arising directly from this report.

**(g) Equalities/Socio Economic Impact**

A number of Active Schools and Community Sports Hub projects target protected groups such as the disabled and also individuals residing in socially deprived areas to ensure they receive opportunities to be physically active. The ceasing of these programmes would result in reduced opportunities for these protected groups which would have a negative effect on reducing health inequalities.

**(h) Consultations**

In preparing this report, consultations have been undertaken with the Chief Financial Officer, Head of Governance, Strategy and Performance, Head of Transformation, Tracey Sutherland, Committee Services Officer and Ian McGregor (Partnership Manager for sportscotland) whose comments have been incorporated in the report.

## **5. CONCLUSION**

- 5.1 Committee is asked to note the progress made in relation to the review of Moray's Leisure Service, including the development of a new Business Plan for the Service, and proposed next steps.**
- 5.2 Committee is also asked to approve the extension of the Active Schools and Community Sports Hub programmes for a further year, in partnership with sportscotland.**

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Background Papers:

Ref: