

At: Aelodau'r Cyngor Sir

Dyddiad: 23 Mai 2019

Rhif Union: 01824706141

ebost: [democrataidd@sirddinbych.gov.uk](mailto:democrataidd@sirddinbych.gov.uk)

Annwyl Gynghorydd

Fe'ch gwahoddir i fynychu cyfarfod y **CYNGOR SIR, DYDD IAU, 30 MAI 2019** am **10.00 am** yn **SIAMBR Y CYNGOR, NEUADD Y SIR, RHUTHUN LL15 1YN.**

Yn gywir iawn

G Williams

Pennaeth Gwasanaethau Cyfreithiol, AD a Democrataidd

## **AGENDA**

### **RHAN 1 - GWAHODDIR Y WASG A'R CYHOEDD I FOD YN BRESENNOL YN Y RHAN HON O'R CYFARFOD**

#### **1 YMDDIHEURIADAU**

#### **2 DATGANIADAU O FUDDIANT**

Aelodau i ddatgan unrhyw gysylltiad personol neu gysylltiad sy'n rhagfarnu yn y busnes a nodwyd i'w ystyried yn y cyfarfod hwn.

#### **3 MATERION BRYD FEL Y'U CYTUNWYD GAN Y CADEIRYDD**

Hysbysiad o eitemau y dylid, ym marn y Cadeirydd, eu hystyried yn y cyfarfod fel materion brys yn unol ag Adran 100B (4) Deddf Llywodraeth Leol 1972.

#### **4 CYFLWYNO MODEL DARPARU AMGEN (MDA) AR GYFER AMRYWIOL WEITHGAREDDAU/SWYDDOGAETHAU CYSYLLTIEDIG Â HAMDDEN (Tudalennau 3 - 202)**

Ystyried adroddiad gan y Cyfarwyddwr Corfforaethol: Economi a Pharth Cyhoeddus yn ceisio barn y Cyngor mewn perthynas â'r Achos Busnes drafft (copi yn yr atodiad) ar gyfer sefydlu Cwmni Masnachu'r Awdurdod Lleol, ar gyfer ystod o weithgareddau/ swyddogaethau "mewn cwmpas" a gytunwyd arnynt yn flaenorol yn ymwneud â hamdden.

**5 RHAGLEN GWAITH I'R DYFODOL Y CYNGOR SIR** (Tudalennau 203 - 206)

Ystyried Rhaglen Gwaith i'r Dyfodol y Cyngor (copi ynghlwm).

**AELODAETH**

**Y Cynghorwyr**

Y Cynghorydd Meirick Lloyd Davies  
(Cadeirydd)

Y Cynghorydd Alan James (Is-  
Gadeirydd)

Mabon ap Gwynfor  
Brian Blakeley  
Joan Butterfield  
Jeanette Chamberlain-Jones  
Ellie Chard  
Ann Davies  
Gareth Davies  
Peter Arnold Evans  
Hugh Evans  
Bobby Feeley  
Rachel Flynn  
Tony Flynn  
Huw Hilditch-Roberts  
Martyn Holland  
Hugh Irving  
Brian Jones  
Huw Jones  
Pat Jones  
Tina Jones  
Gwyneth Kensler  
Geraint Lloyd-Williams  
Richard Mainon  
Christine Marston

Barry Mellor  
Melvyn Mile  
Bob Murray  
Merfyn Parry  
Paul Penlington  
Pete Prendergast  
Arwel Roberts  
Anton Sampson  
Peter Scott  
Glenn Swingler  
Andrew Thomas  
Rhys Thomas  
Tony Thomas  
Julian Thompson-Hill  
Graham Timms  
Joe Welch  
Cheryl Williams  
David Williams  
Eryl Williams  
Huw Williams  
Emrys Wynne  
Mark Young

**COPIAU I'R:**

Y Wasg a'r Llyfrgelloedd  
Cynghorau Tref a Chymuned

Adroddiad i'r:	Cyngor
Dyddiad y Cyfarfod:	30 Mai 2019
Aelod / Swyddog Arweiniol:	Y Cyng Bobby Feely a'r Cyng Julian Thompson-Hill
Awdur yr Adroddiad:	Graham Boase
Teitl:	Cyflwyno Model Cyflenwi Amgen (MCA) ar gyfer amrywiol weithgareddau / swyddogaethau sy'n ymwneud â hamdden

## 1. Am beth mae'r adroddiad yn sôn?

Ystyried yr Achos Busnes drafft a gwybodaeth gysylltiedig ar gyfer cyflwyno Cwmni Masnachu Awdurdod Lleol Cyfyngedig Drwy Warant (LATC) nid er elw ym mherchnogaeth y Cyngor.

## 2. Beth yw'r rheswm dros lunio'r adroddiad hwn?

Ceisio barn y Cyngor mewn perthynas â'r Achos Busnes drafft (Atodiad A) ar gyfer sefydlu Cwmni Masnachu'r Awdurdod Lleol (LATC), ar gyfer ystod o weithgareddau/swyddogaethau "mewn cwmpas" a gytunwyd arnynt yn flaenorol yn ymwneud â hamdden. Nodwch fod elfennau o'r achos busnes wedi'u golygu yn y manau lle'r oedd yna ddiddordeb masnachol neu lle'r oedd yn bosibl adnabod unigolion.

## 3. Beth yw'r Argymhellion?

Bod y Cyngor yn:-

- 3.1 Cefnogi Achos Busnes terfynol y Prosiect
- 3.2 Rhoi cefnogaeth i sefydlu Cwmni Masnachu Awdurdod Lleol cyfyngedig drwy Warant (LATC) nid er elw.
- 3.3 Cefnogi penodiad y Cyfarwyddwr Corfforaethol: Economi a Parth Cyhoeddus i Fwrdd yr LATC.
- 3.4 Rhoi cefnogaeth i gadw'r enw presennol 'Hamdden Sir Ddinbych' i'r LATC.
- 3.5 Bod y Cyngor yn cadarnhau eu bod wedi darllen, deall ac ystyried yr Asesiad o Effaith ar Les (Atodiad B, Cyfeirif 564), fel rhan o'u hystyriaethau.

## Manylion yr adroddiad

- 4.1 Mae'r Achos Strategol yn amlinellu her yr hinsawdd ariannol presennol, a'r posibilrwydd y gall y Cyngor wneud arbedion (i ddechrau drwy ostyngiadau Trethi Annomestig Cenedlaethol ac esemptiadau TAW), ynghyd ag unrhyw gyfleoedd masnachu allanol yn y dyfodol. Er bod ystyriaeth i ADM o'r math hwn yn fenter newydd i'r Cyngor, mae sawl Cyngor arall ledled y DU eisoes yn defnyddio ADMs tebyg i ddarparu ystod o swyddogaethau. Drwy gydol y broses o ddatblygu'r prosiect hwn, mae Swyddogion wedi elwa ar wybodaeth a gwersi a ddysgwyd gan Gynghorau eraill, o fewn Gogledd Cymru. Mae Atodiad C yn rhoi manylion cwmnïau model cyflenwi amgen a sefydlwyd a rhai o'r gwersi a ddysgwyd.

- 4.2 Cwblhawyd proses asesu i bennu cwmpas y prosiect, ac roedd y Bwrdd Prosiect yn defnyddio matrices sgorio i lywio'r broses hon. Mae'r cyfleusterau a'r swyddogaethau o fewn y cwmpas yn cynnwys y 7 x Canolfan Hamdden Sirol, Nova Prestatyn, Theatr Pafiliwn y Rhyl, Arena Ddigiwyddiadau a swyddogaethau digwyddiadau'r Rhyl, Neuadd y Dref y Rhyl, Canolfan Grefft Rhuthun, Pafiliwn Llangollen, Gweithrediadau a Chefnogaeth Busnes ar gyfer Hamdden, Arlwyyo Masnachol (1891, SC2, Café R), a Hamdden Strategol. Yn seiliedig ar y rhestrau staffio presennol mae oddeutu 244 aelod o staff sydd o fewn cwmpas y prosiect. Yn 2018/19, cymhorthdal y Cyngor mewn perthynas â chyfleusterau, swyddogaethau a gweithgareddau o fewn y cwmpas oedd tua £3 miliwn. Mae manylion yn cynnwys dadansoddiad o fenthycy cyllid cyfraniadau refeniw, wedi'i gynnwys yn Atodiad 4E o'r Achos Busnes, sydd o fewn Atodiad A o'r adroddiad hwn.
- 4.3 O'r swyddogaethau "o fewn y cwmpas", Hamdden Strategol sydd wedi achosi'r drafodaeth fwyaf. Mae'r ddau Aelod Arweiniol wedi mynegi eu ffafriaeth i Hamdden Strategol i barhau "o fewn y cwmpas". Mae'r swyddogaeth Hamdden Strategol wedi'i fanylu o fewn yr achos Strategol o'r achos busnes (Atodiad A), ar dudalen 15 & 16, lle gellir dod o hyd i fanylion pellach ynglŷn â'r deg maes gweithgaredd allweddol a ddarperir. Mae cynnwys Hamdden Strategol o fewn yr LATC yn galluogi darparu cynnig lles cymunedol / hamdden cydlynus gyda mynediad hawdd i holl drigolion. O safbwynt sefydliadol mae ei gynnwys yn hwyluso trefniadau staffio, galluogi rhannu gwybodaeth ac arbenigedd ar draws y gwasanaeth, darparu un brand gydag amrywiol bwyntiau mynediad i'r gwasanaeth a galluogi staff i gyfeirio cwsmeriaid i weithgareddau ychwanegol mewn lleoliadau eraill, y gallant fwynhau a/neu gael budd ohonynt.
- 4.4 Nid yw cyflwyno newid i'r ddwy swyddogaeth honno "o fewn y cwmpas" ac ad-drefnu'r swyddogaethau hynny "tu allan i'r cwmpas" ar draws strwythur rheoli ehangach y Cyngor heb ei broblemau/ peryglon. Bydd y materion/ risgiau hyn yn cael eu rheoli'n ofalus drwy gam gweithredu'r prosiect. Er bod bendithion y prosiect yn ymwneud yn bennaf ag arbedion ariannol, rhoddwyd pwyslais hefyd ar sicrhau bendithion ehangach i'r Cyngor, a chynnal ansawdd darpariaeth gwasanaeth.
- 4.5 Mae'r Achos Masnachol yn cynnig trosolwg manwl ynghylch detholiad model darparu a fyddai'n hwyluso'r arbedion a nodir a diogelu buddiannau'r Cyngor. Ar ddechrau'r broses roedd hyn yn cynnwys gwerthusiad lefel uchel cychwynnol a oedd yn ystyried ystod o ddewisiadau; roedd y rhain yn destun dadansoddiad cyfreithiol manwl a awgrymodd mai LATC fyddai'r model mwyaf priodol ar gyfer y Cyngor.
- 4.6 O fewn y 'term ambarél' LATC mae nifer o amrywiadau / gwahanol fathau o LATC, a'r un a argymhellir i'r Cyngor yw LATC 'nid er elw' cyfyngedig trwy warant, ym mherchnogaeth lwyr y Cyngor. Ystyrir mai'r math hwn o LATC yw'r mwyaf priodol i alluogi'r arbedion sy'n gysylltiedig â'r NNDR a'r TAW i'w wireddu, wrth hefyd ddarparu lefel o reolaeth i ddiogelu buddiannau'r Cyngor. Mae hefyd yn caniatáu rhyddid i'r LATC fasnachu y tu allan, ac efallai cynhyrchu cyfran o'i incwm o ffynonellau heb law am y Cyngor.
- 4.7 Byddai'r LATC yn cael ei oruchwylio gan Fwrdd, a byddai angen i'w gyfansoddiad fod yn gytbwys i gynnig lefel digonol o reolaeth i'r Cyngor, a sicrhau bod gan yr LATC yr arbenigedd, y craffter busnes a'r gefnogaeth sydd ei angen arno i fod yn llwyddiannus mewn amgylchedd masnachol. Ystyrir bod Bwrdd yr LATC yn cynnwys 7 aelod sy'n

pleidleisio a allai gynnwys y Cyfarwyddwr Corfforaethol: Economi a'r Parth Cyhoeddus, yr Aelod Arweiniol sydd â chyfrifoldebau am Hamdden, Cadeirydd Pwyllgor Craffu neu Gadeirydd Llywodraethu Corfforaethol, aelod pellach o CSDd, Rheolwr Gyfarwyddwr yr LATC a'r Cyfarwyddwr Cyllid (swydd cyfrifyddiaeth ar gyfer yr LATC), ac un Cyfarwyddwr anweithredol o'r tu allan. Cynigir hefyd fod y Cyngor yn sefydlu ei Fwrdd Llywodraethu Strategol ei hun i herio gwaith y Bwrdd LATC. Byddai hyn yn ychwanegol i fecanweithiau adrodd sefydledig y Cyngor sef y Tîm Gweithredol Corfforaethol, y Cabinet, y Cyngor, Craffu, Llywodraethu Corfforaethol ac ati.

- 4.8 I alluogi'r LATC i gael ei sefydlu fel endyd cyfreithiol, mae angen iddo fod ag un Cyfarwyddwr 'byw' ac enw, a dyma'r rheswm dros yr argymhelliad fod y Cyngor yn cymeradwyo penodi'r Cyfarwyddwr Corfforaethol: Economi a'r Parth Cyhoeddus, a'r enw i hwyluso datblygiad y prosiect. Mae hyn yn caniatáu amser i Banel Recriwtio'r Cyngor i adolygu'r penodiadau eraill gyda'r nod o wneud argymhelliad i'r Cyngor mewn perthynas â'r Bwrdd LATC, a'r Cabinet mewn perthynas â'r Bwrdd Llywodraethu Strategol.
- 4.9 Bydd y Cyngor yn contractio'r LATC i gynnal y gwasanaethau yn ymwneud â hamdden o fewn y cwmpas ar ei ran. Y cynllun yw y byddai'r LATC yn derbyn contract 10 mlynedd i roi ychydig o sicrwydd i'r dyfodol, gyda chylch cynllunio a mecanwaith lle cytunir bob blwyddyn ar lefel cymhorthdal y Cyngor a chanlyniadau/ buddion y mae'r Cyngor yn dymuno eu blaenoriaethu drwy ddarpariaeth gwasanaeth. Fel hyn, gellir herio'r LATC i sicrhau arbedion yn yr un ffordd ag adrannau eraill y Cyngor, i ymateb i bwysau ariannol yn y dyfodol. Yn yr un modd, os bydd yr LATC yn cynhyrchu incwm net ychwanegol o fasnachu tu allan i gontract y Cyngor, bydd hyn yn rhoi cyfle i leihau cymhorthdal y Cyngor, neu ail-fuddsoddi'r incwm yn y cyfleusterau, neu gymysgedd o'r ddau.
- 4.10 Bydd y contract rhwng yr LATC a'r Cyngor yn cael ei reoli'n fewnol, gan ddefnyddio math tebyg o reoli contractau o'r un a ddefnyddir ar gyfer contract Civica. Mae Penawdau'r Telerau ar gyfer y contract wedi eu cynnwys yn Atodiad D.
- 4.11 Bydd yr adeiladau / tiroedd a ddefnyddir ar hyn o bryd ar gyfer darparu'r Gwasanaethau Hamdden o fewn y cwmpas yn cael eu prydlesu i'r LATC ar rent pitw am gyfnod o 10 mlynedd a bydd y rhain gefn wrth gefn gyda'r contract. Bydd darpariaeth yn cael ei wneud o fewn y prydlesi i ddiogelu'r SLA presennol gydag ysgolion, a chynnal y fynedfa bresennol i'r adeilad ar gyfer etholiadau, gofynion argyfwng ac ati. Yn yr un modd, bydd mynediad yn cael ei gynnal i swyddfa'r Cofrestrydd yn Neuadd y Dref y Rhyl. Bydd y prydlesi'n nodi cyfrifoldeb cynnal a chadw'r Cyngor a'r LATC, a bydd ymweliadau arolygu arferol yn cael eu cynnwys. Yn gyffredinol, bydd y trefniadau hyn yn adlewyrchu'r trefniadau presennol rhwng Gwasanaethau Hamdden a Gwasanaethau Eiddo ac Asedau, gan gynnwys prosesau penderfynu'r Cyngor ynghylch Cyfalaf (e.e. Grŵp Rheoli Asedau, SIG, y Cabinet, y Cyngor ac ati).
- 4.12 Bydd yr isadeiledd TGCh presennol, y gwasanaeth a'r gefnogaeth yn cael ei ymestyn i'r LATC. Bydd costau ychwanegol yn gysylltiedig â ffioedd trwydded os na all yr LATC elwa o gyfraddau ffafriol presennol y Cyngor.
- 4.13 Er y bydd gweithredu LATC yn galluogi'r Cyngor i wneud arbedion ar NNDR a TAW, mae hefyd costau yn gysylltiedig â darparu'r gweithgareddau / swyddogaethau

hamdden 'o fewn y cwmpas' drwy endid cyfreithiol ar wahân. Mae'r achos economaidd yn cymharu'r costau a manteision ariannol cyflwyno LACT o'i gymharu â'r model ('gwneud dim') presennol.

- 4.14 Amcangyfrifir y bydd yr arbedion yn £1,107,000. Mae'r cyngor NNDR a dderbyniwyd yn awgrymu y byddai gostyngiad 90% ar NNDR sy'n gyfystyr ag arbediad o £623,000. Bydd yr arbedion TAW yn seiliedig ar y cyngor a dderbyniwyd hyd yma yn isafswm o £284,000, ac mae cyngor pellach yn cael ei geisio mewn perthynas â'r arbedion TAW a fyddai'n gysylltiedig â 'esemptiad diwylliannol', ac i adolygu'r cyfleoedd mewn perthynas â SC2. Pan fydd y cwmni'n cael ei sefydlu bydd yn rhaid iddo gwrdd â'r chwyddiant cyflogau a chostau eraill ei hun, ac yn 2020/21 bydd hyn yn oddeutu £200,000. Y disgwyliad yw y bydd yr LATC yn parhau i gwrdd â'r costau chwyddiant hyn yn y blynyddoedd i ddod.
- 4.15 Mae'r arbedion NNDR a nodwyd o fewn 4.14 yn arbedion net o'r Ardoll Ardal Gwella Busnes ar y cyfleusterau 'cwmpas' o fewn y Rhyl gan eu bod i gyd yn diwallu'r meini prawf a byddant yn talu'r ardoll o tua 2% ar werth ardrethol yr eiddo. Yn yr un modd, os bydd Ardaloedd Gwella Busnes eraill yn cael eu sefydlu, bydd cyfleusterau o fewn y cwmpas yn yr ardaloedd hynny yn atebol am dalu ardoll yr AGB llawn.
- 4.16 Mae nifer o gostau refeniw parhaus y gwyddom amdanynt y bydd yr LATC ac/ neu'r Cyngor yn gorfod eu talu os bydd yr LATC yn cael ei sefydlu, ac amcangyfrifir fod y rhain yn £304,000. Mae'r costau ychwanegol yn adlewyrchu'r angen am swydd cyfrifyddiaeth ar gyfer yr LATC, costau Cyfarwyddwyr ar gyfer y sicrwydd yswiriant a thâl ar gyfer unrhyw Gyfarwyddwyr annibynnol ar fwrdd yr LATC, costau rheoli contract, costau archwilio allanol, costau staffio sy'n gysylltiedig â dyraniad y Gwasanaeth Asedau, Cyfleusterau a Thai sy'n weddill, i feysydd Gwasanaeth eraill, gostyngiad mewn incwm defnydd deul yn sgil gostyngiad NNDR, cynnydd posibl mewn atebolrwydd pensiwn a chostau trwyddedau meddalwedd, ac arian at raid o £150,000.
- 4.17 Yn seiliedig ar yr arbedion a'r costau a amlinellir uchod, amcangyfrifir y bydd yr arbediad net blynyddol ym mlwyddyn 1 yn £800,000. Bydd cost prosiect un tro o tua £200,000 ar gyfer gweithredu'r prosiect ac mae hyn yn gysylltiedig â chostau rheoli prosiectau a chyfreithiol; mae'r gost wedi ei ddiwygio i adlewyrchu gwaith cynllunio prosiect manylach a gyflawnwyd. Bydd mwyafrif y gwaith prosiect, lle bo modd, yn cael ei gwblhau gan ddefnyddio adnoddau mewnol i leihau costau.
- 4.18 Mae'r swyddogaethau "yn y cwmpas" ar hyn o bryd yn eiwa o wasanaethau cynnal canolog y Cyngor o safbwynt rheolaeth ariannol, AD, a chyfreithiol, ymysg eraill, a'r bwriad am gyfnod o 3 blynedd fan lleiaf, yw bod y trefniadau presennol yn cael eu cynnal ar gyfer yr LATC lle bo modd, a fydd yn cyfyngu ar y cyswllt â chostau ychwanegol ar gyfer gwasanaethau, ac yn cynorthwyo cyfnod pontio esmwyth. Bydd angen i'r Cyngor adolygu'r trefniant hwn a'r LATC ar ôl 3 blynedd.
- 4.19 O fewn yr Achos Ariannol, nodir mai lefel presennol y cymhorthdal ar gyfer y cyfleusterau, swyddogaethau a gweithgareddau o fewn y cwmpas yn seiliedig ar gyllidebau 2018/19 yw tua £3m, ac ar ôl addasiad ar gyfer yr arbedion a nodir yn 4.13

ac unrhyw newidiadau eraill a gytunir arnynt fel rhan o broses cyllideb 2020/21, bydd hyn yn gosod y sail ar gyfer gwerth y gwasanaethau y bydd y Cyngor yn eu contractio gan yr LATC. Mae'n gwbl glir y bydd gofyn i'r LATC gyfrannu at y broses o osod cyllideb y Cyngor bob blwyddyn, yn yr un modd ag y mae swyddogaethau "o fewn y cwmpas" wedi gwneud mewn blynyddoedd blaenorol.

- 4.20 Ceir manylion ynghylch darpariaeth prosiectau yn yr Achos Rheoli. Mae'r gwaith prosiect wedi ei rannu'n 2 gam penodol. Cam 1 yw'r cam cyn gweithredu a bydd yn cynnig cyfle i gynnig dilynant ar unrhyw gyngor sy'n weddill, ac yn bryd i gynnal y cynllun prosiect manwl, a fydd yn cynnig gwiriad synnwyr o'r arbedion refeniw y gellir eu cyflawni drwy gyflwyno'r LATC, a bydd yn darparu mwy o sicrwydd ynghylch costau un tro gweithredu'r prosiect. Pan fydd gwaith Cam 1 wedi eu cwblhau'n foddhaol, bydd y prosiect yn ceisio awdurdod i fwrw ymlaen gan y Cabinet. Yn ystod cam 2, y cam gweithredu, mae'r gwaith yn cynnwys sefydlu'r LATC, paratoi'r fanyleb a'r contract ar gyfer y gwasanaethau i'w darparu gan yr LATC, paratoi staff ac adnoddau, a sefydlu trefniadau staffio gweddilliol.
- 4.21 Fel rhan o'r cam sefydlu, bydd y staff 'o fewn y cwmpas' yn cael eu trosglwyddo i'r LATC dan reoliadau TUPE. Bydd gan yr LATC statws corff derbyniedig i'r Cynllun Pensiynau Lleol a fydd yn golygu na fydd unrhyw newid i gynllun pensiynau'r staff sy'n cael eu trosglwyddo. Bydd yr LATC ym mherchnogaeth lwyr y Cyngor, yn gyfreithiol byddai'r LATC a'r Cyngor yn cael eu hystyried fel eu bod yn rhan o'r un grŵp, ac felly bydd rhaid i'r staff o fewn pob un ohonynt gael telerau ac amodau cyfartal; bydd angen cynnal y "status quo" hwn am gyhyd â bod yr LATC yn parhau i fod y model darparu.
- 4.22 Yn ystod y cyfnod pontio o'r trefniadau gwasanaeth presennol i LATC, efallai y bydd angen cyflwyno trefniant staffio dros dro, i fwrw ymlaen ag unrhyw waith sydd ei angen ar ran yr LATC, cyn i unrhyw staff gael eu trosglwyddo'n ffurfiol. Ymhellach i benderfyniad i fwrw ymlaen â'r prosiect, bydd yr LATC yn cael ei sefydlu a bydd rhai personél allweddol yn cael eu trosglwyddo i ddechrau i'r LATC i weithredu ar ran y cwmni, a pharatoi am y diwrnod cyflwyno ym mis Ebrill 2020, pan fydd gweddill y staff yn cael eu trosglwyddo'n ffurfiol.
- 4.23 Pan fydd Pennaeth y Gwasanaeth Cyfleusterau, Asedau a Thai yn trosglwyddo'n ffurfiol i'r LATC, bydd y Gwasanaethau gweddilliol a staff o FAH yn cael eu neilltuo i'r Penaethiaid Gwasanaeth sy'n weddill. Os na fyddwn yn bwrw ymlaen i weithredu'r LATC, yna ni fydd unrhyw newid i'r Gwasanaethau.
- 4.24 Dyma'r amserlenni dangosol ar gyfer y prosiect:-
- Y Cyngor yn ystyried yr Achos Busnes / cymeradwyaeth arall a nodir yn yr adroddiad hwn, Mai 2019
  - Cymeradwyaeth y Cabinet ar ddiwedd cam 1 Mehefin/ Gorffennaf 2019
  - Sefydlu'r LATC Gorffennaf / Awst 2019
  - Dechrau paratoi'r fanyleb a'r contract, mis Awst 2019
  - Trosglwyddo staff allweddol a dechrau'r cam gweithredu, mis Medi 2019
  - Trosglwyddo staff gweddilliol, mis Medi 2019
  - Penodi'r Aelodau Bwrdd LATC sy'n weddill yn ffurfiol, mis Medi/ Hydref 2019
  - Sefydlu Bwrdd Llywodraethu Strategol, mis Tachwedd 2019
  - Yr LATC yn dechrau masnachu, mis Ebrill 2020.

Bydd angen cymeradwyaeth prosiect pellach wrth i'r prosiect fynd yn ei flaen ac mae'r rhain wedi eu nodi yn Atodiad E.

## **5. Sut mae'r penderfyniad yn cyfrannu at y Blaenoriaethau Corfforaethol?**

5.1 Ni fydd y penderfyniad yn cael effaith niweidiol ar Flaenoriaethau Corfforaethol, gan y bydd yr LATC yn cael ei gontractio gan y Cyngor i ddarparu'r gwasanaethau presennol yn gysylltiedig â'r gweithgareddau/ swyddogaethau o fewn y cwmpas.

## **6. Faint fydd hyn yn ei gostio a sut fydd yn effeithio ar wasanaethau eraill?**

6.1 Mae yna gost prosiect un tro o tua £100,000 os cymeradwyir gweithredu LATC. Mae'r achos busnes wedi cyfrifo y bydd arbediad refeniw net o £800,000 yn cael ei gyflawni ym mlwyddyn 1.

## **7. Beth yw prif gasgliadau'r Asesiad o'r Effaith ar Les?**

7.1 Cynhaliwyd y WIA gan grŵp amlddisgyblaeth o swyddogion yn cynrychioli Hamdden, AD, Cyllid, Cymorth i Fusnesau, Gwasanaethau Cynnal, Lles Cymunedol, Eiddo Corfforaethol, Cynllunio a Pherfformiad Strategol a Rheoli Prosiectau.

7.2 Yn gyffredinol, aseswyd fod effaith y prosiect yn niwtral, gan adlewyrchu'r ffaith fod ystyriaeth ar hyn o bryd ynghylch ffordd arall o ddarparu set benodol o weithgareddau / swyddogaethau, nid yw'n ymwneud â chynnig gweithgareddau/ swyddogaethau gwahanol neu amgen.

## **8 Pa ymgynghoriadau a gynhaliwyd gyda Chraffu ac eraill?**

### **8.1 Ymgynghoriad allanol**

- Trafodaeth gydag arbenigwyr cyfreithiol a TAW sy'n cynnig arbenigedd i'r prosiect.
- Awdurdodau lleol eraill sydd wedi sefydlu ADMC am y gwersi a ddysgwyd ganddynt.
- Swyddfa Archwilio Cymru am gyngor
- 'Partneriaethau Lleol' a sefydliad allanol sydd wedi cynnig arweiniad mewn perthynas â'r broses.
- Cyngor Tref y Rhyl mewn perthynas â'r buddiant o fewn SC2.
- Undebau Llafur mewn perthynas â'r effeithiau ar staff.
- Cyngor Celfyddydau Cymru mewn perthynas â chyllid grant

### **8.2 Ymgynghori Mewnol**

- Briffio'r Cabinet, y Cabinet, Gweithdy'r Gyllideb yr Aelodau lle rhannwyd y Prosiect yn anffurfiol, a Gweithdy Aelodau'n arbennig ynglŷn â'r ADM.
- Pob Grŵp Ardal Aelodau
- Adroddiadau i'r Uwch Dîm Arweinyddiaeth ynghylch y Briff Prosiect, a'r ail-strwythuro gwasanaethau sydd angen os cymeradwyir y prosiect.
- Briffio staff a oedd yn cynnwys rhannu gwybodaeth wyneb yn wyneb gyda'r holl Reolwyr o fewn FAHS, briff ysgrifenedig i'r holl staff yn y maes hamdden, a Rheolwyr Canol ar draws y Cyngor, briffio staff wyneb yn wyneb gyda'r holl staff



hamdden, ac ymgynghori ffurfiol gyda'r holl staff a effeithir gan unrhyw ailstrwythuro i wasanaethau.

## **9. Datganiad y Prif Swyddog Cyllid**

- 9.1 Mae cyfle i wneud arbedion sylweddol drwy ddarparu'r cyfleusterau a amlygwyd drwy wahanol strwythur cyfreithiol. Gan fod yn rhaid i'r Cyngor reoli pwysau cynyddol gyda llai o adnoddau, mae creu cwmni wedi'i reoli gan yr awdurdod lleol i weithredu'r cyfleusterau a'r gwasanaethau a amlygwyd, yn creu cerbyd i gynhyrchu lefel o arbedion heb orfod torri yn ôl ar wasanaethau. Mae'r adroddiad yn amlinellu amcangyfrif o'r arbedion a'r costau sydd ynghlwm â'r penderfyniad.
- 9.2 Mae disgwyliad gan y Bwrdd Cyllideb y bydd ADM newydd yn parhau i gyfrannu at raglen arbedion y Cyngor ac y bydd hyn yn cael ei adlewyrchu mewn cynlluniau busnes i'r dyfodol. Mae model y cwmni arfaethedig yn cynnig strwythur cyfreithiol sy'n caniatáu ystyried twf masnachol ac, os bydd hyn yn llwyddo, gallai gyfrannu at y rhaglen arbedion a helpu lleihau lefel y cymorth ariannol gan y cyngor.

## **10. Pa risgiau sydd yna ac oes yna unrhyw beth y gallwn ei wneud i'w lleihau?**

- 10.1 Mae risgiau ynghlwm â gweithredu'r LATC ac mae'r rhain wedi eu cynnwys yn yr achos busnes. Mae dadansoddiad o'r risgiau wedi'i gynnwys o fewn Atodiad F. Y prif risgiau yw:-
- Gallai newidiadau i Ddeddfwriaeth Genedlaethol yn y dyfodol atal yr arbedion a ragwelir o ran trethi busnes rhag cael eu gwireddu'n llawn.
  - Efallai na chaiff yr arbedion TAW eu gwireddu'n llawn drwy fodel LATC nid er elw ac/neu bydd angen statws elusennol er mwyn i'r rheini gael eu gwireddu'n llawn, sy'n cynyddu'r gyfundrefn a reoleiddir a chostau cysylltiedig.
  - Bydd costau un tro neu barhaus heb eu rhagweld gyda sefydlu'r LATC nad ydynt wedi eu hystyried ar y cam gweithredu.
  - Nid fydd yr ADM mor llwyddiannus yn ariannol ag y gobeithiwyd a bydd unrhyw gostau ychwanegol yn ei sgil yn disgyn ar y Cyngor i'w hariannu ac/neu ni fydd y Cwmni'n gallu ail-fuddsoddi'n ddigonol i'w weithgareddau bob dydd oherwydd diffyg cyllid.

## **11. Pŵer i wneud y Penderfyniad**

A2 Deddf Llywodraeth Leol 2000

A95 Deddf Llywodraeth Leol 2003

Gorchymyn Llywodraeth Leol (Awdurdodau Gwerth Gorau)(Pŵer i Fasnachu)  
(Cymru) 2006

Mae tudalen hwn yn fwriadol wag

**Project Title: Implementation of an Alternative Delivery Model (ADM), for various leisure related activities/functions**

**Appendix A**

## **FULL BUSINESS CASE**

**Version No:- 002**  
**Issue Date:- 17<sup>th</sup> April 2019**

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

<b>Contents</b>	
<b>1. Executive Summary</b> .....	4
<b>2. Strategic Case</b> .....	5
2.1 Context/background.....	5
2.2 Scope of the project (core businesses/services) .....	7
2.3 Service User description .....	9
2.4 Budgetary and staffing information.....	16
2.5 Project Objectives .....	21
2.6 Other plans policies and strategies impacted .....	21
2.7 Benefits .....	25
2.8 Risks.....	25
<b>3. Commercial Case</b> .....	27
3.1 Options Appraisal.....	27
3.2 Project delivery arrangements .....	31
3.3 Legal implications .....	32
3.4 Regulatory regime implications .....	33
3.5 Property implications .....	38
3.6 IT implications .....	40
3.7 Other asset implications.....	42
3.8 Monitoring arrangements .....	43
<b>4. Economic &amp; Financial Case</b> .....	47
4.1 Economic case for change .....	47
4.2 Potential Savings .....	49
4.3 Potential extra on-going recurring costs of operating an ADM.....	50
4.4 Likely 'One-off' costs of setting up the company.....	52
4.5 Potential net budget savings arising from the establishment of the Leisure ADM .....	53
4.6 Potential Financial Risks to the Project .....	53
4.7 Additional Risk – SC2 .....	54
4.8 Financial Governance & Support Services .....	55
4.9 Financial Services .....	55
4.10 Financial Case: Affordability .....	59

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

<b>5. Management Case</b> .....	60
<b>5.1 Project Plan including transition plan</b> .....	60
<b>5.2 Management and Governance of the project</b> .....	60
<b>5.3 Governance Structure</b> .....	64
<b>5.4 HR employment processes</b> .....	64
<b>5.5 Resources and workforce development</b> .....	66
<b>5.6 Stakeholder management plan</b> .....	67
<b>5.7 Benefits realisation plan</b> .....	69

## **Appendices**

Appendix 2A Assessment template	
Appendix 2B Scoring matrix	
Appendix 2C Leisure Centre facilities	
Appendix 2D Adult group exercise class programme	
Appendix 2E Leisure Centre opening hours	
Appendix 2F Rhyl Pavilion Theatre programme	
Appendix 2G Rhyl Events Arena programme	
Appendix 2H Ruthin Craft Centre	
Appendix 2I Llangollen Pavilion programme	
Appendix 2J Leisure Performance indicators	
Appendix 3A LATC sub –options	
Appendix 3B Benchmarking pay for Non-Executive Directors	
Appendix 3C Heads of Terms for lease	
Appendix 3D Summary of Options Appraisal (RAG status)	
Appendix 4A Business Rate assumptions	
Appendix 4B VAT advice	
Appendix 4C Potential initial VAT savings	
Appendix 4D Pay inflation 2019/20	
Appendix 4E Budgets 2018/19	
Appendix 5A Project Milestones	
Appendix 5B Governance Structure	
Appendix 5C Analysis of Partners and Stakeholders	
Appendix 5D Benefits Realisation Plan	

## Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

### 1. Executive Summary

The project was initiated to consider the development and implementation of an alternative delivery model, (ADM), for the management and delivery of a number of leisure related facilities, functions and activities, in order to benefit from financial savings associated with changes to legislation in respect of relief on business rates, (NNDR), and exemptions from value added tax, (VAT), on leisure related income. The principal aims of the project are to reduce the financial support provided by the Council as part of the budget savings agenda for 2020/21 and beyond, and to try to protect service provision as much as possible within a climate of ongoing funding reductions.

Although ADM's have been widely used for the delivery of services by other Council's across the United Kingdom, this is a new initiative for the Council and given the opportunity for VAT savings on leisure income, the decision was taken to focus on one service area, Facilities Assets and Housing, (FAH) where the facilities, functions and activities, (and associated staff), assessed as within the scope of the project, lend themselves to a more commercial approach to the delivery of Council Services.

The potential savings identified can be achieved if the service is delivered through an ADM, and some initial research was undertaken in respect of the various models available, to review which company structure offered the features which would protect the Council's interests, facilitate the NNDR savings, increase income by exempting trading income from VAT where possible, and provide the ADMC with the potential for commercial growth, beyond the services to be delivered on behalf of the Council.

Further to an assessment of the delivery models available, and the variations within each, it was concluded that a non-profit distributing Local Authority Trading Company limited by guarantee, (LATC), would enable the Council to achieve the savings on NNDR and VAT. TECKAL trading rules would apply, whereby up to 20% of the LATC's net income could come from sources other than the Council, which would allow the LATC to look at other options for commercial growth, to contribute to the Council's savings agenda.

The newly formed LATC will be run by a Board of Directors, and it is envisaged that there will be seven Directors on the Board, and the membership will consist of a Corporate Director, and a mix of Members and independent Directors to provide the expertise to support the LATC. The 'in scope' leisure assets would be leased to the LATC on peppercorn rents, which will be back to back with the contract, through which the Council will commission the services to be delivered on its behalf. To ease the implementation and reduce complexity and disruption the LATC will buy back services from the Council for a period of time in respect of the support that Leisure Services currently receives, such as finance, HR, ICT and legal advice.

## Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

As a result of the establishment of the LATC, there will need to be some restructuring of the remaining Council services. It is planned that the Head of Service for FAH and some of its central 'operations and business support' staff will be transferred to the LATC under TUPE rules, as will all of the staff that work for the in scope facilities functions and activities. Those services remaining with the Council will be redistributed and absorbed across other Council service areas.

The Council subsidy for the in scope facilities, functions and activities in 2018/19 was £3.03m. An analysis of the potential savings from NNDR, VAT on leisure income, and the proposal that the LATC funds staff pay rises and other cost inflation in year 1 of its operation, offers a saving of £1.107k. There are a number of known extra costs associated that the LATC and/or the Council will incur if the LATC is established, and these amount to £304k, hence it is anticipated that a net saving of circa £803k will be achieved.

If the business case for the project is approved by Council, there will be phase 1 works to firm up the net saving projection and to ensure that the Financial Plan for the LATC is viable, before the investment decision is made. If approved it is planned that the LATC will be established and trading from April 2020.

## **2. Strategic Case**

### **2.1 Context/background**

Over the last ten years there has been significant investment in Leisure Services, which has seen it develop from an underperforming service with inadequate facilities, programmes, and business planning,(Welsh Audit Office 2008), to a high performing service which is well regarded both within Denbighshire County Council,(DCC), and nationally across the wider leisure industry.

As part of the transformation, there has been significant investment in the Leisure Centres to modernise facilities for school and community use, and changes to the management approach and the centralisation of this function have enabled it to become more commercial and customer focused, which has resulted in increased participation.

The existing Head of Service for Facilities, Assets and Housing, (FAH), has a background in leisure services within DCC, and was initially appointed to the role of Head of Leisure Services in 2009. Over the years there have been various changes to the Leisure services portfolio before it was incorporated within FAH from April 2016. The service now has a fairly broad portfolio which has extended beyond the municipal Leisure Centres, to include other leisure/arts/hospitality facilities, functions and activities.

## Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

In the current financial climate of significant real terms funding reductions to local authorities in Wales, the ability to maintain the delivery of a high quality Leisure Services is more challenging than ever for the Council.

The current Medium Term Financial Plan shows a savings requirement of over £7m in 2020 and a further £4.5m the following year. Over the last six years Leisure, as a non-discretionary service, has contributed to the £35m of savings that the Council has already had to make, and whilst the service will continue to explore the potential for further efficiencies within the operation of the service, these will be insufficient to address the extent of the savings that will be required in future years, without making cuts to the current service provision, or exploring more cost effective models that fundamentally change the way in which the services are operated in the future.

Other Local Authorities have utilised Alternative Delivery Models, (ADM's) to respond to the financial challenges, and in 2015 a detailed review of the different delivery approaches was carried out in respect of DCC's Leisure Services, initially with a view to extending the commercial approach already adopted for operation of the service. Upon completion of the review, an independent and external analysis of the findings concluded that the Leisure offer within DCC was already strong, and there were insufficient benefits associated with an ADM, to warrant further investigation at that point in time.

However since 2015 the financial landscape has changed considerably due to a sustained period of public sector austerity, which inevitably means that council services will come under increasing pressure to deliver quality services within a climate of ongoing funding reductions. Whilst the recent HM Revenues and Customs 'Ealing Ruling' has benefited local authorities in the way in which Value Added Tax (VAT) is treated on certain leisure income streams, unfortunately this exemption is unlikely to be of any financial benefit to Denbighshire due to its extensive level of capital spend over recent years and the resulting damage this might do to the Authority's 5% partial exemption limit. Therefore the potential to make VAT savings as well as significant savings in respect of Business Rates (NNDR) can only presently be achieved through setting up a more tax-efficient, non-profit distributing company type structure.

Given the increased pressure to achieve budgetary savings for the Council, and the opportunity to make significant savings in respect of VAT and NNDR, in the autumn of 2017, the potential benefits associated with an ADM re-emerged as part of the budget planning discussions for future years.

In 2018 the ADM project was commissioned by the 'Reshaping the Council' Programme Board, (Budget Board), to explore the potential of an ADM in respect of the operation of DCC's Leisure provision and any other "associated" functions and activities within the FAH service. If an ADM is proved to be a viable option for the delivery of services, it would need to deliver savings for the Council from 2020/21.



Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

A Project Team and a Project Board was established for the project, and work commenced to explore the ADM options that would:-

- Protect the Council's interests,
- Facilitate the business rates (NNDR) savings
- Increase income by exempting trading income from VAT
- Enable an Alternative Delivery Model Company (ADMC), to generate income from other commercial opportunities, with a view to making it more sustainable

## **2.2 Scope of the project (core businesses/services)**

When considering the scope of the project the principle was to carry out a focused piece of work within one Service area that could deliver an alternative way of delivering certain functions that lend themselves to a more "commercial" approach for the benefit of the Council and its communities.

The scope, in terms of the overall amount paid by the Council to an ADMC for the delivery of services on its behalf, is an important factor for an ADMC, as the TECKAL trading rules that would need to apply, require 80% of the ADMC's turnover to be in the provision of services on behalf of the Council, and 20% for other trading. Thus the higher the cost of the services procured by the Council from the ADMC, the more headroom there would be for other external trading opportunities.

Whilst the Project Board were mindful of the TECKAL requirement, the overriding consideration was that it was better to restrict the scope of functions and activities for inclusion, to those that were part of the "core" leisure/events offer, which should include the catering /hospitality functions. It was considered that this was a sufficient challenge initially for an ADMC, and the focus at this stage should be on the establishment of the model and getting it to function well.

In the future if the ADMC is a success for the Council, the preferred trading model will enable opportunities to add further functions/activities, as and when it is considered that the ADMC has the capacity to take on more and there is a supporting business case.

To determine the scope of the project, an assessment template was designed to capture and collate information pertaining to each facility, function/ activity to be considered for inclusion. Each assessment concluded with an analysis of the pros and cons associated with its inclusion within an ADM. The assessment template used is included within Appendix 2A.

The assessment templates in the main, were completed by staff from within the business support function for commercial leisure, with input from HR, and finance officers. When completed the assessments were shared with the ADM Project team, to be checked for accuracy and to enable comments to be shared.

## Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

The ADM Project Board reviewed the assessments and any comments made by the Project team, and determined which had merit for inclusion and which would be better remaining with the Council. A scoring matrix was applied, and this is included within Appendix 2B.

For the majority of the facilities functions and activities assessed it was fairly clear that they should either be transferred to the ADMC, or remain with the Council, but Strategic Leisure was a notable exception as there is merit to transferring it to an ADMC, but equally with it remaining as a Council function. Strategic Leisure was included within scope in the Project Brief that was approved by Cabinet in January 2019.

Further to the approval of the Project Brief, there have been further meetings and discussion regarding Strategic Leisure, and although it is included within this business case, it is probable that the Project Board will recommend to Cabinet that this function remains with the Council in the immediate future.

The option to 'remove' items from within scope was highlighted at Cabinet in January, as until the details are worked through as part of this business case and key stakeholders such as of grant funding bodies are fully committed to the ADMC, the Project Board wish to retain the option to recommend changes to the scope, where they consider that there is merit in the light of new information, or developments that materialise during the implementation stage that mean the Council will be disadvantaged by the inclusion. An example could be that of a grant funding body that is unable to offer grant funding for services that are to be delivered by an ADMC on behalf of the Council.

When defining the scope of the project, some 24 facilities functions and activities were considered for inclusion, of which 18 were assessed as in scope, and 6 out of scope. They are as shown overleaf:

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

<b>In Scope</b>
<ol style="list-style-type: none"> <li>1. Llangollen Leisure Centre</li> <li>2. Corwen Leisure Centre</li> <li>3. Ruthin Leisure Centre</li> <li>4. Denbigh Leisure Centre</li> <li>5. St Asaph Leisure Centre</li> <li>6. Rhyl Leisure Centre</li> <li>7. Prestatyn Leisure Centre</li> <li>8. Prestatyn Nova</li> </ol>
<ol style="list-style-type: none"> <li>9. SC2</li> <li>10. Rhyl Pavilion Theatre</li> <li>11. Rhyl Events Arena &amp; events function</li> <li>12. North Wales Bowls</li> </ol>
<ol style="list-style-type: none"> <li>13. Rhyl Town Hall</li> <li>14. Ruthin Craft Centre</li> <li>15. Llangollen Pavilion</li> </ol>
<ol style="list-style-type: none"> <li>16. Operations and Business Support for commercial Leisure</li> <li>17. Commercial Catering (1891, SC2, Café R)</li> <li>18. Strategic Leisure</li> </ol>
<b>Out of Scope</b>
<ol style="list-style-type: none"> <li>1. Harbour &amp; Maritime (Harbour, Marine Lake and associated facilities)</li> <li>2. Coastal Leisure (Bowling Greens on East Parade, skate park, the 'Taste Academy' building and the Prestatyn weather station adjacent to the Nova</li> <li>3. Leisure Development Framework</li> <li>4. Building Cleaning &amp; public conveniences</li> <li>5. Integrated Childcare Centre (Oaktree Centre)</li> <li>6. Family Information Service</li> </ol>

## 2.3 Service User description

### 2.3.1 Municipal Leisure Centres & Prestatyn Nova

The following user groups have been defined in respect of the above facilities:-

- Leisure Card holders – Residents and non- residents who purchase a Leisure card. Discounts are given on a range of activities/facilities provided by Denbighshire Leisure. Leisure Cards are renewed every 12 months.
- General Public- residents/non-residents who access services at the above facilities either regularly or occasionally, but pay for the services as they are booked or used.
- Sports Clubs/organised groups/individuals who hire the facilities for their own use
- Residents participating in the National Exercise Referral Scheme- Denbighshire residents who have been prescribed an exercise intervention by a Health care professional.

## Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

- Secondary schools co-located on the same sites as Leisure Centres, who have Service Level Agreements (SLA) with the Leisure Centres for the delivery of their statutory PE and sport provision; typically this includes full access during the school day to the sports hall, gymnasium, pitches, (grass and all weather), some changing facilities, and limited access to other facilities by arrangement.
- Schools without SLA agreements which are predominantly primary schools using the centres for swimming.
- Tenants who sub-let spaces within Leisure Centres either on an annual basis, or via a formal lease arrangement.

The Leisure Centres and the Nova each have a range of facilities within, (in addition to the essentials such as changing rooms/toilets, reception areas, associated offices accommodation), that provide an offer to residents and non-residents countywide. Appendix 2C provides details of the facilities available at each location, Appendix 2D includes the Adult Group Exercise Classes programme offered across the sites, and Appendix 2E the opening hours of the facilities, and the timetable for access to the swimming pools at each location.

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

The table below shows the activities available to service users at each location:-

Activities Offered	Llangollen	Corwen	Ruthin	Denbigh	St Asaph	Rhyl	Prestatyn	Prestatyn Nova
Cardio and Resistance training	√	√	√	√	√	√		√
National Exercise referral scheme (NERS)	√	√	√	√	√	√		√
Badminton	√		√	√	√	√	√	
Table Tennis	√		√	√		√		
Netball			√	√	√	√	√	
Gymnastics			√	√		√	√	
Dance							√	
Basketball	√		√	√	√	√	√	
Martial Arts	√		√	√	√	√	√	√
Exercise classes	√	√	√	√	√	√		√
Soft Play	√		√			√		√
Parties	√	√	√	√		√	√	√
Football	√	√	√	√	√	√	√	
Hockey	√		√	√		√	√	
Rugby	√		√	√	√	√	√	
Public swimming		√	√	√		√		√
Schools swimming		√	√	√		√		√
Learn to swim programme		√	√	√		√		√
Water based classes		√	√	√		√		√
Squash		√		√			√	
Sportzone		√	√	√		√		
Spinning	√			√		√		
Climbing							√	
Children's Play Structure								√
<b>Other Service offered</b>								
Meeting room hire	√			√		√	√	√
Public access Café/dining facilities								√
Function space hire								√

### 2.3.2 SC2

This new facility which is predominantly a leisure attraction, opens to the public from April 2019 and offers the following facilities:-

- Indoor Water Park which includes a pool and various slides
- Outdoor splash pool which includes a shallow pool, slide, water jets and a water wall

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

- TAG active, which is an interactive indoor adventure play arena which is split into TAG active and TAG junior zones. Tag active is suitable for children aged 5+.
- Café and food outlets

The service users are:-

- Leisure Card holders – Residents and non- residents who purchase a Leisure card. Discounts are given on a range of activities/facilities provided by Denbighshire Leisure. Leisure Cards are renewed every 12 months.
- Members of the public

### 2.3.3 Rhyl Pavilion

Rhyl Pavilion is categorised as a receiving theatre, whereby 'acts' come into the theatre, as it has no production areas. The facility includes a box office, a seated theatre with 1031 seats, a large stage, an orchestra pit, artiste's facilities, and the technical capability in terms of the equipment and associated team to run large scale productions. The adjoining 1891 restaurant provides for 120 covers with bar facilities for those both visiting and using the theatre. In addition the restaurant can be hired for functions, and there are meeting rooms which can also be hired.

The service users include:-

- Members of the Public. This is viewed as a visitor attraction but equally offers ease of access to the arts for residents
- Schools/dance clubs who hire the use the performance space
- Corporate use for functions/events
- Visiting production companies
- Friends of Rhyl Pavilion (who raise funds to pay for items such as advertising, sell merchandise on behalf of the theatre, and volunteer for front of house duties)
- DCC and schools. (The technical team currently provide a comprehensive service to either schools or relevant DCC officers, which can range from advice, or extend to include the design, procurement, installation, commissioning and maintenance of technical equipment within schools and facilities. This includes the annual technical set up at Llangollen Pavilion in readiness for the International Eisteddfod.

Appendix 2F shows the current programme of events for Rhyl Pavilion.

#### Rhyl Events arena & events planning function

Rhyl Events Arena is located on the promenade, and is an outdoor venue comprising of a large block paved area that can accommodate between 6,000 and 10,000 customers. The arena has a large uncovered stage with associated storage and technical facilities, and is supported by changing facilities, toilets and a kitchen for visiting artistes.

## Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

The events programming and technical function for this facility is provided by staff from Rhyl Pavilion Theatre. There is a regular summer events programme, for events planned in house or in collaboration with Rhyl Town Council, and events planned by others which take place at the venue.

Service users include:-

- Members of the Public. This is viewed as a visitor attraction but equally offers ease of access to the arts for local residents
- Others who hire the venue
- Visiting artistes and production support staff

Appendix 2G shows a programme of events for Rhyl Events arena.

### 2.3.4 North Wales Bowls Centre

North Wales Bowls Centre is located in Prestatyn. The facilities include an 8 rink international standard flat green indoor bowling complex, which includes an 80 seat bar/restaurant area for dining and functions and a meeting room which can be hired.

The Service users are:-

- Members of the Public (individuals and groups) for dining experience /bowls or facility hire
- North Wales Bowls Club members

The facility offers access to league and social bowling events for Members of North Wales Bowls Club, who also enjoy concessionary rates. Coaching is available for beginners and bowling equipment can also be hired at the venue.

### 2.3.5 Rhyl Town Hall

The Town Hall is a two storey Grade II listed building centrally located in Rhyl.

The ground floor accommodates DCC's Registrar's office; this has separate access and consists of office accommodation and a ceremonial suite. The remainder of the ground floor is accessed from a separate main entrance lobby and consists of a meeting room which is available for hire, a staff room/cash collection office for DCC's Parking Services, and an accessible toilet. There is also a lift to provide access to the first floor.

The first floor consists of a large hall with a performance stage which seats up to 250 people with seating for a further 98 on the balcony area, technical facilities, a bar and associated toilet facilities. This space has previously been hired out for parties, and by Music Clubs for performances, and occasionally for some acts.

At present the facility is managed by FAH, but used by several DCC service areas. Should an ADMC be established, the current status quo will be maintained and an

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

arrangement put in place between the ADMC and the Council in respect of the continuation of the current building use and management regime.

The service users include:-

- Members of the Public.
- Organisations/clubs who may hire the facilities
- Visiting artistes and production support staff

### 2.3.6 Ruthin Craft Centre

The Craft Centre was rebuilt in 2008, and is a purpose built ground level facility around a courtyard, that consists of 3 exhibition galleries, a retail gallery (shop), 6 artists' studios, education space and project space workshops, a tourist information point, a café (and kitchen), which seats 60 and has a courtyard terrace, public conveniences and a large car park which is free of charge.

The facilities are open every day from 10am to 5.30pm with the exception of Christmas Day, Boxing Day and New Year's Day, and admission is free.

The craft centre attracts customers to its exhibitions, the retail gallery and the café, and offers opportunities to participate in its various workshops.

Appendix 2H provides further comprehensive information about the work and operation of the craft centre.

The service users are:-

- Members of the public accessing the facilities and courses offered.
- School Groups
- Higher Education student groups
- Studio artists (utilise a unit on site)
- Retail artists (exhibit and sell work through the shop)
- Exhibition Artists
- Artists in residence (undertake projects on site, which are usually funded by the Arts Council)

### 2.3.7 Llangollen Pavilion

The Pavilion consists of an indoor hall with seating of up to 400 (Theatre style) or 250 (Cabaret style), a covered stage and arena for Trade Fairs, Concerts and Events which holds between 2,500 and 3,950 people, staging and technical facilities, a range of well-equipped meeting/conference rooms suitable for 4 – 80 in capacity, a commercial kitchen and café facilities, fully licenced bar, office space for DCC and third parties, as identified within the service users. In addition there is a 4000 meters square flexible open space with 3 large storage and toilet blocks, and car parking for 160 cars.



Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

Appendix 21 shows the programme of events held at Llangollen Pavilion during 2017/18. The service users include:-

- Members of the Public
- Other organisations who hire facilities for functions or events
- LIME\* (Llangollen International Music Eisteddfod) staff who use office space from which they organise the annual international eisteddfod at the site.
- New Dance who lease office space
- Visiting artistes
- Visiting production companies

(\*LIME own Llangollen Pavilion and lease it to DCC. Within the terms of the lease DCC has liability for maintenance and the set up costs in preparation for the International Eisteddfod, when the site reverts back to LIME for a four week period.)

### 2.3.8 Operations and Business Support

This is a central support function that provides the leadership and strategy to direct the operation of departments within FAH, which includes those facilities functions and activities that are included within the scope of the project. This central resource undertakes the marketing activities and provides the performance management function, with intelligence led interventions applied to the Service by the function.

The service users are:-

- The staff within the facilities functions and activities that are managed from this central function
- Other service areas (internal customers) who have an interface with this department.

### 2.3.9 Commercial Catering (1891, SC2, Café R)

For the purpose of scoping the project these hospitality venues were reviewed together, as some of the staff and resources are shared across the three sites. The narrative for each outlet is included within that of its 'parent' site which are Rhyl Pavilion Theatre, SC2 and Ruthin Craft Centre respectively.

### 2.3.10 Strategic Leisure

Strategic Leisure provides a range of services targeted at different user groups with the aim of contributing to the wellbeing of DCC residents. The service delivery is managed by DCC's Health and Wellbeing Manager. One of the strengths of Strategic Leisure is its ability to target and engage with hard to reach groups, at venues within their communities; which includes facilities which are 'out of scope' for this project.

## Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

- Community Arts -Provides opportunities for people to participate in arts, regardless of experience, age and background. This includes community partnerships and contributes to health related wellbeing benefits for particular groups, e.g. not in education, mental health, dementia, stroke recovery, children and young people at risk.
- Volunteering –includes volunteering campaigns, recruitment events, processioning training and induction, to support programmes across youth services and strategic leisure. The age range for Volunteers is 7 + and is not restricted to Denbighshire residents.
- As part of the Youth Service offer, the delivery of the Duke of Edinburgh Award, (D of E), is coordinated and managed in conjunction with the D of E Wales Development Officer. The programme is delivered to 14-25 year olds across the county.
- Active Young People Programme (also known as 5x60) – Secondary school based community focussed extra curricula activity, including offsite trips, which aims to provide a programme of activity that encourages young people to engage in physical activity 5 times per week. The programme is aimed at pupils aged 11-18 yrs.
- Dragon Sport – Primary school based extra curricula activity, enabling primary schools to delivery physical activity. Participation is aimed at pupils aged 7-11 yrs.
- Young Ambassadors- Primary and Secondary school based extra curricula activity, that recruits and trains children and young people to support delivery of Active Young People and Dragon Sport programmes. Participation is aimed at pupils aged 7-18 yrs.
- Sport Leaders Accreditation – Primary, secondary and community based activity that trains children, young people and adults in Sport Leadership, Play Makers and sport specific activity (e.g. dance leaders). This programme is aimed at young people between the ages of 10 and 25.
- Disability Sport – Supporting community sport clubs to offer inclusive activity through training, coaching, working through the 'in sport' programme. This includes a health programme referral process to enable those with disabilities to access sport opportunities. This is for children, young people and adults who have disabilities, and for clubs who are on the journey to be more inclusive.
- Community Chest Grants – Providing support to any constituted clubs to assist them with funding applications; this includes the administration of Community Chest funding, which offers grants of up to £1500
- Bike ability – This is offered to every primary school in DCC, in respect of the delivery of the national standard to train children in cycling proficiency. The programme is for pupils who are 10/11 years old.

### **2.4 Budgetary and staffing information**

#### **2.4.1 Budgetary information**

The table below shows the budgetary information for the 'in scope' facilities, functions/activities.

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

In scope' Facilities, functions & activities	18/19 Expenditure Budget	18/19 Income Budget	18/19 Council Subsidy	Potential NNDR savings (90%)	Potential VAT savings
Llangollen Leisure Centre	£230,773	-£179,332	£51,441	£10,184	
Corwen Leisure Centre	£375,183	-£237,381	£137,802	£14,572	
Ruthin Leisure Centre	£673,052	-£493,169	£179,883	£15,524	
Denbigh Leisure Centre	£701,131	-£656,850	£44,281	£57,362	
St Asaph Leisure Centre	£237,623	-£252,440	-£14,817	£13,104	
Rhyl Leisure Centre	£1,068,154	-£1,017,876	£50,278	£39,790	
Prestatyn Leisure Centre	£212,901	-£160,128	£52,773	£16,171	
Prestatyn Nova	£1,259,869	-£870,300	£389,569	£60,138	
SC2	£135,138	£0	£135,138	£216,000	
Rhyl Pavilion Theatre	£1,759,271	-£1,106,689	£652,582	£34,695	
Rhyl Events Arena, & events function	£173,856	-£64,490	£109,366	£0	
North Wales Bowls Centre	£288,437	-£223,650	£64,787	£15,497	
Rhyl Town Hall	£155,832	-£63,675	£92,157	£25,212	
Ruthin Craft Centre	£735,106	-£659,588	£75,518	£18,134	
Llangollen Royal International Pavilion	£289,881	-£126,050	£163,831	£80,492	
Management, Operations & Business Support	£772,803	-£91,295	£681,508	£0	
Commercial Catering - 1891	£554,954	-£568,031	-£13,077	£0	
Commercial Catering - SC2	£0	£0	£0	£0	
Commercial Catering - Café R	£238,783	-£225,419	£13,364	£5,899	
*National Exercise Referral Scheme (NERS)	£190,399	-£159,074	£31,325	N/A	
Strategic Leisure	£497,597	-£365,538	£132,059	£0	
<b>TOTAL</b>	<b>£10,550,743</b>	<b>-£7,520,975</b>	<b>£3,029,768</b>	<b>£622,775</b>	<b>£284,008</b>

\*NERS is itemised separately for budgetary purposes, but is delivered at the majority of Leisure Centres and the Nova as detailed within Section 2.3.1.

## Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

The above table shows the current level of revenue subsidy (column highlighted in yellow) given by the Council to operate the facilities/activities currently considered to be 'in scope'. As can be seen, this totals just over £3m per year, but the figure excludes any County Landlord revenue and/or capital spend that is incurred in maintaining or enhancing the actual buildings/assets.

The table also shows the NNDR and VAT savings that can potentially be made by moving to a more tax-efficient delivery model. Whilst the NNDR savings can be estimated against each activity the VAT issues are far more complex, so an approximate global figure has been provided. A quick analysis of the figures shows that potential savings of circa £820k (NNDR of £620k and VAT of £200k) can be made, but of course the ADM would be expected to deliver savings on top of those from NNDR and VAT, in the same way as they would if the activities remained within the Council.

### 2.4.2 Staffing Information

The scoping templates provided a structure to establish which facilities functions and activities should be within scope, and from a Human Resources, (HR), perspective the FAH staff members who are employed to work at or within each facility function/activity are equally considered to be within scope.

There are some FAH staff members who as part of their existing role, currently carry out work for both in scope facilities functions/activities, and also for those remaining with the Council. In the main these were staff who were centrally located. To determine whether these staff members were in scope, HR carried out an assessment process which consisted of interviewing each member of staff to understand what work they did. During the interview, they looked at the current job description and captured what, if any, duties relating to Commercial Leisure they undertake. Based on this, HR calculated what percentage of their duties related to Commercial Leisure. If 75% or more of their role was related to Commercial Leisure then staff were deemed to be in scope of the transfer. Staff have signed and dated the Interview form to confirm the accuracy of the information.

Detailed staff lists have been created and included within the HR iTrent system, which includes all of the in scope staff members, the role/s that they undertake and the grade; this information is displayed either their place of work or the function/activity for which they work. Within the sector there is a large call for support staff and casual staff to provide cover at peak periods, and the support and casual staff are also included within the staff lists. The staff lists will be updated each month to reflect any changes to staffing.

At present there are 244 members of contracted staff (including seasonal staff) currently within the scope of the project, who between them fulfil the staff roles identified in the table below. These figures are indicative as at the date of the business case and will need to be reviewed throughout the implementation, with a finalised list

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

to be agreed immediately before the transfer date. There are also a number of relief staff who work as and when required for the facilities. The staff roles vary and are dependent on the nature of the business. An indication of the roles undertaken at each facility or by each function/activity is provided in the table below:-

Facility/Function/activity	No of staff roles	Staff roles
1. Llangollen Leisure Centre	5	The following staff roles are present at some or all of these leisure facilities:- Leisure Officer, Assistant Leisure Officer, Duty Officer, Admin Officer, Leisure Centre supervisor, Leisure Attendant General, Leisure Attendant Fitness, Leisure Attendant Play, Activity Instructor, Swimming Instructor, Swimming Teacher, Trainee Assessor, GP referral professional, Instructor Climbing,
2. Corwen Leisure Centre	10	
3. Ruthin Leisure Centre	17	
4. Denbigh leisure Centre	14	
5. St Asaph Leisure Centre	3	
6. Rhyl leisure Centre	34	
7. Prestatyn Leisure Centre	3	
8. Prestatyn Nova	31	
9. SC2	38	Leisure Attendant-Lifeguards, Leisure Attendant-TAG, Duty Officer, Assistant Leisure Officer, TAG Supervisor, Receptionist, Maintenance Engineer, Cleaner
10. Rhyl Pavilion Theatre	19	Commercial Manager- Coastal Attractions, Leisure Officer, Marketing Officer, Events Officer, Admin Support, Box Office supervisor, Box Office assistant, FOH Supervisor, Technical Manager, Stage Manager, Chief Electrician, Deputy Electrician, Technical assistant
11. Rhyl Events Arena & events function	0	Staff at Rhyl Pavilion cover this facility
12. North Wales Bowls	3	Food & Beverage Operations Manager, Duty Officer, Assistant Cook, Leisure Attendant, Bar staff
13. Rhyl Town Hall	3	Community Buildings Duty Officer, Assistant site supervisor, Leisure attendant, Assistant Cook, Assistant caretaker, Cleaner, Bar Assistants

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

14. Ruthin Craft Centre	8	Director and Deputy Director of the Centre, Education officer, Senior Gallery Sales/Admin assistant, Admin officer
15. Llangollen Pavilion	4	Technical Officer, Technical assistant, Caretaker, Assistant caretaker, Catering assistant, Bar assistant, Leisure bar assistant, Leisure attendant
15. Operations and Business Support for commercial leisure	13	Head of Service; Lead Officer Operations and Business Support; Lead Officer; Lead Officer Assets and Communities; Marketing Manager Attractions, Brand and Digital Communities; Marketing Manager-senior digital officer & graphic designer; Assistant Leisure Officer- Membership & sales; Leisure Training Officer; Admin Officer; Senior Support officer; Admin officers front of house
17. Commercial Catering (1891, SC2, Café R) Not included SC2 as don't have data	26	Head Chefs, 2 <sup>nd</sup> Chef, Sous Chef, Assistant chef, Catering Assistant, Kitchen Porter, Restaurant supervisors, Bar & waiting on staff
18. Strategic Leisure	13	Health & Wellbeing Manager, Active Young people Officers, Dragon Sports Coordinator, Disability Sport Officer, Community Sports Activator, Bike ability Coordinators, Community Arts Development , Community Arts Project Coordinator, Admin officer

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

## 2.5 Project Objectives

Objective	Delivery Date
1. To explore, develop and if viable create an alternative delivery model company (ADMC) to deliver the in scope leisure related facilities functions/activities with effect from 1 <sup>st</sup> April 2020	31 <sup>st</sup> December 2019
2. To provide a rationale in respect of the selection of the preferred alternative delivery model, in terms of the benefits to be gained and any drawbacks or restrictions for the Council.	31 <sup>st</sup> March 2019
3. To confirm the facilities functions/activities that are to be operated by an ADMC, and the in scope staff.	31 <sup>st</sup> October 2019
4. To achieve the initial cost saving associated with the implementation of an ADMC.	1 <sup>st</sup> April 2020
5. To incorporate a contract management and planning cycle within the design of the ADM project, that enables the Council to have an ongoing influence regarding the level of subsidy to be provided, and the associated outputs and outcomes required.	31 <sup>st</sup> December 2019
6. To complete the necessary transitional processes to enable the ADMC to commence trading from 1 <sup>st</sup> April 2020	31 <sup>st</sup> March 2020

## 2.6 Other plans policies and strategies impacted

### 2.6.1 Facilities Assets and Housing Service Business Plan

- The performance management information for FAH is currently collated by the Business Support function within the service, however some of the senior officers from this department will be within the scope of the ADM project. As the FAH service will cease to exist, the remaining services will need to embed their evaluation within that of their new service area, utilising the remaining resource who have this expertise
- There needs to be identification of the various WG returns and assessments that are currently prepared by FAH and provision made either within the ADMC or the remaining services for the continuation of this requirement.
- Where it has been identified that officers have a dual role, and carry out duties for Leisure and other departments within FAH, there needs to be clarity in respect of the duties that need to be covered should they move to an ADMC or remain with the Council, and where SLA's need to be established to buy back services.

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

### 2.6.2 Facilities Assets and Housing Service Risk Register

- The risk management associated with the in scope facilities functions and activities will transfer to the ADMC, or the service area which is assuming responsibility for any FAH services which are out of scope of the ADMC. Some analysis of the risks will need to be undertaken as some current Leisure risks may need to remain with the Council. Equally the ability of the ADMC to manage risk will need to be incorporated within the contract management undertaken by DCC.

### 2.6.3 Corporate Plan

- Housing
  - Strategic Leisure work collaboratively with Housing to deliver a Community programme; this will need to be maintained if the benefits are to continue to be maximised. If Strategic Leisure remains within scope of an ADMC, then the working relationship will need to be prescribed in the specification.
  - FAH staff are involved in the Council House Developments, but the only change anticipated as a result of the project is to line management reporting.
- Connected communities
  - 'Events Project'- Project Executive is the Head of FAH and significant input is required from the Leisure officers for facilities and technical/events officers from Rhyl Pavilion. The project will be delivered over the next two financial years (2019/20 and 2020/21). It is intended that a Mobile equipment inventory is established 31/03/2020, and that the technical officers at the Pavilion will manage the inventory of equipment and the loans.
  - Project to 'Make superfast broadband and mobile networks available to everyone', which may include possible work streams whereby DCC's assets are used to boost broad band. The project is looking at supporting community schemes to improve broadband in housing in Denbighshire, which will have some involvement with officers from FAH.
  - Projects to address digital skills and get information on line. These have yet to start but will include supporting people who lack the skills/confidence/equipment to get online, and about increasing the range and capability of DCC services with an online option. This potentially will include front line staff, potentially including Leisure staff to support on line access to their services.
- Resilient communities
  - 'People are involved in shaping and improving services' project, which is ongoing and due to complete in March 2022, which includes Leisure Services
  - 'Act to reduce domestic abuse' project is ongoing and ends in March 2023, requires all staff to have awareness and follow the reporting guidelines



## Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

- The Supporting Carers project in Denbighshire which is due for completion in March 2022, is supported on the Project Board by the Community Wellbeing Manager from Strategic Leisure.
- Work has progressed on a project brief for 'Dementia Friendly Denbighshire' and the expectation is that all front line staff, (including leisure), will be involved.
- There are other projects in the pipeline for which funding has yet to be identified, which are likely to include community development officers from Strategic Leisure.
- Young people-
  - the service level agreements with secondary schools need to be maintained at an affordable cost to ensure that pupils have access to PE and Sports facilities during the school day, both to deliver the statutory school provision of PE and sport, and the extra -curricular 'active young people programme', which is coordinated by Strategic Leisure.
  - Access to swimming needs to be maintained for Primary schools
  - A 'supporting parents' project is pending, and will involve the Community Wellbeing Manager from Strategic Leisure
- Environment
  - As part of the Emergency planning arrangements, the Leisure Centres are currently used as refuges

### 2.6.4 Corporate Risk Register

- Detail will need to be included within the specification and contract documentation in respect of the management of the corporate risks that are applicable to the facilities, functions and activities within the ADMC.
- DCC will also need to protect its duty to residents under the Social Services and Wellbeing Act 2014 and the Wellbeing of Future Generations Act by ensuring via the contract that an ADMC is fully compliant with this requirement.

### 2.6.5 Leisure Strategy 2012-2020

The desired outcomes of the existing Leisure Strategy will be relevant should the services be provided through an ADMC, they are:-

- Organisations involved in delivering leisure opportunities work in partnership to make best use of the resources to design deliver and promote leisure
- People in Denbighshire have access to a choice of high quality settings in which to enjoy their leisure activities
- The Skills, resources and availability of all community organisers, leaders, coaches and volunteers involved in providing leisure across all sectors is improved
- Participation in Leisure opportunities among our key target groups is increased

The current Leisure Strategy expires in 2020, and work has commenced on the new Leisure Strategy. There will be Council and ADMC representation on the development

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

of the new strategy to ensure that it meets the requirements of both parties, and the Leisure Strategy planning cycle needs to be realigned with the planning cycle for the Corporate Plan, to reflect the needs of Denbighshire residents.

#### 2.6.6 Medium Term Financial Plan (MTFP)

The MTFP is a 3 year strategy that is revisited and adjusted every year. Any contractual cycle established for an ADMC needs to be sufficiently flexible to respond to the requirements. A process needs to be defined whereby the ADMC feeds into the budget planning process as other DCC Heads of service.

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

## 2.7 Benefits

The direct 'cashable' benefits associated with the establishment of an ADMC are as follows.

	Benefit
1.	Financial saving associated with the 90% reduction of NNDR in respect of the 'in scope' facilities.
2.	Financial saving associated with the VAT
3.	Net income raised by the ADMC in respect of other commercial endeavours (outside of the services commissioned by DCC).

Should the project proposal be approved, as part of the services contracted by the Council, there will be a requirement for the ADMC to deliver against a suite of cashable and non-cashable benefits that will contribute to the Council's delivery of its Corporate Plan. The benefits selected will be aligned where possible with the existing key performance indicators used by Commercial Leisure, with some additional specific measures to identify the impact that the provision is having on the wellbeing of residents, and the contribution that it is making to the economy of Denbighshire.

The Key Performance Indicators currently measured for the in scope facilities and functions are included for reference within Appendix 2J

The performance measures will be reviewed through the contract management, and the planning cycle will enable the performance measures to be reviewed and adjusted at pre-set intervals, to allow DCC to respond to any emerging budgetary pressures, or trends and identified needs.

## 2.8 Risks

The risks outlined below are the key risks identified with the establishment of an ADMC for the delivery of the in scope facilities functions and activities.

- 2.8.1 Changes in National legislation in the future could prevent the anticipated business rates savings from being fully realised.
- 2.8.2 The vat savings cannot be fully achieved through a not for profit Local Authority Trading Model, (LATC), and/or charitable status is required for these to be fully realised, which increases the regulatory regime and associated cost.
- 2.8.3 There may be unforeseen additional one-off costs associated with the establishment of an ADMC that have not been taken into account within the project budget.
- 2.8.4 There may be unforeseen additional revenue costs associated with managing the on-going relationship between the Council and an ADMC.

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

- 2.8.5 The ADM fails or is not as financially successful as hoped, and any resultant additional costs /prudential borrowing loans fall back on the Council to fund and/or the Company is unable to make the adequate reinvestment into its day to day business activities due to lack of funds.
- 2.8.6 The Council's governance arrangements are inadequate to control and monitor the ADMC's financial and operational performance.
- 2.8.7 Where external revenue grants form part of the existing income streams for some facilities/functions, reductions or cessation of funding due to the differing delivery arrangements or the financial climate, would either fall back to the ADMC, and potentially the Council if the ADMC is unable to absorb any reductions in income, or, will impact on service provision in these areas. If any reduction in the revenue funding was due to the financial climate this would be a risk for the Council regardless of the ADM.
- 2.8.8 Risk that the Local Authority become a 'shadow Director' and is liable for the debts of the NEWCO.
- 2.8.9 Risk that Directors of the right calibre with suitable expertise cannot be found.
- 2.8.10 Risk related to the impact of the BREXIT outcome.
- 2.8.11 [REDACTED]

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

### 3. Commercial Case

#### 3.1 Options Appraisal

There are a plethora of alternative models of delivery available and different terminology abounds. The term Local Authority Trading Company (LATC) is a commonly used laymans' umbrella term and will be referred to in reports and business plans by officers, but there are a variety of different types out there. What is important is that the Council's Monitoring Officer has a clear model in law to be able to match the relevant legal power for setting up and entering into arrangements, which they can report with certainty the statutory basis for proceeding in a particular way to members.

The options appraisal in the commercial case, has concluded that the Local Authority Trading Company Limited by Guarantee, based on the due diligence carried out thus far, is the most feasible and deliverable of the 'trading' models, for the reasons set out below. The commercial case recommends that the plain LATC Limited by Guarantee should be the legal structure, but that in order to maximise tax benefits this model *may* need to be set up so that it can also be registered as what is known as a 'community interest company'. It would still be a company limited by guarantee. It is envisaged that the company would not need to be registered with the Charity Commissioner in order to benefit but it had to be in our considerations in the event that HMRC did not approve certain exemptions or if the law changed in the future, could the vehicle be converted for example.

A reading of this section will show that there were 3 stages to this options appraisal namely: -

Stage 1) the initial high level appraisal (with support from Local Partnerships) see Appendix 3D

Stage 2) a detailed legal analysis of the high level appraisal suggesting the LATC option may be appropriate but with caveats around the tax issue depending on how the vehicle is structured (with support from Hugh James Solicitors)

Stage 3) development of the LATC 'sub options' that could be available (by DCC legal services)

Firstly, the rationale for choosing an appropriate model of delivery was based on the Council's requirements and its' political aspirations, rather than 'we want one of those' then attempting to make the model fit. These requirements are understood by Officers to be (in no particular order of importance):

Local authority control

Ability to benefit from tax exemptions

Ability to trade and grow

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

Continuation and resilience of the Council leisure offer

Effective contribution to supporting delivery of the Council's Corporate Priorities for its' citizens and its' duties under the Social Services and Well Being Act 2014 and the Well Being of Future Generations Act 2015

The choice of potential headline models of delivery, were considered through an initial high level Options Appraisal (stage 1 above), which was the starting point for the discussion on which model could best fit the Council's requirements and which models were discounted and why. The resulting 'high level' delivery models were as follows:

Status Quo , in house commercial leisure service

Outsource to the Private Sector

A Leisure Trust, the same operating model as a previous ADM, Clwyd Leisure

A Local Authority Trading Company, which would be wholly owned by the Council.

The Options Appraisal concluded that further work and a detailed legal analysis of the models should be undertaken.

External legal advisors carried out a legal analysis (stage 2) of this initial Options Appraisal and they have supported the option of a Local Authority Trading Company; but that further work was needed in establishing the best trading model which provided the Council with the control it required, but could still benefit from tax exemptions and be able to grow in the 'commercial sense' and generate income, and adapt in the future, for example, to support the Council to meet obligations under the Social Services and Wellbeing Act 2014 and the Well Being of Future Generation Act 2015 duties. The ability to grow, includes the potential for some activities that have been found to be 'out of scope', to be added at a future point in time, subject to a full business case and approvals for doing so.

In house legal services then drilled down further (stage 3), the options emanating from the Local Authority Trading Company model, which could bring better clarity and certainty of meeting objectives. The tables at Appendix 3A set out a summary of the rationale for the models selected, with the advantages and disadvantages of each of these 'sub-options'.

The sub-options considered are:

A Company Limited by Guarantee

(with philanthropic objectives but not a registered charity)

Community Interest Company

(via a Limited by Guarantee structure)

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

### A Charitable Company

(also set up via a Limited by Guarantee structure, but also registered with the Charities Commission)

As part of the commercial case, the 'sub-options' have been considered by an external firm of solicitors in order to test out our internal thinking. The external legal advice supports the shortlisted (sub-options) models and supports the Local Authority Trading Company limited by Guarantee (CLG), with a view that such a CLG is also set up as a Community Interest Company (CIC) as being *more* likely than a plain CLG to attract the most favourable tax exemptions. The charitable company option is clearly more likely to attract the tax exemptions but will involve the Council in another layer of regulatory oversight, in the form of the Charity Commission. Some further detail is set out below and at Appendix 3 A.

### A Local Authority Trading Company Limited by Guarantee

The tables at Appendix 3A explain this model's advantages and this will be the simplest of these sub-models for the Council to adopt. The Council will be its only member (shareholder) and therefore control the composition of the Board.

### A Community Interest Company (CIC)

A CIC is a limited liability company, formed under the Companies Act 2006, for organisations that want to use their profits and assets for the public good. A CIC has the specific aim of providing a benefit to a community and must use its income, assets and profits for the community it is formed to serve. The primary purpose of a CIC is to benefit the community and not its shareholders, directors or employees. CICs can be incorporated as a new company and are relatively simple to form as the Regulator of Community Interest Companies (the Regulator) provides a model constitution. They can be companies limited by shares or by guarantee however they must satisfy and continue to satisfy a community interest test.

The legal implication of setting up as a 'CIC', must satisfy the 'community interest test' at formation and continue to do so for as long as it remains a CIC. A CIC will satisfy the community interest test if it can show that a reasonable person might consider that its' activities are being carried on for the benefit of the community. A company will not satisfy the test if its activities *only* benefit members of a particular body or its activities are political. Not *all* of the activities carried on by a CIC need to have a direct benefit to the community to which it serves, but everything a CIC does should somehow contribute to benefiting the community it is set up to serve. For example, a sports club for employees of a business will only satisfy the community interest test if it provides a wider community benefit by making its facilities available to the local community.

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

A CIC cannot be a charitable company so will not need to be registered with the Charity Commission.

A Charitable Company

This will add another layer of oversight and obligations upon a Company that is a CLG, but has sought and obtained 'Charitable Status'. The following observations have been provided by the external legal advisors:

[REDACTED]

The commercial case therefore suggests that the Council frame the arrangements to support the 'plain' Company Limited by Guarantee model, but that the Council may need to keep its mind open to also registering this company with the Community Interest Regulator in the event the tax benefits suggest it sufficiently advantageous to do so.



Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

### **3.2 Project delivery arrangements**

The following sets out in summary the commercial steps required to achieve the new entity – note some steps could be carried out in tandem or in an appropriately varied order:

- Full Council to agree that the Council shall form a new company and the preferred model.
- Resolution of Full Council should agree the proposed membership and constitution of the Board of Directors.
- The minimum of one appointment of a living individual to role of Director is possible initially, thereafter further appointments can be made later.
- Agree form of the Company's 'Constitution' (Articles of Association and a Memorandum).
- Shareholders/Members' agreement with the company drafted
- Council to agree the new company's proposed name together with it's registered office.
- [If it is to be a CIC, then the Proposed 'Community Interest Statement' and incorporation documents to be submitted to the Regulator for approval to ensure it passes the community interest test.]
- [If the Company is to also be recognised as a registered Charitable Company then approval needs to be sought from the Charity Commissioner]
- All stakeholders, including grant funders are kept updated on proposed formation of the Company.
- Full Council agrees final composition of the Board of Directors
- Formation of the company takes place and it is registered with Companies House.
- Key officers could be seconded (formally or informally) to the company/released
- Company's business plan is developed.
- Shareholders/Members' agreement signed off.
- Heads of terms of the leases drafted by the Council and considered at Asset Management Committee.
- Recruitment of an external director and induction of all Directors takes place, to include Role Descriptions.
- Register of Directors interests
- Directors training to take place
- Directors insurance and indemnities will be put in place and approved by the Council's Corporate Governance Committee.
- Board meet, chair appointed.
- Business Plan actions agreed by Board
- All legal requirements, such as insurance and registration with HMRC.
- Financial and banking arrangements put in place.
- The Councils' requirements from the Company are agreed and set out in legally binding contracts and service level agreements between the Council and the

## Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

- Company. These will be agreed and signed but only dated at the time both parties wish the contractual arrangements to come into effect.
- The Company's requirements from the Council such as payroll or HR services are drafted and agreed as set out in service level agreements between the parties. These will come into effect only when the parties agree.
  - Leases are finalised.
  - Employers, Buildings and Public Liability insurance are put in place.
  - The 'go live' date of service delivery is agreed and confirmed between the parties, contracts and leases are exchanged and dated to reflect this agreement.
  - The Company Board adopts key policy documents such as Contract Procedure Rules, HR policies, safeguarding, health and safety etc.
  - Existing contracts that need to be in the Company's name will be novated to the new entity.
  - Staff will tupe over to the new entity on the same date the services contracts come into effect.
  - New Company commences delivery of service on the 'go live' date.

### 3.3 Legal implications

The fundamental feature of the corporate model is that this will be set up as a separate legal entity for the delivery of services to the Council and if the Teckal<sup>1</sup> benefits are also to engaged then services can also be delivered to the private sector up to 20% of its' activities. The further benefit of setting up the company so that it satisfies the Teckal provisions, are that the Council will not need to run a competitive tendering exercise in accordance with procurement rules, in order to engage with this separate entity to deliver the services it requires. Furthermore, an additional benefit of the Teckal exemption is that it works both ways – the company as a local authority controlled company can buy back support services or other services from the Council, also without running a competitive tendering exercise itself; it could of course still choose to do so but it would not be legal requirement.

The Council will need to clearly point to the lawful powers it is relying on and the legal powers the Council will rely on in order to participate in the company will be the incidental powers under s.111 Local Government Act 1972 and the well being power in s.2 Local Government Act 2000, as there is no general power to participate in a company as such, but it is accepted that these implied powers will be legally sufficient.

Also, as one of the requirements is to be able to trade commercially in the future, the specific model the Council can choose becomes more limited, as in law a Council can only trade in the 'commercial' sense through a company or an industrial or provident society under s.95 Local Government Act 2003.

---

<sup>1</sup> See 3.4 below for explanation of 'Teckal'.

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

There will be no delegation of functions to the Company, as it is not possible to delegate functions to a company, therefore in law the Council must enter into a contract with the company to deliver the services on it's behalf.

### 3.4 Regulatory regime implications

#### Procurement implications.

There will be no procurement implications for the Council if the Company is set up so that it satisfies the so called 'Teckal' exemption<sup>2</sup> contained within the procurement regulations namely the Public Contract Regulations 2015.

However, if set up as a Council controlled company, the Company will need to follow procurement law when it contracts with the private sector. The proposal is that the Company would follow and adopt a similar version of the Council's Contract Procedure Rules, but adjusted to suit the decision making and scheme of delegation within the Company. The Company would take the decision to award a contract; in the same vein, any breaches of the procurement regime, which result in a successful challenge would need to be met and paid for by the Company.

---

<sup>2</sup> From the case Teckal (C -107/98) now codified in Regulation 12 Public Contract Regulations 2015

Reg 12.— Public contracts between entities within the public sector: Award of contracts to controlled persons

(1) A public contract awarded by a contracting authority to a legal person falls outside the scope of this Part where all of the following conditions are fulfilled:—

(a) the contracting authority exercises over the legal person concerned a control which is similar to that which it exercises over its own departments;

(b) more than 80% of the activities of the controlled legal person are carried out in the performance of tasks entrusted to it by the controlling contracting authority or by other legal persons controlled by that contracting authority; and

(c) there is no direct private capital participation in the controlled legal person with the exception of non-controlling and non-blocking forms of private capital participation required by national legislative provisions, in conformity with the Treaties, which do not exert a decisive influence on the controlled legal person.

(2) A public contract also falls outside the scope of this Part where a controlled legal person which is a contracting authority awards the contract to—

(a) its controlling contracting authority, or

(b) another legal person controlled by the same contracting authority,

## Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

The Company will want to benefit from any advantageous purchasing frameworks, such as energy frameworks. The Company can benefit legitimately from the NPS or Crown Commercial Service (subject to checking the precise terms) or other legitimate procurement frameworks, similarly, it can if it chose to do so, set up its own frameworks, issued in its own name, rather than the Councils', but still in accordance with public procurement law.

The 4 year, UK Leisure Framework, which was issued by the Council as Contracting Authority, will in law, be out of scope from transfer over to the proposed Company, but as part of the commercial case the new company could be contracted to deliver or support the framework, estimated at a few hours per month. The way this Framework is set up, there is only one supplier (Alliance Leisure) and the bulk of the work in operating the framework is carried out by the supplier itself. The framework is due to expire in 2021.

The Company, subject to Board approval, could choose to run a similar tender for a further 4 years but that will be a decision for the Company at the time, depending on market conditions in the sector and whether there is a requirement for a further framework of this nature to carry out any capital projects.

### VAT/NNDR regulatory implications

#### VAT

In order to benefit from VAT savings the advice received from David Ormisher Associates is that the company structure should be a non profit distributing organisation therefore the preferred option must be set up as a 'not for profit' organisation. Any profit must be ploughed back into the activity that generated them in the first place, it would not be able to pass any profit back to the owner of the Company (the Council).

#### NNDR

The Council NNDR relief policy would need to provide for applications for non mandatory relief would be submitted and decided on a discretionary basis. The Council's current policy approach to NNDR is dealt with in the financial case.

### Corporation Tax regime.

This is a tax on the taxable profits of a company. There are 2 rates, the lower rate (small profits rate) and the upper rate (main rate) based on profit thresholds and considered in more detail in the financial case. The Company would however need to turn a profit, and this is unlikely to be the case in the foreseeable future.

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

State Aid

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Company Law

**The Board of Directors**

It is a basic tenet of company law that the Directors have primarily a duty to the Company to run it in the interests of the Company and not necessarily in the interests of the shareholders or owners (ie the Council). **This fundamental aspect must be recognised by the Council if they are creating a Company.**

Notwithstanding the concept of 'control' in the Teckal<sup>3</sup> sense, the Council must leave the running of the Company to the Directors as they see fit. This is not to say that the owner (the Council) does not have rights, they may remove Directors, reserve certain matters to them and so on.

---

<sup>3</sup> See above procurement implications

## Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

Representation on the board of the company is an important issue for the Council and Board composition is dealt with in section 3.8 below. Whether Officers or elected Members there is the issue of conflicts of interest that must be dealt with. Recognising that the Director's first duty is to the Company will mean that if the representatives are Members, their ability to participate in Council meetings where the business relates or affects the Company, will be limited because of their interest in the Company.

Similarly with Officers, their duties under their contract of employment with the Council may occasionally clash with their interests as Directors of the Company. There will need to be upfront clarity about their respective positions which would be addressed in their appointment.

The Companies Act 2006 codifies existing duties of Directors and explicitly imposes a general duty on them to avoid conflicts of interest. The Act includes four separate provisions dealing with conflicts and their disclosure distinguishing:

- (i) Interests in transactions and arrangements with the company (which must be disclosed but need not be approved)
- (ii) All other conflicts (which will normally require approval)

Training will need to be provided to all Directors on their duties.

The Council (via the Corporate Governance Committee) will need to consider and formally approve the provision of an indemnity to their nominated representative Directors pursuant to the Local Authorities (Indemnities for Members and Officers) (Wales) Order 2006. There will not be an immediate cost to the provision of an indemnity and this will be met from the insurance cover the Council has in place. Directors' personal insurance is a cost and this is reflected in the financial case.

The Council should also be aware that it needs to be mindful that it does not risk becoming a 'shadow' Director inadvertently by implicitly tasking or expressly directing Officers or Members to vote a particular way at Board meetings or that the Director's themselves operate with the Council in mind, rather than the Company first and foremost. The Council could then be liable then for the acts of the Company and this is a business risk the Council should ensure does not happen. Following appointments to the Board, Directors should be trained on their role. Regular training and awareness should continue to be provided by Company, probably via an external expert, and this will be at a cost, but must be incurred. This is estimated [REDACTED] [REDACTED] providing all Directors are trained together on the same day.

### **Company Administration**

There will be a cost involved in the administration of the Company, but there is no obligation in law anymore to have a formally appointed Company Secretary. The Constitution of the company could require the company to have such a role. The company secretary will deal with compliance with company law and regulatory

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

requirements. The company secretary also supports the boards and committees that form part of the governance structure, which allows the company to operate compliantly as an entity. In addition, the role advises the directors on their personal duties and obligations in law and under company governance documents, and its structure, constitution and legal powers.

This service could potentially be delivered by the Council's Legal and Democratic Services department. The Council would however need to give careful consideration to setting up appropriate 'chinese walls' so that there are no conflicts of interest for advisors and in particular the Councils' Monitoring Officer function will need to be kept separate from the interests of the Board and its Directors. An SLA could be put in place.

The company could choose to outsource this support and the private sector can offer company secretarial support but no costings have been obtained as yet on this option as it is envisaged that the Council would provide better value for the company given it is already set up to run meetings efficiently. All the Company meetings will be held in private, save for the Annual General Meeting which will be open only to its shareholders (the Council). There will be no requirement in law for the ordinary meetings to be published eg on modern.gov for example. The Council will need to accept that it must leave the running of the Company to the Board and its management, and rely on its' monitoring arrangements referred to in section 3.8 of the commercial case.

In the event that the Company needed to be registered with the Community Interest Regulator or alternatively as a registered Charity, this will have continuing obligations and these costs need to be taken into account as part of its' administration:

- Annual Accounts will need to be filed with the Registrar of Companies.
- A Community Interest Company report showing it continues to satisfy the community interest test with a filing fee of £15. This report records the CIC's activities for that year including any details on assets transferred for less than market value, dividends paid and the remuneration of directors
- A confirmation statement
- A records that the CIC's activities for that year including any details on assets transferred for less than market value, dividends paid and the remuneration of directors
- Annual Charity Commission administration (if applicable).

#### Freedom of Information

Freedom of Information legislation will also apply to a council controlled company. The costs of administering this regime for the Company could be absorbed within existing staffing costs, but will need to be resourced if the Company model is indeed a Council owned and controlled Company.

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

#### Internal and External audit

The company will be obligated to allow internal auditors to carry out audits independently and without obstruction and with the co-operation of the managers and Board; this is essential from a commercial perspective and was lacking in the 'Clwyd Leisure' trust model. The Council will want assurances that this will be put in place and on a legal footing in the agreements.

External auditing is dealt with in the financial case and the lodging of the company accounts with Companies House.

### **3.5 Property implications**

The buildings/ assets will need to be utilised by the Council for key events such as elections and civil contingency arrangements; it will be acceptable for such conditions to be included within the terms of the leases. Existing public services such as the Registrars service from Rhyl Town Hall will need to be maintained and provided for within the arrangements; Legal Officers do not foresee any issues with such provisions.

Reports on titles of the buildings and land thus far do not throw up any incumbrances preventing the formation of the ADM, that is not to say that there is not anything historical, but legal officers' views thus far do not foresee any issues. [REDACTED]

[REDACTED]

[REDACTED]

#### School use

Leisure Services has SLAs in place currently with regard to the use of the facilities, at agreed times, for schools, in order to meet their duties in respect of physical education. The contract for the delivery of leisure services will make express provision for this to continue.

#### Lease Management

Estates have provided the following comments:

*The ongoing maintenance arrangements wouldn't change, with surveyors from Property arranging and monitoring works. This also gives the opportunity for ad hoc inspections during the course of normal business.*

*In terms of a structured inspection regime. This would initially be bi-annually, reverting to annually as confidence in the management of the buildings grows (obviously the converse might apply). Assuming inspections would generally cover condition and FM arrangements (cleaning & servicing etc.) I would anticipate the annual cost to the Council to be in the region of £3k p/a – to include brief record keeping/report writing.*



Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

*Obviously more cost may be incurred if we get into a disagreement/need to increase formal monitoring.*

*In reality the regular visits by Maintenance staff could incorporate checks of this nature and the visits would only be a formalisation of the monitoring.*

The Council is confident that it has an accurate understanding of the current condition of its facilities and future liabilities

The Council looks at all its buildings annually to formulate the capital maintenance bid. While it's difficult to predict everything that might go wrong, there is a good handle on the portfolio. There has been significant investment in the major elements of the buildings (including what's proposed this year) so assets will be leased over in good condition.

#### Lease Length

The Company would want some assurance on the term in order to plan service delivery with some confidence and the recommended first term would be a 10 year lease. The lease will contain the usual termination for breach clauses and be a back to back arrangement that marries up with any contract for service provisions to ensure consistency and legal clarity.

In order to maximise VAT benefits the leases would not be full repairing leases, but this will provide the Council with another level of control over the lifecycle of the assets. For further detail see the Economic and Financial Case and in particular the VAT advice.

#### Asset Management Group

Any proposals in relation to the Council's buildings will need to be considered by the Council's formalised asset management committee, which is chaired by the Lead Member for Finance and Assets and is open to attendance by elected members.

#### Other stakeholders

##### Ruthin Craft Centre and the Arts Council funding stream

Informal discussions suggest that the formation of a company limited by guarantee will not impact on the funding subject to the Arts Council being kept updated of progress on this alternative delivery model and having sight of the constitution of the Company. Other public bodies have worked with the Arts Council in similar circumstances having formed alternative delivery models and this is not necessarily a barrier to funding. A for profit trading company could be a barrier, whereas a Company Limited by Guarantee should not be. The philanthropic objectives of the company will be a key area that the funder would need to consider.

## Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

The terms and conditions of other grant funding the Craft Centre may apply for, have been considered and do not on the face of it appear to negate the formation of an alternative delivery model. The terms and conditions in some (not all) refer to the grant only for 'charitable purposes' but the term is not always defined; some grants will not be awarded to organisations that are 'for profit', some will only grant to a 'legal entity'; some donors terms are quite vague or loose and many are project specific. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The formation of the company with philanthropic objectives in its constitution may in fact be of assistance to future grant funding applications, rather than an application being made by the Local Authority. Ultimately each organisation that is applied to, will have different criteria.

### Rhyl Town Council funding in relation to the SC2 waterpark.

Rhyl Town Council have contributed to the development of SC2 and an agreement is in place between both Councils. The agreement will not prevent the formation of an alternative delivery model, but it does allow for a seat of the management board in respect of this particular facility. This will not affect the composition of the actual Company Board, but the Town Council's requirements will continue to need to be met with regard to the operational management of SC2 itself, as a key stakeholder.

### Existing Contracts

A review of these will take place and novated as required over to the new company. Legal Officers have standard templates to administer this process, within existing resources.

## **3.6 IT implications**

### Data Protection/GDPR

The Company would need to be registered in its' own right as a Data Controller with the Information Commissioners' office; and would need to appoint a statutory Data Protection Officer (DPO). This Officer could be an existing member of the leisure service, who is not responsible for any data or information assets, or the Company could buy back the service from the Council, or from an external supplier for a fee. The key requirement is that the DPO has a direct line into the Board, in order to communicate issues or concerns and is able to act independently without obstruction

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

from senior management or managing director. The DPO cannot be dismissed for acting in accordance with their statutory duties.

By way of comparison all Denbighshire Schools have appointed one grade 7 FTE temporary deputy DPO officer to deliver a DPO service for all of Denbighshire Schools, who is line managed by the Council's DPO. There may be an opportunity to combine this role going forward, subject to discussions with education and schools. The decision on appropriate appointment in house or to purchase the service from the Council must be one for the Company to decide at Board level in advance of the date of operational delivery and transfer of data to the Company takes place.

### DCC ICT implications

ICT provision to the facilities and functions within the scope of the commercial case can be broken down into a number of elements:

- The provision of network links into the establishments
- The maintenance of the building's network infrastructure (physical cabling, WiFi provision, network routing and switching) along with the connection of devices to the network
- The provision of telephony services
- Management and maintenance of information systems
- The provision of desktop hardware and software
- Access to Denbighshire's corporate ICT systems (e.g. payroll, general ledger, etc.)
- Ongoing support

Most of these functions are currently delivered without a specific charge being levied to the service and are included in the core funding allocated to ICT each year. The exceptions to this are additions to the network as a result of new business requirements (e.g. additional infrastructure required in a new or refurbished facility) and the payment of maintenance contracts with third party suppliers (e.g. the leisure services IT system XN Leisure). These exceptions are recharged to the service by ICT or invoiced directly by the third party supplier.

Should the Council remove the funding for the in scope services from ICT's core budget and the Company 'buy back' those services from ICT, in most instances, the costs of providing these services to the Company will remain the same (subject to the normal cost fluctuations caused by inflation, etc.) However, there would be an additional overhead on ICT to manage the contract and recharging process for those services and consideration will need to be given to how to manage this.

The greatest area of risk in terms of potential additional costs is around software licensing. ICT are currently working with our Microsoft Account Management team to understand the implications of transferring services to the Company on our licensing

## Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

agreements. The Council holds an Enterprise Agreement (EA) with Microsoft, which gives us cheaper 'bulk rates' for the purchase of our licenses for things like Windows, Office and the software to manage our servers. Our Enterprise Agreement is a specific public sector agreement and is not generally available to organisations from the private or third sectors. If we are able to provide Microsoft applications to the Company within the scope of our Enterprise Agreement, the costs of software would remain consistent (subject to the normal cost fluctuations as above). [REDACTED]

[REDACTED]

ICT has experience and processes to recharge for these services and has a number of Service Level Agreements which it can draw upon to develop a contract and/or service level agreement which would meet the needs of the Company and ensure that ICT is committing to what it can realistically deliver. Typically, ICT recharge on the basis of a 'device cost' per year for support, licensing and periodic replacement; actual cost recharge for network provision and actual cost recharge for access to corporate applications. If approval to progress the project is forthcoming, ICT and Legal Services will develop a draft scope, agreement and charging model for discussion and agreement.

### 3.7 Other asset implications

The Council does not hold a central register of all grants and this is a risk that needs to be recognised in the commercial case. There is a risk, that a grant could exist, historical or otherwise, which limits expenditure in certain circumstances. This risk, albeit unquantifiable, is recorded in the project risk register.

#### 'Asset Lock'

As described in the above, the company limited by guarantee may require to be registered as a Community Interest Company and with that come some limitations, particularly in the context of its' assets.

The 'Community Interest Regulations 2005' specify that the CIC cannot transfer its assets (including any profits or other surpluses generated by its activities) for less than market value unless transferring them to another CIC or charity (that is either specified in its articles or consented to by the Regulator) or if the transfer is for the benefit of the community it was set up to serve (known as the asset lock). This asset lock is set out in the articles of association of the CIC. CICs must consider the asset-lock when

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

entering into commercial relationships and when deciding remuneration for its employees and directors. The asset lock protects the assets of the CIC and ensures that the assets and profits of the CIC will be devoted to the benefit of the community and not for rewarding shareholders and directors.

[REDACTED]

### **3.8 Monitoring arrangements**

The Council will be anxious to ensure that it has the ability to monitor the company in order to ensure its success and value to the Council and it's citizens.

A summary of the arrangements that could feasibly be put in place to monitor the company are set out in this section. These arrangements help support the requirements for oversight and sufficient control, which the Council is seeking and contributes to the overall commercial case for setting up a separate legal company.

#### Council Subsidy

The council subsidy is a lever that can be utilised as part of the monitoring arrangements.

#### An effective Board and its' composition

Officers recommend that the number of board members is set at 7 – there is no maximum number but the board needs to be able to be an effective decision maker.

The Board has day-to-day control and responsibility for managing the company's business operations and compliance with its legal duties and liabilities. There are several types of directorships:

**Executive director** – a director who carries out executive functions and is usually a full or part-time director.

**Non-executive director** – a director who is not an employee of the company or holder of an executive office but who would usually devote part of his or her time to the affairs of the company.

**De facto director** – a person who acts as if he/she is a director and is treated as such by the Board but who has not been validly appointed.

**Shadow director** – a person in accordance with whose directions or instructions the company is accustomed to act.

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

The Board could be constituted by a mix of Councillors and Senior Officers and probably a further one board member who has experience of the leisure industry, in order to inform decision making and challenge the operation appropriately; in addition to benefiting from a vote at Board level. The law does not require the Board to consist of Lead Members necessarily. Appointments must be made by the Full Council. Officers will be recommending a mix of Councillors and Officers on the Board, not least because in the event of elected members not being re-elected, then there will be some continuity, until new members are appointed.

The suggested composition could be as follows:

Director	Managing Director	Director	Director	Director	Director	Finance Director /Company Secretary
DCC Corporate Director	DCC Senior Officer	External Appointment of Individual with Leisure industry skills and background	A DCC Lead Member for Leisure	Chair of Scrutiny or Corporate Governance	A DCC Elected Member – to be confirmed	External or internal appointment.
Executive	Executive	Non Executive	Executive	Executive	Executive	Executive or Non Executive

With regard to the external appointment, there is likely to be cost to the company in attracting the right applicant and this has been estimated in the commercial costs as between the range paid to Committee Lay Members at the top of the band and the benchmarking exercise carried out by 'Registered Social Landlords in Wales' [Appendix 3 B] and envisaged to be circa £200 per meeting. There is no legal requirement however for this position to be paid necessarily, but an allowance may result in more interest from suitable candidates.

All appointments to the Board are decisions for, and will be made by the Full Council at a later date following the Full Business Case, in the event that the decision to form the Company is made. It is envisaged that the Councils recruitment panel may interview and make recommendations to the Full Council.

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

The Council will have the ability to dismiss individual Directors from their position, which will be a form of control it may prefer to use as leverage, rather than the usual contractual provision contained within the contracts with a supplier eg penalty clauses, which would not necessarily be to the Council's advantage with its own Company.

### Contractual Powers

The Contracts for Services and SLAs will be drafted by the Council's legal services based on the Councils' standard corporate terms of business for services. These contain clauses which allow the Council to monitor including the ability to carry out audits; KPIs, provision of management information and data, contract manager relationship and commitment to meetings, health and safety requirements, no assignment of the contract without the consent of the Council, sub-contractors, record keeping, confidentiality and publicity provisions, step in rights in addition to the usual contractual terms you would expect the Council to have in place with contractors generally, including termination provisions.

The contract provisions will also allow for reviews and variations.

### The Leases

The leases will be of a term that is back to back with the contractual arrangements. The proposal is that the leases and contracts should be for 10 years but with appropriate termination provisions for serious and substantial breaches and break clauses that are acceptable to the Council, but still offer a good degree of comfort to the company. The Council will want a ROI from the costs that it has incurred in setting up the company and these are set out in the financial case as appropriate. A 10 year arrangement is more likely to provide the ROI on both sides.

The leases will give the Landlord the right of entry and inspection without notice, non assignment without landlord consent, break clauses, reservations or rights to use the buildings specified for situations such as a civil contingency or to hold elections for example.

In order to maximise the VAT position, the leases should be at a peppercorn rent. An example of typical heads of terms of a lease is attached as Appendix 3 C.

Any lease at less than market value should also be decided in the context of state aid and this will be considered whilst the leases are being drawn up.

### Obligations of Directors

Officers who are appointed to the Board will have a contractual relationship with the Company.

Elected Members who are appointed to the Board will be made on a voluntary basis.

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

However, any Director (officer or elected member) could be dismissed from the board by the Council.

All directors are subject to the following statutory duties under the Companies Act 2006 and therefore these obligations provide the Council with some assurances on the effective running, and therefore a form of monitoring, of the company:

To act within powers.

To promote the success of the company.

To exercise independent judgment.

To exercise reasonable care, skill and diligence.

To avoid conflicts of interest.

Not to accept benefits from third parties.

To declare an interest in a proposed transaction or arrangement.

### Contract Management

The management arrangements the Council will have in place with the company for the delivery of leisure services, is absolutely key to the success of the relationship and for both parties to understand the requirements of each. It is envisaged that the approach adopted with regards to our contract management with Civica for our Revenues and Benefits service will be similar to managing the contract with the company delivering leisure services.

The Council should recognise the value in ensuring that time and resources are built into the project plan to properly scope out this particular contract to ensure it has sufficient 'teeth' but is not so onerous that the company will be unable to deliver its stated objectives.

Early warning signals and triggers will need to be set out expressly with appropriate mechanisms for avoiding any unnecessary escalation, where the parties can work together to find solutions.

This is likely to require a part time post, at least, in order to carry out sufficient and effective contract management. These costs have been captured in the financial case.

### A Strategic Governance Board

In a similar way that the Council manages the Civica contract for the Revenues and Benefits service a board will be constituted that will allow the contract manager to feed back to an overseeing strategic governance board. This board is likely to consist of the Contract Manager, Monitoring Officer, s.151 Officer, Corporate Director (not the individual that sits on the Company Board) and or the Chief Executive, Lead Member



Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

for Finance. The Board would invite relevant members of the Company Board to its meetings.

#### Asset Management Group and the Role of the Corporate Landlord

This Committee consists of one Lead Member and Senior Officers and is another form of oversight in respect of arrangements and proposals in respect of Council land and buildings. The committee operates transparently to the extent that elected members can access the agenda and papers on modern.gov and may also attend in person as observers. The Committee supports and challenges the role of the Corporate Landlord and can provide a further level of oversight from the Corporate Landlord perspective supporting the commercial case.

The cost of AMG monitoring or approving lease obligations or decisions can be met within existing resources.

#### Internal and External audit

The Company's legal arrangements and constitution, will provide for auditors to carry out audits and reviews independently and without hindrance.

#### Corporate Governance Committee

This Council Committee can receive reports from an auditor on the company and consider the effective operation of risk management within the Council, which includes its own controlled companies.

#### Performance Scrutiny Committee

This Committee may be particularly interested in the delivery of the contractual service which the Council is purchasing off the Company.

#### Full Council or Cabinet (to be confirmed) to Approve the Annual Business Plan

This will be reserved within the constitution of the company.

### **4. Economic & Financial Case**

#### **4.1 Economic case for change**

The crux of the economic case is underpinned by the opportunity to consider a tax-efficient, non-profit distributing council owned company model that could deliver initial savings resulting from the legal structure of the company, as well as providing options for further subsidy reduction in future, including from the benefits that may arise from trading freedoms for the company. The Commercial Case assesses the range of most relevant models and recommends the local authority trading company as the most appropriate vehicle to achieve the aims of:

- Reducing the cost and therefore the financial subsidy of the provision immediately through tax advantage

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

- Giving options for further subsidy reduction in future
- Allowing some commercial freedom to trade
- The council retaining appropriate levels of control

The substantive elements of the economic case are the advantages of business rate reduction secured through the appropriate legal structure of the company and opportunities to exempt elements of the income generated from the in-scope services from VAT within a new company structure. The opportunity for the council to avoid future inflationary costs is also available through a new delivery model.

Whilst there are savings available through a specific delivery model, there are also some additional costs associated with the delivery of the services/functions through a separate legal entity. The savings and costs are summarised in the following paragraphs and some explanation of the core business case points noted below.

As the Commercial Case sets out the appraisal and recommended form of company, this economic case compares the financial costs and benefits of the recommendation against the existing model. The comparison of business rate advantage is relatively straightforward in this regard as the discretionary relief is not available to the sites while in council ownership. The specific advice supporting the business rate assumptions is attached as appendix 4A

The VAT element is more complex and essentially arises from following the Ealing Ruling in 2018, which determined that, under European law, the provision of sports facilities by a local authority is exempt, and no longer standard-rated for the purpose of VAT. Accordingly, many local authorities have changed their treatment of such income from standard-rated to exempt, without amending their prices to the public, meaning that they can retain the 20% which they used to have to pay to HMRC. However, VAT recovery on purchases also has to be considered.

[REDACTED]

- [REDACTED]

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

[REDACTED]

Beyond the core elements of VAT saving assumed in the business case (below), it has emerged recently that further tax advantages might be achievable through a detailed review of theatre income and some of the income streams within SC2. The provisions for possible tax advantage are less clear in some of these areas but the possibility should be explored in more detail over the next few months (i.e. before the company is legally established) to determine whether further savings can be made through delivery of the functions via a company model.

It is therefore recommended that a further detailed review of these potential additional areas of saving be explored before the company is established.

Further detail of the key elements is set out below:

**4.2 Potential Savings**

**4.2.1 Business Rates (NNDR)**

A Council owned Company Limited by Guarantee would qualify for Discretionary Business Rates Relief and DCC could award the full 100% (90% funded by the NNDR Pool and 10% by DCC). On present values this would generate an annual budget saving of £623k. Presently each 'dual use' High School site has one rateable value assessment and the total bill is split proportionately between the school and leisure site. In order to gain future rate relief there will be a need to have separate rateable value assessments to split the areas operated by the school and those operated by the Leisure ADM. This could mean that the potential business rates savings could increase or reduce accordingly. See appendix 4A.

**4.2.2 VAT savings**

[REDACTED]

## Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions



### 4.2.3 Savings/costs avoided by not giving the company any pay and other inflationary increases

Once established the company will be expected to fund all pay and other cost inflationary pressures. Based on present information this could be an annual saving in cost avoided by the Council of approximately £200k (£162k on pay inflation alone). See appendix 4D.

### 4.2.4 Future Opportunities

The proposed company model provides a legal structure that allows for commercial growth to be considered, which if successful, may contribute to the savings agenda and help to reduce the level of financial subsidy/support from the Council going forwards. Teckal rules enable the company to generate up to 20% of its total turnover from beyond its public sector owner thereby enabling it to look to gain additional net income. Whilst no assumptions have been made in the business case regarding extra income growth there is confidence this could be achieved from a wide range of items including partnerships and collaboration working, sponsorship and advertising packages, media partnering etc.

It is assumed as part of this financial case that specific cash reserves earmarked for leisure at the end of 2019/20 would transfer to the company. The company will have to devise its own reserves strategy, presumably striking a balance between mitigating income risks and investing to develop new business opportunities. Therefore, the company will have the option to use reserves to develop new business opportunities. However, a mechanism should also be developed where, following Board approval, a business case would be submitted to the council as an 'invest to save' proposition for it to consider.

While there are opportunities to develop additional revenue streams in future, there should also be opportunities to consider the cost of management overheads and the council would expect reductions in this area to contribute to the delivery of a reduced subsidy going forward.

### 4.3 Potential extra on-going recurring costs of operating an ADM

There are a number of known extra costs that the company and/or the Council will incur as a result of the establishing of the ADM. These include the following:-

## Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

### a) Accountant post

This is extra work that the company will need to provide and includes financial business planning forecasts, ensuring that all financial processes and systems are robust and auditable, ensuring that financial information complies with company legislation, satisfying external auditors of the accuracy of financial information, treasury management functions to ensure that cash-flow and borrowing strategies are adequate and also completing the company's monthly VAT return to HMRC as well as undertaking the VAT partial exemption calculation. It is envisaged this will be a Grade 11 post costing £60k at top of grade (including on-costs). Further detail and justification is set out in the Financial Governance sections below.

### b) Directors and Officers insurance cover

This needs to be in place as soon as the company starts to make decisions and is likely to be an additional cost of circa £6k per annum.

### c) Payment to independent Directors of the company

Any independent Directors employed by the company will be expected to be remunerated accordingly. The independent member of the Council's Standards Committee is presently paid £99 for up to 4 hours (allows for meeting time, travel and prep) and £198 for 4 hours or more together with HMRC travel rates. Assuming 2 of the Directors are independent of the Council and are asked to work 1 day per month this is estimated to cost an extra £5k per annum.

### d) Contract Management costs

It is assumed that 30% of a Grade 10 post will be required by the Council to manage and monitor the contract with the company and that this work cannot be absorbed within the present Council staffing structure. The anticipated extra costs amount to £16k.

### e) External audit costs

The company will be required under law to have its annual accounts externally audited. We will assume a nominal charge of £2k to undertake this work.

### f) Allocation of residual FAH services

If the company is established the remaining services within the current Facilities, Assets and Housing (FAH) Department will need to be allocated to other Heads of Service (HoS). This may result in an increased cost within the remaining SLT structure. Also, until all other residual functions have been allocated to different service areas, there is a potential for further cost implication as a consequence.

## Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

- g) **Reduction in dual use income due to NNDR relief**  
Presently the 'dual use' income that leisure services receives from schools includes an element for the recharge of NNDR costs. If the company receives relief on the NNDR costs going forward it is anticipated this could mean a loss of £65k income to the company. Whilst this figure can be built into the net savings total initially it is on the assumption that a proportionate reduction can be negotiated with the company over a 2 or 3 year period.
  
- h) **Potential increase in pension liabilities**  
Some other examples of Local Authority owned ADM's have resulted in employer pension contribution rates increasing by anything up to 2% in total. At this stage we are assuming there will not be any extra costs to the company but this will only be confirmed once this work has been completed by the pension actuary. The company will be granted admitted body status to the pension fund and may require the council to act as guarantor.
  
- i) **Software Licence costs**  
There could be extra licence costs depending on the status of the company and how the software vendors interpret this. [REDACTED]  
[REDACTED]  
[REDACTED]

As there are a number of potential financial risks noted above and in the risk analysis below that are not certain, it would be prudent to allow a contingency in the cost business case to allow the risk.

### **4.4 Likely 'One-off' costs of setting up the company**

Project Management and other associated legal costs (including company registration etc.) are estimated at circa £100k. These are one off costs and are not recurring budget pressures.

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

#### 4.5 Potential net budget savings arising from the establishment of the Leisure ADM

1. Business rates (NNDR) savings	£623k
2. VAT savings	£284k
3. Savings from the company funding its own cost inflation	
<u>£200k</u>	
<b>GROSS SAVINGS</b>	<b>£1,107K</b>
4. Less the following extra costs	
a) Accountant post	(£60k)
b) Directors and Officers insurance cover	(£6k)
c) Payment to independent Directors of the company	
(£5k)	
d) Contract Management costs	
(£16k)	
e) External audit costs	(£2k)
f) Reduction in dual use income due to NNDR relief	
(£65K)	
g) Contingency for highlighted risks	<u>(£150k)</u>
<b>NET ANNUAL SAVINGS IN YEAR 1</b>	
<b>£803K</b>	

#### 4.6 Potential Financial Risks to the Project

Changes in National legislation in the future could prevent the anticipated business rates savings from being fully realised.

- 4.6.1 The VAT savings cannot be fully achieved through a not for profit Local Authority Trading Model, (LATC), and/or charitable status is required for these to be fully realised, which increases the regulatory regime and associated cost.
- 4.6.2 There may be unforeseen additional one-off costs associated with the establishment of an ADMC that have not been taken into account within the project budget.
- 4.6.3 There may be unforeseen additional revenue costs associated with managing the on-going relationship between the Council and an ADMC.
- 4.6.4 The ADM fails or is not as financially successful as hoped, and any resultant additional costs/prudential borrowing loans fall back on the Council to fund and/or the Company is unable to make the adequate reinvestment into its day to day business activities due to lack of funds.
- 4.6.5 The Council's governance arrangements are inadequate to control and monitor the ADMC's financial and operational performance.

## Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

- 4.6.6 Where external revenue grants form part of the existing income streams for some facilities/functions, any reduction or cessation of funding due to the differing delivery arrangements or the financial climate, would either fall back to the ADMC, and potentially the Council if the ADMC is unable to absorb any reductions in income, or, will impact on service provision in these areas. If any reduction in the revenue funding was due to the financial climate this would be a risk for the Council regardless of the ADM.
- 4.6.7 Risk that the Local Authority become a 'Shadow Director' and is liable for the debts of the NEWCO.
- 4.6.8 Given the nature of the activities offered at the new SC2 facility, there is potential for an increase in insurance claims. While these will be defended, there is a risk that claims increase and as the council meets the first £50k of claims through self-insurance, there may be an impact. Increased claims (even if defended) would also potentially impact claims history information and therefore the cost of premiums.

### 4.7 Additional Risk – SC2

The new SC2 facility is included within the scope of the ADM and has been developed based on a detailed financial business case. It is hoped that the assumptions within the business case will prove to be correct and if so, the cost of running the facility should be offset by the income generated from it. However, there is a risk, as was set out at the time the decision to invest was approved, that the business case, as with any business case, is based on well-informed assumptions or judgements that may not ultimately materialise as planned. Since the original business case was approved at Council in February 2017, it has been developed further as it moved toward opening, including a change to the 'dry' offer of the 'TAG Active' attraction and a revised pricing structure. The original business case approved by council included a projected financial deficit in the first four years of operation. The revised business case has not been reported back to cabinet or council but, with the changes noted above shows the facility potentially breaking even. However, both the original and latest business cases are speculative as they have been produced before the facility opens, hence the need for a watching brief and the highlighted risk. There is a risk therefore that if either income targets are not achieved or costs increase beyond levels expected, or both then it will create a financial pressure. The pressure would arise whether or not the facility is operated directly by the council or by a separate company. There will almost be a full year of trading activity to assess the financial performance of SC2 before transfer and financial performance during 2019/20 will be managed within the existing framework of dealing with service pressures or underspends. If future financial performance is worse than predicted, then options to address the position should be forthcoming from the company in the first instance before additional financial support from the council is considered.



Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

#### **4.8 Financial Governance & Support Services**

In assessing delivery through a new model, financial management arrangements have been assessed in respect of what is required and provided currently and what would be required that is different or additional and how might that be provided. The underlying aim is to avoid as much additional cost as possible but to ensure also that the appropriate functions and controls are in place and operating effectively from the council's and the company's perspective.

To limit exposure to additional costs and to aid with a smooth transition, the general principle should be use of existing council services and resources, unless there is a specific requirement or mutual benefit for the company to provide such services itself. The cost of existing services is an existing cost to the council overall and should remain so for a defined period – i.e. 3 years at least. The cost of support provisions that are not directly transferred to the company as part of the annual subsidy agreement should be based on the existing accounting costs calculated for statutory returns (this is to avoid the immediate resource implication of calculating more precise unit costs until it is necessary to do so). These are calculated on a full cost basis and apportion multiple layers of on-cost throughout council services. A method applied to similar examples of this arrangement is to base the nominal charge to the company on 50% of existing support cost charges – this is deemed to take account of the circular nature applied to the apportion calculations used for statutory purposes and is a reasonable proxy to represent the cost to the company.

The costs and income will have to be recognised in both the company's and the council's accounts.

A more detailed analysis of the recommended approach to the various finance functions is set out below and further detailed analysis has been produced and can be made available if required. It can be seen that the solution provides a combination of recommended approaches – to recognise a) those functions that should be undertaken separately by the company (and therefore including some additional tasks that are not currently provided) and b) those that can continue to be provided by the council under contract for a fixed term.

The analysis of tasks and responsibilities leads to a recommendation that the company will require its own qualified accountant, in addition to the accounting support already provided.

#### **4.9 Financial Services**

The full range of existing and additional requirements has been assessed as follows:

##### **4.9.1 Management Accounting and related Operational Financial Support**

The role is currently provided by one member of staff whose role covers over 90% of the functions and services that are in-scope. This would therefore continue to be provided, either by the council or directly by the company at no additional cost. However, given the details set out in the following paragraphs, it is recommended that the role is transferred to the company.

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

#### 4.9.2 Financial Accounting and Reporting

The company will be responsible for the production, publication and external audit of its accounts and formal financial reports, including establishing its budget and medium term plan. This is an additional responsibility. The accounts will have to be completed in sufficient time to be consolidated into the council's accounts.

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

#### 4.9.3 Financial Systems

As a local authority controlled trading company, it can benefit from use at no or very little additional cost of the council's core financial systems. It is assumed no additional license costs will be incurred.

#### 4.9.4 Banking

The new company will need separate bank account with its own mandate arrangements. It is recommended that this is done via the council's existing banker and is unlikely to result in a significant additional cost, with rates likely to be on a par with existing council provision. Overdraft and interest facilities will have to be agreed. Bank accounts would have to be managed and reconciled by the company. The company accountant (CA) would be responsible for ensuring the banking process and controls are effective.

#### 4.9.5 Credit Cards

The company will be responsible for the administration and management of corporate credit card schemes and would be required to sign up to the Wales Procurement Barclaycard scheme as a separate entity. The CA would be responsible for establishing the processes and controls to manage this process.

#### 4.9.6 Cash Flow and Treasury Management

This is currently completed corporately for the council but would be required to be completed separately on behalf of the company, so is additional to existing provision.

The company's cash flow will be assisted by the council making payment for services provided by the company in advance (periods to be defined).

This critical role would have to be undertaken by the C A.

#### 4.9.7 Bankline transfers

Separation of accounts will mean that bankline transfers would have to be arranged and approved by the company.

#### 4.9.8 Income Management

Direct debit, paying-in books, financial stationery would need to be managed by the company.

#### 4.9.9 VAT Management & Returns

The company will have to manage its own tax returns. The VAT element will be quite detailed and require additional resource to that which is applied as the partial exemption calculation and management will be more complex and should be completed by the CA.

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

#### 4.9.10 Insurance Arrangements

As a local authority owned company, it will benefit from being able to remain as part of the council's existing provision (and therefore cost). The current delegated budgets for insurance premiums will be managed centrally but would have to be recognised in both the council's and the company's accounts. However, there is an additional cover required for directors' indemnity cover which is estimated to cost £6k per year.

If, over time, the activities or operations of the company were seen to be having a direct impact on the council's claims profile and premium, the position would have to be reviewed.

#### 4.9.11 Payroll

The current provision is cost effective and all-encompassing. External provision could be sourced for [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] However, this would be for a basic transactional/bureau service.

The payroll service includes such things as pension compliance, payroll production and providing retirement estimates to management, to show employer costs where there may be pending staffing changes or restructures. The service also includes tax advice to both employees and management and the provision of monthly data via the I-connect system to the Clwyd Pension Fund for the Local Government Pension Scheme and PAYE and NI returns.

A separate payroll can be run for the company without incurring additional cost to either the council or the company.

It is recommended that the service is provided by the council and 'bought -back' by the company.

#### 4.9.12 Payments (Accounts Payable)

In the last twelve months the Council processed approximately 6,000 invoices for the in-scope departments (about 6% of the total invoices paid). [REDACTED]  
[REDACTED]  
[REDACTED]

For the Trading Company to undertake paying invoices themselves it would require a software purchase, possibly a P2P system similar to Proactis, BACS software, creditor processing software plus of course staff time.

If the Trading Company did not continue with the Council then interfaces would be required to the council's financial systems for accounting and budget commitment information.

The council ensures compliance with tax requirements (VAT, CIS and IR35).

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

It is recommended the service is provided by the council and 'bought back' by the company.

#### 4.9.13 Debtors (Accounts Receivable)

Recommend continuation of existing provisions, systems and arrangements. Existing use of the corporate debtors function is bought back by the company.

#### 4.9.14 Grants

The council will generally be the grant recipient and will engage the company to deliver the objectives of the grant funding on its behalf. The company will be required to account for the grant expenditure in a way that is compliant with the grant conditions and the council's accounting requirements.

#### 4.9.15 Leisure Development Framework

The existing framework agreement is between the council and Alliance Leisure Ltd. As the development partner. The agreement would remain with the council who would engage the company to manage the framework. The council will be the recipient of any income arising from the framework and will determine how it is applied.

#### 4.9.16 Building Maintenance & Capital Investment

Buildings will remain the in the ownership of the council and will be leased on a peppercorn basis to the company. Non-devolved building maintenance and capital maintenance responsibilities will therefore be retained by the council who will manage building condition and works through the existing processes and capital processes.

Within the allocations that will form the level of subsidy are the elements of devolved revenue repairs and maintenance and these will be transferred to the company.

### **4.10 Financial Case: Affordability**

The level of subsidy currently provided to the functions, services and management roles in scope is £3.03m. This is based on 2018/19 budgets and forms the basis of the value of the services that the company will provide on behalf of the council. Clearly, the actual figure for 2020/21 will be adjusted for NNDR and VAT savings, 2019/20 inflation and savings and any other changes agreed as part of the 2020/21 budget process. The detail of the current budgets is set out in the appendix 4E.

The subsidy for 2020/21 will assume that inflationary pressures estimated can be absorbed by the company and therefore will not be funded by the council. The expectation is that this will be the case in future years. There will also be a requirement for the company to contribute to the council's budget process each year – this will be in addition to the expectation of funding inflationary pressures and will have to be agreed annually. No assumptions for new income streams are included in the business case but clearly if successful will help to support the company's position and allow the potential for further council subsidy reduction.

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

The company should have access to existing leisure reserves and will benefit in cash flow terms from the council paying in advance for service provision.

A process for the company (with board approval) to submit business cases to the council for investment will have to be developed. This will include capital investment. Capital investment decisions will be assessed through the council's existing internal processes and formal approval processes.

If approval is granted to establish the company, it will have to produce a business plan over the coming months to demonstrate viability and sustainability and its ability to deal with funding changes. As the principal funder, the council will have to recognise and agree to changes to the delivery model as a result of changes to funding levels.

## **5. Management Case**

### **5.1 Project Plan including transition plan**

The key milestones for the project are included within Appendix 5A. A detailed project plan will be developed as part of the phase 1 work stream.

### **5.2 Management and Governance of the project**

5.2.1 The project was commissioned by the Reshaping the Council Programme Board, (Budget Board), which has approved a project budget with which to develop, and if approved, implement the project.

The Budget Board was established to oversee the Medium Term Financial Plan for the Council, and any initiatives that have potential to contribute to financial efficiencies for the Council. The Budget Board meets monthly, and receives verbal updates regarding the project progress, and has the authority to accept or reject any recommendations made by the Project Board.

It is the Budget Board that will make any recommendation to DCC's Cabinet, via the Lead members for Finance and Efficiency & Well-being and independence respectively. Cabinet will ultimately make any recommendations to Council in respect of this project.

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

The Budget Board members and advisors are:-

<b>Programme Board members</b>	
Judith Greenhalgh	Chief Executive
Graham Boase	Corporate Director: Economy and Public Realm
Nicola Stubbins	Corporate Director Communities
Richard Weigh	Chief Finance Officer/Section 151 Officer
Cllr Hugh Evans	Leader of the Council
Cllr Julian Thompson –Hill	Lead Member for finance and efficiency
<b>Attendance in an advisory capacity</b>	
Steve Gadd	Chief Accountant
Catrin Roberts	HR Services Manager
Liz Grieve	Head of Customers, Communications & Marketing

5.2.2 A Project Executive is in place and a Project Board has been established for the project. The membership of the Project Board reflects the business, financial and legal expertise required to provide direction to the project.

The decision maker is the Project Executive, and this role is supported by the Senior User and the Senior Supplier. The Project Board is advised by the Project Manager, and as required, other project team members or an external consultant may be asked to provide specific advice or insight relative to their expertise. The Project Manager is directed by the Project Board, and is responsible for coordinating the activity required to reach the project objectives.

Project Board members currently participate fully in the Project Team meetings, which are chaired by the Project Executive. Separate Project Board meetings are scheduled as required.

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

The Project Board members are:-

<b>Project Members</b>	<b>Board</b>	<b>Role</b>	<b>Project Role</b>
Graham Boase		Corporate Director: Economy and Public Realm	Project Executive
Richard Weigh		Chief Finance Officer/Section 151 Officer	Senior Supplier
Gary Williams		Head of Legal, HR & Democratic Services	Senior User

5.2.3 A Project Team has been established for the project. The membership includes a PRINCE2 qualified Project Manager from the Corporate Project Management team, Project Team Leaders (PTL's) from relevant professions to provide the expertise required to inform and complete the identified work streams, and other technical expertise as detailed below. The Project Team meets monthly and updates are provided from each PTL. Additional meetings are arranged if required, and each PTL convenes their own departmental 'task and finish group' team meetings as required, to progress and complete their work packages.



Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

The project team members and other technical advisors are:

Name	Role	Project Role
<b>Project Team</b>		
Sian Price	Project Manager (Corporate Programme Team)	Project Manager
Jamie Groves	Head of Service FAH	PTL- Commercial Leisure
Lisa Jones	Legal Services Manager	PTL- Legal
Gareth Williams	Finance and Assurance Manager	PTL- Finance
Catrin Roberts	HR Services Manager	PTL- HR
Sian Owen	Lead Officer Destination, Marketing & Communication team	PTL-PR/Communications for the project
Michael Jones	Business Partner	PTL- ICT
Kerry Evans	Lead Business Partner - Employee Relations	HR support
<b>Other technical project advisors</b>		
David Lorey	Lead Officer Corporate Property and Housing Stock	Advice regarding assets and associated management
Lisa Lovegrove	Chief Internal Auditor	Audit advice
Paul Barnes	Business Support Manager	Contract management advice

5.2.4 Tolerances will be established for the implementation phase of the project as detailed below:-

**Project Team Leads**

- Time – a minus 3 working day tolerance to the agreed timescales in respect of all milestones.
- Cost- no tolerance agreed

**Project Manager**

- Time – a minus 2 working day tolerance to the agreed timescales in respect of all milestones.
- Cost- no tolerance agreed

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

The PRINCE2 (Projects IN Controlled Environments), project management methodology has been adopted for the delivery of all projects within DCC.

DCC uses a programme and project management software system 'Verto', and it is a requirement for all programmes and projects to be added to the Council's 'Verto Cloud' system. Verto enables programme and project managers to monitor and manage progress against milestones, costs and benefits and effectively manage risks and issues. Project Managers' are required to produce highlight reports every month/6 weeks, which are authorised by the Project Executive.

Within DCC a project register, is produced for all projects in the delivery stage, (post business case/investment approval), for the Corporate Executive Team, (CET), to review on a quarterly basis. Reporting on information from the Verto system, the project register provides information on the status of projects, which includes:-

- Project delivery confidence
- Project costs
- Project timescales
- Project risks
- Project benefits

This provides CET with an awareness of any projects at risk, or those with infrequent or inadequate reports, and the opportunity to provide further support, or challenge as considered necessary.

### **5.3 Governance Structure**

A governance structure has been completed for the project and shows the work streams identified within 6.5 below. The Governance Structure is included within Appendix 5 B

### **5.4 HR employment processes**

#### **5.4.1 Staff arrangements**

Within the initial project development phase, it was acknowledged that the staff members currently contracted to work at, or for, the in scope facilities functions and activities would be transferred to the ADMC via a TUPE process.

As outlined within section 2.4.2 of the Strategic Case, some staff members are currently contracted to carry out duties for the in scope facilities, functions and activities as well as for other areas of FAH, and these staff members have already been through an assessment process to determine whether they should be part of the ADMC, or remain with the Council.

As a result of the assessment process, if the proposal for an ADMC is approved, it is likely that the existing Head of Service for FAH will transfer to the new company. As a result, there will need to be alternative arrangements put in place to manage the services currently within FAH, but which are not within the scope of the Leisure ADM.

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

This has given the Corporate Executive Team the opportunity to look at the distribution of responsibilities across Council service areas, with the intention of absorbing these amongst the remaining services. This is not a full restructure of the senior leadership team, but in order to accommodate the residual services from FAH within existing portfolios, there is a need to move services about where this creates a better fit or distribution of responsibilities.

#### 5.4.2 TUPE

TUPE refers to the "Transfer of Undertakings (Protection of Employment) Regulations 2006" as amended by the "Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014". The TUPE rules apply to organisations of all sizes and protect employees' rights when the organisation or service they work for transfers to a new employer.

The TUPE regulations apply if a business or part of a business moves to a new owner or merges with another business to make a brand new employer. Commercial Leisure would be seen as part of Denbighshire County Council that is transferring to a new business.

When TUPE applies, the employees of the outgoing employer (Denbighshire) automatically become employees of the incoming employer (new Trading Company) at the point of transfer. They carry with them their continuous service from the outgoing employer, and should continue to enjoy the same terms and conditions of employment with the incoming employer.

If the proposal for an ADMC is agreed, then there will need to be a formal process of consultation with staff and the recognised trade unions.

#### 1.4.3 Terms & Conditions

Terms and conditions of employment will transfer as part of the TUPE Agreement which offers a certain level of protection for an indefinite period. However, if the new employer can demonstrate an economic reason for making changes then terms and conditions can be changed post transfer.

As the preferred delivery model is a Local Authority Trading Company which would be wholly owned by the Council, there are risks associated with the employment of staff. As both companies would be seen as part of the same group, a member of staff in one company could make an equal pay claim against the other company if they were in receipt of better terms and conditions. This could be a Denbighshire employee against the new Trading Company or an employee from the new Trading Company against Denbighshire. Therefore, it will be necessary to stipulate in the constitution for the new company that it is a requirement for the company to adopt all terms and conditions applicable to Denbighshire County Council at the point of transfer and in the future and these cannot be changed. In addition, it will need to stipulate that the company cannot offer any enhanced terms and conditions over and above that which is offered by Denbighshire County Council.

Terms and conditions of employment include the grade and salary that an employee receives immediately prior to transfer. The outgoing employer cannot make any

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

changes to these in readiness for transfer. The incoming employer cannot make any immediate changes to these posts transferred. However it is inevitable that there will be changes to job duties and responsibilities post transfer, and these will be subject to the normal process of job evaluation within the new company, but using the job evaluation scheme and salary scales as determined by Denbighshire County Council.

This will ensure that both companies are sufficiently protected against any future claims, and provide reassurance to the staff transferring, that they will not be at a detriment following the transfer.

#### 5.4.4 Pension

Occupational Pension Schemes do not automatically transfer under TUPE although the new employer should offer a comparable scheme.

There is provision within the LGPS for Admitted Body Status (ABS) which allows contractors, who take on local authority services or functions with any specific groups of transferring employees, to offer transferring staff continued eligibility for the LGPS during the contract. ABS provisions enable members of the LGPS to remain in that arrangement and continue to accumulate benefits under their existing local government pension scheme arrangements whilst their employment is transferred between different contractors and as long as they remain employed in connection with the delivery of the outsourced service.

The intention is that the new trading company will have admitted body status into the Local Pension Scheme which would mean that there would be no change to the transferring staff's pension scheme.

#### 5.4.5 Process for staff remaining with the Council

Since December 2018 SLT has been kept updated of the project progress and the potential associated staffing impacts, and there has been informal consultation undertaken with the Heads of the remaining services and the remaining Managers from the FOH service.

In March 2019, a Consultation Document was circulated to staff that are due to remain with the Council, detailing the proposed arrangements for the SLT structure. Staff have been provided with an opportunity to feedback any comments by 29<sup>th</sup> March 2019, and in addition, a 'drop in' session has been provided for staff who wish to have further discussion, or prefer to feedback comments face to face.

Staff have been made aware that the proposal outlined in the Consultation Document is dependent on the project proposal for an ADMC, (and all of the in scope facilities functions and activities), being approved and implemented. If the Leisure ADM does not go ahead then Facilities, Assets and Housing will remain in its current form.

### 5.5 Resources and workforce development

5.5.1 Where possible 'in house' resources will be utilised to deliver the project, and in this respect further departmental capacity has been made available to create task and finish groups for each Project Team Lead. Some discreet work

## Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

packages have been procured externally where there is not the specialist knowledge in house, or where a further opinion is required, and this arrangement will be extended as necessary if the project proposal is approved, and it moves into the implementation phase.

Discussions with colleagues from neighbouring authorities has advised that in practice, the delivery timescales can be quite challenging. The PTL's have needed to be realistic when planning the work, and are mindful to highlight when additional resource is required, before it becomes an issue.

### 5.5.2 Further to the approval of the business case the following 2 implementation phases have been identified:-

#### Phase 1 (completion of outstanding items to inform the investment decision)

- Completion of gateway approvals prior to full implementation. (This phase will include the completion of the Financial plan for the LATC, the detailed project delivery plan, refined benefits realisation plan, the completed estimate of the cost saving to the Council when all costs have been confirmed, and confirmation of the one off cost to complete the project and establish an operational LATC).

#### Phase 2 (Post investment decision)

- Establishment of the Local Authority Trading Company (LATC)
- Preparation of the Contract documents and specification
- Mobilisation and completion of the transition arrangements to an LATC, for the in scope facilities, functions and activities
- Mobilisation of the residual staff arrangements

### 5.5.3 Chinese Walls

During both the implementation phase and post implementation of the project, there be negotiation and work undertaken by DCC staff acting on behalf of the Council and the LATC. Where a department of the Council acts on behalf of both parties, different officers will be allocated, one working for the Council and one for the LATC. Chinese wall protocols will be developed and implemented to create an information barrier to prevent exchanges or communication that could lead to conflicts of interest.

## 5.6 Stakeholder management plan

The following partners and stakeholders have been identified, and an analysis of the interest and influence in respect of each has been completed:-

### 5.6.1 Partners

- Rhyl Town Council (financial contribution to SC2)
- Welsh Government

## Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

- Sport Wales funding for Strategic Leisure
- Tourism Investment Support Scheme, (TISS), funding support to S2
- Vibrant and Viable Places funding for the Pavilion/1891
- Transport Grant for bike ability courses
- Arts Council for Wales (Capital and revenue funding for the Craft Centre and arts in the community funding)
- Health Partners- e.g Public Health Wales who fund the GP referral scheme)
- Alliance Leisure
- Secondary schools collocated on sites, who have service level agreements with Leisure
- Llangollen International Music Eisteddfod (LIME) who own Llangollen Pavilion and lease it to DCC
- Natural Resources Wales- Regulator

### 6.6.2 Stakeholders

- FAH Staff – those in scope who are directly affected
- DCC Staff indirectly affected ( E.g. those in corporate roles who support FAH)
- SLT Members
- All other DCC staff (who have an interface with the in scope staff and services)
- Lead Members for Wellbeing and Independence and Finance and efficiencies respectively
- Cabinet Members
- Council Members
- Member Area Groups
- City Town and Community Councils relative to the location of in scope facilities
- Reshaping the Council Board Members
- Project Board Members
- Trade Unions
- Leisure Card Holders
- Members of the public participating in GP referral scheme
- General Public (residents and visitors) that use facilities
- Sports Clubs and organisations who hire and use facilities
- North Wales Bowls Club
- Artists exhibiting works and running courses at Ruthin Craft Centre
- Tenants who sublet space within facilities, (Flying Start, Gusto in Nova, DCC Registrar- Rhyl Town Hall)
- Schools (primary, secondary and special schools via Head teachers/Business Managers)- School use of facilities
- DCC Residents
- Key Media Contacts (Daily Post, Free Press, Rhyl Journal)

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

- Welsh Government/National Government- industry standards regulators.
- Wales Audit Office

The analysis of the partners and stakeholders can be found within Appendix 5C

## **5.7 Benefits realisation plan**

The benefits realisation plan for the project seeks to capture the broader benefits to DCC, utilising in the main the existing key performance indicators used by Leisure Services. The LATC's progress in respect of benefits realisation will be monitored monthly, and measured quarterly at the Contract Monitoring meetings between the Council and the LATC. The benefits have been categorised as follows:-

### **5.7.1 Financial benefits**

As referenced in Section 2.7 of the Strategic Case, the cashable benefits for the Council are the savings that the Council will make in respect of NNDR and VAT, and the potential for the LATC to generate income from other commercial endeavours.

### **5.7.2 Community/Partnership Working**

As resources become more limited, there needs to be more emphasis on partnership working to ensure that resources are used wisely within organisations, to achieve the best outcome for the residents who are being supported.

Equally it is recognised that some residents are either unable, or chose not to partake in activities within the 'in scope' facilities, hence it is important that a range of services are delivered within communities to promote the wellbeing of residents, and resilience within communities.

### **5.7.3 Local Economy**

There is an opportunity to attract new entrants to the Leisure Industry from within Denbighshire, through the offer of apprenticeships, traineeships or work placements.

The goods and services procured by the LATC represent an investment in other businesses and organisations, and it is wished to capture the investment made within Denbighshire businesses.

At the Craft Centre for instance works of art and craft are sold in the retail gallery, which in turn supports the sustainability and growth of these individuals and businesses, and it is wished to quantify where possible the contribution that the LATC will make in this respect.

Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

#### 5.7.4 Quality

The quality of the customer experience is important, and is a factor in the ability to retain customers and attract new custom. The Council wishes to ensure that the quality of the provision is sustained, and participation rates maintained.

The staff survey which is carried out biannually in the Council will be adapted and extended to staff who have been transferred to the LATC, to capture their level of satisfaction. It is intended that this will continue to be measured biannually.

The outline Benefits Realisation Plan can be found within Appendix 5D.



## Appendix 2A Proposed Alternative Delivery Model, (ADM), for various leisure related activities and functions

### Scoping Template

#### ASSESSMENT OF FACILITIES & FUNCTIONS FOR INCLUSION (OR NOT) IN THE ALTERNATIVE DELIVERY MODEL COMPANY, (ADMC)

##### Context

The objective for the ADMC project is to secure a viable future for key services, ensuring they are able to thrive and respond to both current and future needs, as well as providing for the expectations and aspirations of residents, within the constraints of the funding that is allocated for this purpose.

When reviewing the scope of the ADMC project, the majority of the existing Leisure portfolio appeared to 'fit' within an alternative delivery model company, inasmuch as their focus is leisure and entertainment and/or they are the types of facilities which would benefit from a commercial approach to their management and operation, whereas for other potential facilities and functions within the existing Leisure portfolio the 'fit' was not as apparent. In addition it was identified that there may be potential for the Building cleaning function and Public Conveniences which are currently within Facilities Assets and Housing Service, to benefit from a commercial approach.

In order to determine which facilities and functions should be in scope, this format has been collated to provide a standardised approach to the assessment of all facilities and functions which have been identified at having potential to be within an ADMC, to enable the Project Board to make an informed decision about which should be within an ADMC, and which should remain a Council operated facility or service.

Notes have been included in italics to advise of the detail required; as the range of facilities and functions being assessed is quite broad, some sections may not all be applicable or will need to be interpreted relative to the area being assessed . If further assistance is required please contact [sian.loydprice@denbighshire.gov.uk](mailto:sian.loydprice@denbighshire.gov.uk) .

Please note that whilst all assessments need to be completed by 14<sup>th</sup> December 2018, any earlier submissions will be gratefully received as the Project Board needs to complete the assessment before Christmas to enable the Project Brief to be shared with the Budget Board on 8<sup>th</sup> January 2019, before going to Cabinet Briefing and Cabinet later in January. Please submit each assessment in a pdf format.

<p><b>Name Function /Facility being assessed:</b></p>	<p>e.g Ruthin Leisure Centre</p>
<p><b>Details of any facility used to deliver the service (if applicable)</b></p>	<p>Provide details of the facility, e.g buildings, structures, external spaces. Who manages, operates and maintains the facility? What are the hours of operation- patterns of usage? Is any part of the facility sub- let/used to a third party, and if so is there a lease/SLA in place? Is the facility broadly adequate for the purpose, or are there immediate shortcomings/ H &amp; S concerns? Does the facility need significant /cosmetic work in order for it to remain fit for purpose over the next 5- 10 years? Are any of the building systems shared with adjacent facilities which are operated by others, and if so are supplies sub metered or apportioned?</p>
<p><b>Service provision</b></p>	<p>What services are provided and to whom? Is the service provision statutory? Is the service provision continuous or is it time bound? What is the level of participation? What KPI's do you measure Is your service subject to licencing and/or inspection, and if so who are the regulatory bodies?</p>
<p><b>Staffing</b></p>	<p>Number of staff members, their roles and pay grade. Is it easy to recruit and retain staff, is the workforce reliable? Are there any specific staffing aspects in terms of compliance with legislation, in order to operate this facility/function?</p>
<p><b>Vehicles/equipment (if applicable)</b></p>	<p>What vehicles and equipment are used? Owned or leased? Who maintains? Any current issues? Requirements over next 5-10 years</p>
<p><b>ICT</b></p>	<p>Is the facility on the DCC network, or is the DCC network used to facilitate the operation? Provide brief details of the ICT used, and note any non-standard items, specific operating systems/ software used, together with details of how they are maintained (If not by DCC's ICT dept). Note any licencing requirements that you are aware of related to ICT</p>
<p><b>Budget</b></p>	<p>Do you manage to operate within your budget, or do you have any immediate budgetary pressures? What income if any does your facility/function generate? Are you aware of anything in the next few years that may create a budget pressure, by either costing more or by a loss of ability to raise income?</p>

<p><b>Grant status</b></p>	<p><i>Have you benefited from capital grant funding in respect of any of your assets, and if so are you still subject to capital grant terms and conditions, and for how long?</i></p> <p><i>Are there any pending capital grant applications, and if so provide details.</i></p> <p><i>Do you receive revenue grant funding from any other organisation; is so whom, the value per annum and for what duration, for what purpose, and are there any specific grant terms and conditions?</i></p> <p><i>Are there any pending revenue grant applications, and if so provide details.</i></p>
<p><b>Pros and cons (relative to the inclusion within an ADMC or remaining in the Council's remit)</b></p>	<p><i>Think about how the strengths weaknesses opportunities and threats of your operation and how these can be optimised/managed in the future.</i></p> <p><i>Are you aware of any political, economic, societal, technological, legal or environmental impacts on the facility/function that you operate?</i></p> <p><i>Consider also any impacts on wellbeing using the 7 areas of the wellbeing impact assessment as a guide (prosperity, resilience, healthier, equality, cohesive communities, vibrant culture and thriving Welsh Language, and globally responsible).</i></p> <p><i>How best can these be addressed in the future?</i></p> <p><i>Consider any staffing implications associated with any change, e.g .staffing of residual services, consideration where staff have responsibilities across service areas, shared roles, access to expertise, etc that could be affected by inclusion within an ADMC.</i></p>
<p><b>Author/s &amp; date completed :</b></p>	
<p><b>Recommendation &amp; rationale Authorisation &amp; date</b></p>	<p>This section to be completed by the Project Board</p> <p>Graham Boase</p> <p>Richard Weigh</p> <p>Gary Williams</p>

**Appendix 2B Proposed Alternative Delivery Model, (ADM), for various leisure related activities and functions**

ADM scoping assessments: scoring matrix

Facility/Function	Core to a Leisure Company	Ability to achieve NNDR and/or VAT Relief	Lack of Complexity	Scope for Further Savings	TOTAL
Llangollen Leisure Centre	5	5	5	5	20
Corwen Leisure Centre	5	5	5	5	20
Ruthin Leisure Centre	5	5	5	5	20
Denbigh Leisure Centre	5	5	5	5	20
At Asaph Leisure Centre	5	5	5	5	20
Rhyl Leisure Centre	5	5	5	5	20
Prestatyn Leisure Centre	5	5	5	5	20
Prestatyn Nova	5	5	3	3	16
SC2	5	5	5	5	18
Rhyl Pavilion Theatre	3	5	5	5	18
Rhyl Events Arena, & events function	4	3	5	2	14
North Wales Bowls	5	5	5	5	20
Rhyl Town Hall	2	5	4	5	16
Ruthin Craft Centre	3	5	5	5	16
Llangollen Pavilion	2	5	3	5	15
Operations & Business Support for Commercial Leisure	5	0	5	5	15
Commercial Catering (1891, SC2, Café R)	3	5	4	5	17
Strategic Leisure	5	0	5	5	11
Harbour & Maritime	2	5	5	1	9
Coastal Leisure	1	3	3	1	8
Leisure Development Framework	1	0	3	5	9
Building Cleaning & Public Conveniences	1	0	0	2	4
Integrated Childcare Centre (Oaktree Centre)	1	5	2	1	9
Family Information Service	1	0	0	5	7
<b>Evaluation methodology</b>	<b>Score</b>				
Excellent fit with the criteria	5				
Acceptable fit with the criteria	4				
Partially fits with the criteria	3				
Slightly meets the criteria	2				
Some reservations about the fit with the criteria	1				
Failed to fit the criteria	0				
<b>Threshold for in scope facilities, functions/activities</b>	<b>10 or more</b>				

Facilities	Appendix 2C									
	Llangollen Leisure Centre	Corwen Leisure Centre	Ruthin Leisure Centre	Denbigh Leisure Centre	St Asaph Leisure Centre	Rhyl Leisure Centre	Prestatyn Leisure Centre	Prestatyn Nova		
Sports Hall	✓		✓	✓	✓	✓	✓	✓		
Gymnasium			✓		✓	✓	✓	✓		
Grass Pitch/es	✓*		✓*	✓*	✓*	✓*	✓*	✓*		
All weather pitch	1/3 size	1/2 size 3G	✓	✓	✓ 3G	✓	1/2 size			
Fitness suite	✓	✓	✓	✓	✓	✓		✓		
Studio	✓			✓		✓				
High Intensity Training studio			✓		✓	✓				
Functional Training Room						✓				
Squash Court/s		✓			✓		✓			
Bike Studio						✓				
Climbing Wall							✓			
Swimming pool		✓	✓	✓		✓			✓	
Soft Play Centre										✓
Restaurant/Bar area										✓
Meeting room/s	✓					✓				✓
Outdoor promenade area										✓
Retail unit										✓
SLA with high school	✓		✓	✓	✓	✓	✓	✓		✓
Sublet of space										✓***
✓* School use only										
✓** Flying Start										
✓*** Restaurant & Bar to OBL & retail unit to TSA Ltd										

# Adult Group Exercise Classes Programme 2nd January – 30th June 2019

	Monday	Tuesday	Wednesday	Thursday
Group Cycle@ Rhythm	R	6:30am - 7:15am #	6:30am - 7:00am #	R
Full Body Mobility and Stretching	C	9:30am - 10:15am	9:15am - 10:15am #	N
Plates	R	10:30am - 11:30am	10:00am - 11:00am	R
Aqua Zumba @	R	12:00pm - 12:45pm	11:15am - 12:15pm	N
Gentle Circuits - town	D	1:00pm - 2:00pm	11:30am - 12:30pm	D
Gentle Circuits	C	2:00pm - 3:00pm	12:00pm - 1:00pm	Ru
Group Cycle@ Family Ints+	R	5:30pm - 6:15pm #	1:00pm - 2:00pm	R
Total Body Tone	D	6:00pm - 7:00pm #	6:00pm - 6:45pm #	C
Powerline	R	6:00pm - 7:00pm #	6:00pm - 6:45pm #	R
Boxfit	N	6:00pm - 7:00pm #	6:00pm - 6:45pm #	D
Circuits	Ru	6:00pm - 7:00pm #	6:00pm - 6:45pm #	Ru
Step Fitness	Ru	6:00pm - 7:00pm #	6:00pm - 6:45pm #	Si
Yoga	U	6:00pm - 7:00pm	6:00pm - 6:45pm #	U
Plates	Si	6:00pm - 7:00pm	6:00pm - 6:45pm #	Si
Circuits	N	6:30pm - 7:30pm #	6:30pm - 7:30pm #	N
Group Cycle@ Power	R	6:30pm - 7:30pm #	6:30pm - 7:15pm #	C
Body Blitz	C	6:45pm - 7:30pm	7:00pm - 7:45pm #	R
VR @ Core	N	7:00pm - 7:45pm #	7:00pm - 7:45pm #	Ru
Boxfit	U	7:00pm - 7:45pm #	7:00pm - 8:00pm	Si
Step & Tone	D	7:00pm - 8:00pm #	7:00pm - 8:00pm	U
Circuits	Si	7:15pm - 8:00pm	7:05pm - 8:05pm #	Si
Sleep	R	7:15pm - 8:15pm #	7:30pm - 8:30pm	N
Family Aqua Zumba @+	N	7:45pm - 8:45pm	8:00pm - 8:45pm	C
Swim Fit Widths	R	8:00pm - 9:00pm	8:00pm - 9:00pm	R
Swim Fit Lengths	R	9:00pm - 10:00pm	8:00pm - 8:45pm	R

	Friday	Saturday	Sunday
Group Cycle@ Rhythm	R	6:30am - 7:15am #	9:00am - 10:00am #
Plates	Ru	7:00am - 8:00am	10:00am - 11:00am
Aqua Aerobics	D	8:00am - 8:45am	9:00am - 9:45am
Abs Sculpt	N	10:00am - 10:45am	9:15am - 10:00am #
Plates	R	10:00am - 11:00am	
Zumba @ Toning	R	11:15am - 12:15pm	
Gentle Circuits	D	12:30pm - 1:30pm	
Group Cycle@ Family Ints+	R	5:15pm - 6:00pm #	9:00am - 10:00am #
Ultimate Intervals	R	6:00pm - 7:00pm #	10:00am - 11:00am
Group Cycle@ Rhythm	R	6:15pm - 7:00pm #	
Studio Cycling	D	6:00pm - 6:45pm #	
Aqua Circuits	D	6:30pm - 7:30pm	

### Class Information

Please arrive 10 minutes before a class starts, once class start time has passed no further entries will be allowed. The classes may be subject to change, however every effort will be made to cover classes during instructor absences. All classes are for adults aged 16+

# - Class requires booking. \* Off Peak Session + - Junior member can attend  
 For a description of the classes please see over. For further information please contact Reception.

C	Conven	D	Denbigh	U	Unglollen
N	Nova Prestatyn	R	Rhyl	Ru	Ruthin
St	St Asaph				



### Booking Policy

- This booking policy applies to both on-site and telephone bookings
- Members can book 7 days in advance
- Non Members can book from 4 days in advance
- Cancellations - you must give at least 2 hours notice if you are unable to attend. Failure to do so may result in a non-member fee being charged.
- Should a member turn up for 3 classes they may lose their priority booking privilege for that person from the day of the missed class.
- All class bookings are subject to availability. We cannot guarantee a place on group exercise classes.

**Abx Sculpt** - A mix of exercises to strengthen, tone, and stretch the core muscles of the abdomen and back. Stability Ball and other props may be utilized.

**Aqua Aerobics** - A shallow water class suitable for all levels and abilities incorporating cardiovascular fitness/aerobic burning exercises, muscle conditioning and toning.

**Aqua Circuits** - A circuit class which is the aquatic equivalent to circuits in the gym. Based on a range of activities and movement, participants use equipment such as weights and specialised floats to tone specific muscle groups. Workout which includes an element of improving aerobic fitness.

**Aqua HIT** - A non-weight bearing form of exercise, so the range of movement and intensity is far greater than you can achieve on dry land and most importantly without the impact. The class will improve your fitness, develop muscle tone, help with weight loss and also strengthen your abdominals and core, these are such positive reasons for attending!

**Aqua Zumba** - Known as the Zumba® 'pool party', the Aqua Zumba programme gives new meaning to the idea of an invigorating workout. Spinning, stretching, twisting, even shouting, laughing, hopping and jiggling are often heard during an Aqua Zumba class. Integrating the Zumba formula and philosophy with traditional aqua fitness disciplines, the Aqua Zumba class blends it all together into a safe, challenging, water-based workout that's cardio-conditioning, body-toning, and most of all, exhilarating beyond belief!

**Body Blitz** - A toning class combining high and low compact moves using dumbbells and barbells as resistance to strengthen. An excellent class to tone and shape the body.

**BodyStrong** - First move work, then move often! BodyStrong classes focus on the five fundamental human movements: squat, push, pull, hinge and loaded carries. Training these movements will improve coordination, balance and body posture. Build a strong foundation that functions well and a body that looks and feels great too.

**Bokwa** - A new and completely different approach to group exercise. Bokwa® participants draw letters and numbers with their feet while performing an energizing and addictive cardio workout routine.

**Bonfit** - Top cardio calorie burner, lose weight and look and feel great. Overall body conditioning, best stress relief workout.

**Bodytone** - A low impact class using barbells and dumbbells to tone and sculpt the body

**BodyTone Source** - An excellent fat-burning class using a mini-trampoline for a safe non-impact workout. Great fun and suitable for all levels.

**Circuits - Including Abs Circuit** The class will help to improve strength, balance, flexibility and movement quality as well as raising your cardiovascular performance. Consisting of simple aerobic training i.e. running, skipping, jumping and muscle's endurance stations with options to suit all fitness levels

**Big Circuits** - 'Big Circuits' is a functional based class carried out in our Big area in the Functional Training Room. The Circuit is designed with the purpose of improving all areas of fitness such as Cardiovascular, Strength, Flexibility, Co ordination, and Agility.

**Easyline Circuits** - Circuit training with style! Using hydraulic resistance piston technology Easyline equipment provides you with extra support no pressure on your joints and reduces risk of strain and injury.

**Genie / Easy Circuits** - An exercise referral class open to the public; a moderate intensity all over body workout which can be adapted to suit your ability. Targets upper and lower body strength, aerobic fitness, mobility and flexibility. All exercises are functional and help to improve ability to perform everyday tasks.

**Full Body Mobility and Stretching** - A session that stretches, lengthens and strengthens the deeper muscles to improve body alignment, posture, movement and breathing. It develops awareness of body positioning, encouraging your whole body to work as an integrated unit. The aim of this class is to improve muscle tone, core stability, fitness, posture, balance and flexibility.

**HIT - HIT (High-Intensity Interval Training)** is an intense and highly time-efficient form of interval training that improves body strength, stamina and cardiovascular fitness and enhances overall physical functionality.

**HIT Step - HIT Step** is a new innovative High Intensity Interval Training exercise class using only body weight and a STEP. It has been developed using the expertise and experience from those that have competed for and worked with Team GB.

**Kettlebells - Including Kettlebell Circuits.** Kettlebells deliver unparalleled fitness training so if you are looking to burn fat, build up tight levels of cardio fitness and phenomenal gains in strength and power then you need to start training with them now!

**Leisurely Walk** - An exercise referral class open to the public; A gentle paced walk from the Leisure Centre. Great opportunity to socialise and meet new people.

**Legs Burns and Tunes** - An intensive workout to tone, strengthen and condition all major muscles. It is also designed to improve body tone and flexibility with special focus on the legs, bum and tum

**Planks** - Planks stretches lengthens and strengthens the deeper muscles to improve body alignment, posture, movement and breathing. It develops awareness of body positioning, encouraging your whole body to work as an integrated unit. Planks also improve muscle tone, core stability, fitness, posture, balance and flexibility.

**Nordic Walking** - Nordic walking is a full-body exercise that's easy on the joints and suitable for all ages and fitness levels.

**Nordic walking** was originally a summer training regime for cross-country skiers. It's based on using specially designed walking poles in a way that increases the power of the upper body to propel you forward as you walk. It's now a recognised way to turn a walk into whole-body exercise that can be done by anybody, anywhere.

**Powerzones** - A top to toe toning class using dumbbells and barbells as resistance to strengthen tone and shape both the upper and lower body. An excellent all over conditioning class

**Rowing** - Health benefits of an indoor rowing class are many and varied. As an ultimate full body workout, you are using 60% of your muscles across nine major muscle groups. An indoor rowing class is highly efficient, and a short session burns upwards of 300 calories in 30 minutes. Indoor rowing is a great cross training which benefits many different sports including cardiovascular training. Rowing machines are fun and can be varied so that you never get bored.

**Power** - Power is a fitness resistance class with the focus on strength and power - low reps with high resistance. It is predominantly a barbell based class but many aspects of equipment training can be utilised. This class gets participants results FAST and feels great too!

**Studio / Group Cycle** - Indoor cycling classes are done with various music settings to create an energised atmosphere. Instructors guide participants through workout phases. Warm-up, steady up tempo cadences, sprints, climb, cool-downs, etc. You control resistance on your bike to make the pedalling as easy or difficult as you choose.

Classes include reproduction classes: Rhythm, RPM, Sprint and Power

**Step** - A fantastic fat-burning class that aids weight loss and improves general overall fitness. Low and High workout options given to suit all levels.

**Step Fitness** - A fat burning class that improves general fitness. Low and High work out options given to suit all levels.

**Step & Tone** - A classic form of exercise that's suitable for all abilities with and improves general overall fitness. Low and high workout options given to suit all levels - follow step combinations with body conditioning.

**Swim Fit - Swim Fit** With this is a class which focuses on stroke technique. Swim Fit Lengths combines a cardiovascular workout with stroke technique. Both classes are tailored to your swimming ability.

**Step Moves** - A simple and effective workout using easy to follow step combinations with body conditioning intervals. Suitable for all levels with options for higher intensity as required.

**Tabata** - A form of high intensity training done for a specific period of time usually between 4-24 minutes. Whatever exercise you use, Tabata training will raise your metabolic rate and heart rate immediately

**Tai Chi** - Tai Chi Qong is a gentle group activity which helps with stress relief, poor circulation, joint problems and respiratory disorders. It also helps improve body alignment and balance. Suitable for Cardiac Rehabilitation

**Total Body Tone** - A combination of easy to follow energy moves with targeted body shaping exercises. Increase your motivation with this fun workout and get results!

**Total Core** - A universal core workout focusing on building core strength, endurance and definition.

**Tri-Circuits** - A challenging combination of step, rebounder and resistance for a fabulous interval training class. Working to varying tempos for a great calorie killer

**Ultimate Intervals** - A simple to follow workout which incorporates the option of short bursts of high intensity intervals giving maximum results in the minimum of time. A fantastic training session that fires the body to burn calories up to 40 hours post workout

**VPP® Core** - The ultimate whole body workout by bridging the gap between movement and strength. The possibilities are quite literally endless and is a great dynamic way to work out. Suitable for all fitness abilities.

**Yoga** - Vegetables blends together the best principles of Yoga and Pilates. Concentrating on strength, flexibility and postural alignment to improve core stability, enhance body shape and muscle tone.

**Yoga** - An authentic professional blend of asana (posture), pranayama (control), mudra (energetic gestures) and mantra (sound vibrations) Outwelling unity and mind, promoting strength, balance and flexibility, inspiring, challenging yet a gentle practice open to all abilities

**Zumba** - Luscious with red-hot dance steps, Latin rhythms and easy to follow routines, this dance-fitness 'party' will have you moving, growing and blasting the weight off to exotic rhythms of Salsa, Cumbia, Samba, Merengue, Reggaeton and much more

**Zumba® Toning** - When it comes to body sculpting, Zumba® Toning takes the bar (or rather, the toning stick). It combines targeted body-sculpting exercises and high-energy cardio work with Latin-inspired Zumba moves to create a calorie-burning, strength-toning dance fitness-party. Zumba Toning is the perfect way for athletes to sculpt their bodies naturally while having a total blast!

**Group Exercise Class Prices**

Leisure Card - £4.65  
Standard - £6

Yoga (1.5 hrs)  
Leisure Card - £4.25 / Standard £5.25

**Come here often?**

Class Credit West Members to  
£27.00 per month

Class Credit Gym Group South  
£30 per month

**Appendix 2E Municipal Leisure Centres & Prestatyn Nova – Opening hours of dry side facilities and swimming pools**

	Mon	Tues	Wed	Thur	Fri	Sat	Sun
<b>Llangollen Leisure Centre</b>	07.30-21.00	09.00-21.00	07.30-21.00	09.00-21.00	09.00-21.00	09.00-13.00	09.00-13.00
<b>Corwen Leisure Centre</b>	08.30-21.00	09.00-21.00	14.00-21.00	09.00-21.00	07.00-19.00	08.15-12.30	08.30-12.30
<b>Ruthin Leisure Centre</b>	06.30-22.00	06.30-22.00	06.30-22.00	06.30-22.00	06.30-21.00	06.00-15.00	09.00-16.00
<b>Denbigh Leisure Centre</b>	06.30-21.00	06.30-21.00	06.30-21.00	06.30-21.00	06.30-20.30	08.30-15.30	09.00-18.00
<b>St Asaph Leisure Centre</b>	06.45-22.00	15.00-22.00	06.45-22.00	15.00-22.00	06.45-21.00	08.30-13.00	08.30-13.00
<b>Rhyl Leisure Centre</b>	08.15-22.00	06.15-22.00	06.15-22.00	06.15-22.00	06.15-21.30	08.00-17.00	08.30-21.00
<b>Prestatyn Leisure Centre</b>	16.30-22.00	16.30-22.00	16.30-22.00	16.30-22.00	16.30-21.00	Closed	Closed
<b>Prestatyn Nova:</b>							
<b>Fitness Suite</b>	06.30-21.00	06.30-21.00	06.30-21.00	06.30-21.00	06.30-21.00	08.30-18.00	08.30-18.00
<b>Adventure Play</b>	09.00-18.00	09.00-18.00	09.00-18.00	09.00-18.00	09.00-18.00	09.00-18.00	09.00-18.00
<b>Café &amp; Bar</b>	09.30-18.00	09.30-18.00	09.30-18.00	09.30-18.00	09.30-18.00	09.30-18.00	09.30-18.00

**Notes :-**

Bank Holidays- All facilities are closed with the exception of the Prestatyn Nova, which remains open for all Bank Holidays other than Christmas Day, Boxing Day and New Year's Day



# Corwen Leisure Centre - Swimming Timetable

From 4th March  
to 14th April 2019

01490 412600

<p><b>Monday</b> 7.00am – 8.30am 12.00pm – 1.00pm 3.00pm – 4.00pm 4.00pm – 6.15pm 6.15pm – 7.45pm 7.45pm – 9.00pm</p>	<p>Public Swim # Public Swim # Public Swim # Junior Swimming Lessons Swimming Club Adult Swim #</p>	<p><b>Thursday</b> 9.00am – 12.00pm 12.00pm – 1.00pm 3.30pm – 6.00pm 6.00pm – 7.30pm 7.30pm – 8.30pm 8.30pm – 9.00pm</p>	<p>Water Babies Public Swim # Junior Swimming Lessons Public Swim # Aqua Aerobics # Public Swim #</p>
<p><b>Tuesday</b> 9.15am – 10.00am 10.15am – 11.45am 12.00pm – 1.00pm 3.00pm – 4.00pm 4.00pm – 8.00pm 8.00pm – 8.30pm 8.00pm – 9.00pm</p>	<p>Aqua Aerobics Toddler Splash Time # *~ Public Swim # Public Swim # Swimming Lessons / Swimming Club Adult Swimming Lessons Lane Swim # (Cooler pool temperature)</p>	<p><b>Friday</b> 7.00am – 8.30am 12.00pm – 1.00pm 3.00pm – 3.45pm 3.45pm – 4.45pm 4.45pm – 6.15pm</p>	<p>Public Swim # Public Swim # Public Swim # Swimming Lessons Swimming Club</p>
<p><b>Wednesday</b> 2.00pm – 3.30pm 4.00pm – 7.00pm 7.00pm – 7.30pm 7.30pm – 9.00pm</p>	<p>Public Swim # Junior Swimming Lessons Adult Swimming Lessons Public Swim #</p>	<p><b>Saturday</b> 8.15am – 11.30am 11.45am – 12.30pm</p>	<p>Junior Swimming Lessons Public Swim # / Pool Party (Please phone to enquire)</p>
<p><b>Due to staff training there will be no public swimming Tuesday 3pm-4pm on the following dates:</b></p>	<p><b>12th March &amp; 9th April</b></p>	<p><b>Sunday</b> 8.30am – 10.00am 10.00am – 11.00am 11.00am – 12.30pm 12.30pm – 1.30pm</p>	<p>Public Swim # Family Swim # + Public Swim # Pool Party (Please phone to enquire)</p>

# - Free session for all 60+ swimmers.

\* - £1 per adult.

-- 3 years and under

+ - Children are free with a paying adult.  
This timetable is subject to change.

Under 8's – Please refer to our admissions policy

hamdden  
leisure

Cytleoedd i bawb gwellu bywydau | Opportunities for all, improving lives  
www.hamddensirdinbych.co.uk |

www.denbighshireleisure.co.uk

sir ddinbych  
denbighshire

# Ruthin Leisure Centre - Swimming Timetable

Flap 4th March  
to 12th April 2019

01824 712665

<b>Monday</b> 6.45am - 8.45am 10.30am - 11.30am 3.45pm - 6.00pm 6.00pm - 7.00pm 7.00pm - 8.00pm 8.00pm - 9.00pm	Public # * Public # * Swimming Lessons Ruthin Swim Club Disability Swim Adult Swim #	<b>Thursday</b> 6.45am - 8.45am 12.45pm - 1.30pm 3.45pm - 6.15pm 6.15pm - 7.15pm 7.15pm - 8.30pm 8.30pm - 9.30pm	Public # * Public # * Swimming Lessons Public # * Ruthin Swim Club Adult Swim #
<b>Tuesday</b> 6.45am - 8.45am 12.45pm - 1.30pm 5.00pm - 6.00pm 6.00pm - 8.25pm 8.30pm - 9.30pm	Public # * Public # * Swimming Club Public Swim # * (3 lanes only 6.00pm - 7.00pm) Swim Fit (Coached Session)	<b>Friday</b> 6.45am - 8.45am 12.45pm - 1.30pm 4.00pm - 6.00pm 6.00pm - 8.00pm 8.00pm - 9.00pm	Public # * Public # * Ruthin Swim Club Junior Triathlon Club Adult Swim Lengths # * (3 Lanes)
<b>Wednesday</b> 6.45am - 8.45am 12.45pm - 1.30pm 3.45pm - 7.00pm 7.00pm - 7.30pm 7.30pm - 8.30pm 8.30pm - 9.30pm	Public # * - 2 lanes available Public # * Swimming Lessons Adult Swimming Lessons / Swim Technique Aqua Circuit # Adult Swim # *	<b>Saturday</b> 8.00am - 12.00pm 12.00pm - 2.00pm	Swimming Lessons Public # *
		<b>Sunday</b> 9.00am - 9.45am 10.00am - 11.30am 11.45am - 1.15pm 2.00pm - 4.00pm	Parent & Toddler (Children 3 & Under) Family Swimming # + Public Swimming # * (2 Lanes) Ruthin Swimming Club

# - Free session for all 60+ swimmers.  
\* - Session includes lanes.

+ - Children are free with a paying adult.  
This timetable is subject to change.

Under 8's - Please refer to our admissions policy

# Denbigh Leisure Centre - Swimming Timetable

From 4 March  
to 12 April 2015

01824 712664

<b>Saturday</b>	8.30am-12.30pm 12.30pm-1.30pm	Swimming Lessons Public *#	<b>Wednesday</b>	6.30am - 7.45am 7.45am - 8.45am	Public Lane Swimming # (2 Lanes only) Public Lane Swimming #
<b>Sunday</b>	9.00am-9.45am 9.45am-11.45am 12.00pm-1.00pm 3.00pm-6.00pm	Parent & Toddler Family Swimming +# Public *# Denbigh Swimming Club		3.30pm - 6.00pm 6.00pm - 6.45pm 7.00pm - 8.00pm 8.00pm - 9.00pm	Swimming Lessons Aqua Aerobics # Public *# Adult Swim *#
<b>Monday</b>	6.30am-8.45am 3.30pm-5.30pm 5.30pm-6.30pm 6.30pm-7.30pm 7.30pm-8.15pm 8.15pm-9.00pm	Public *# Swimming Lessons Denbigh Swimming Club Public *# Aqua natal Adult Swim *#	<b>Thursday</b>	6.30am - 8.45am 12.40pm - 1.10pm 4:00pm - 4:45pm 5.00pm - 8.00pm 8.00pm - 9.00pm	Public Lane Swimming # Public *# Free Disability Swimming Session Denbigh Swimming Club Adult Lane Swim *#
<b>Tuesday</b>	6.30am-7.45am 7.45am-8.45am 12.40pm-1.10pm 3.30pm-5.30pm 5.30pm-7.00pm 7.00pm-8.00pm 8.00pm-8.30pm	Public Lane Swimming # (2 Lanes only) Public Lane Swimming # Public *# Swimming Lessons Denbigh Swimming Club Public *# AQUA HIIT	<b>Friday</b>	6.30am - 8.00am 8.00am - 8.45am 12.40pm - 1.10pm 3.30pm - 6.30pm 6.30pm - 7.30pm 7.30pm - 8.30pm	Public Lane Swimming # Aqua Aerobics # Parent & Toddler Swimming Lessons Aqua Aerobics # Public *#

Tudalen 91

# - Free session for all 60+ swimmers.  
\* - Session includes lanes.

+ - Children are free with a paying adult.  
This timetable is subject to change.

Under 8's - Please refer to our admissions policy

hamdden  
leisure

Cyfleoedd i bawb, gwella bywydau | Opportunities for all, improving lives  
[www.hamddensirdinbych.co.uk](http://www.hamddensirdinbych.co.uk)

[www.denbighshireleisure.co.uk](http://www.denbighshireleisure.co.uk)

sir ddinbych  
denbighshire

# Rhyl Leisure Centre – Swimming Timetable

From 4 March to  
14 April 2019

01824 712661

**Monday**  
6.30am – 8.30am  
11.00am – 12 Noon  
12 Noon – 12.45pm  
4.00pm – 6.30pm  
5.00pm – 6.30pm  
6.45pm – 8.00pm  
8.00pm – 9.00pm  
9.00pm – 10.00pm

**Tuesday**  
7.30am – 8.30am  
11.00am – 11.45am  
4.00pm – 6.00pm  
6.15pm – 7.30pm  
7.30pm – 8.30pm  
8.30pm – 9.30pm

**Wednesday**  
7.30am – 8.30am  
4.00pm – 6.30pm  
6.30pm – 7.30pm  
7.30pm – 9.00pm  
9.00pm – 10.00pm

Early Risers Lane Swim ~ \* #  
Adult Swim ~ #  
Aqua Zumba #  
Swimming Lessons  
Swimming Club  
Public \* #  
Swim Fil Widths #  
Swim Fil Lengths #

Early Risers Lane Swim ~ \* #  
Public ~ \* #  
Swimming Lessons  
Public \* #  
Aqua Zumba #  
Adult Swim ~ #

Early Risers Lane Swim ~ \* #  
Swimming Lessons  
Public \* #  
Swimming Club  
Sub Aqua

## Thursday

4.00pm – 6.30pm  
5.00pm – 6.30pm  
6.45pm – 8.30pm

## Friday

7.30am – 8.30am  
2.45pm – 3.30pm  
3.30pm – 6.30pm  
6.30pm – 8.45pm

## Saturday

8.00am – 12 Noon  
11.45am – 12.30pm  
12.30pm – 1.45pm  
2.15pm – 3.00pm  
3.30pm – 4.20pm

## Sunday

9.00am – 10.00am  
9.00am – 9.45am  
10.00am – 11.00am  
10.00am – 10.45am  
11.00am – 1.15pm  
1.45pm – 3.00pm  
3.15pm – 4.15pm  
4.15pm – 5.45pm  
6.30pm – 8.30pm

Swimming Lessons  
Swimming Club  
Public \* #

Early Risers Lane Swim ~ \* #  
Public \* #  
Swimming Lessons  
Swimming Club

Swimming Lessons  
Adult Swim ~ #  
Public \* #  
Wibit AquaTrack Inflatable  
Pool Party – Wibit AquaTrack Inflatable ^

Adult Swimming Lessons  
Parent & Toddler (Children 36 months & under)  
Adult Swim ~ #  
Parent & Toddler (Children 36 months & under)  
Public \* #  
Public \* #  
Disability Swimming Session – Free  
Disability Swimming Lessons  
Swimming Club



# - Free session for all 60+ swimmers.  
\* - Session includes lanes.  
~ - Main pool only.

+ - Children are free with a paying adult.  
^ - Birthday parties are private sessions, please contact Reception for availability.

This timetable is subject to change.

Under 8's – Please refer to our admissions policy

# Nova – Swimming Timetable

From 4 March to  
14 April 2012

01824 712323

<b>Monday</b>	6.30am – 9.00am 9.30am – 11.00am 9.45am – 11.00am 11.00am – 12 Noon 12.15pm – 1.00pm 1.15pm – 2.15pm 4.00pm – 7.15pm 7.45pm – 8.45pm	<b>Tuesday</b>	12 Noon – 1.00pm 1.30pm – 3.00pm 3.30pm – 7.15pm	<b>Wednesday</b>	9.30am – 11.00am 11.30am – 12.30pm 12.45pm – 1.30pm 1.45pm – 2.15pm 2.45pm – 4.45pm 5.15pm – 7.15pm 7.30pm – 8.30pm	<b>Thursday</b>	6.30am – 9.00am 9.30am – 10.30am 12 Noon – 1.00pm 2.00pm – 3.00pm 4.00pm – 7.00pm 7.00pm – 7.30pm	<b>Friday</b>	10.30am – 11.30am 12 Noon – 1.00pm 1.15pm – 2.15pm 2.30pm – 3.15pm 5.00pm – 7.15pm 7.30pm – 8.30pm	<b>Saturday</b>	9.00am – 10.00am 10.15am – 1.00pm 1.30pm – 2.30pm 3.00pm – 5.00pm	<b>Sunday</b>	8.00am – 12.45pm 1.00pm – 3.00pm 3.30pm – 5.30pm
Early Risers Lane Swim ~ # Aqua Babies * ~ Parent & Toddler ~ (Children 36 months & under) School Swimming Lane Swim ~ # School Swimming Swimming Lessons Aqua Zumba * #	Early Risers Lane Swim ~ # Aqua Babies * ~ Lane Swim ~ # Public ~ # Swimming Lessons Disability Swimming Lessons	Lane Swim ~ # Public ~ # Swimming Lessons School Swimming Aqua Zumba * # Lane Swim ~ # Public ~ # Swimming Lessons	Lane Swim ~ # Public ~ # Swimming Lessons School Swimming Aqua Zumba * # Lane Swim ~ # Public ~ # Swimming Lessons	Lane Swim ~ # Public ~ # Swimming Lessons School Swimming Aqua Zumba * # Lane Swim ~ # Public ~ # Swimming Lessons	Lane Swim ~ # Public ~ # Rafts & Floats ~ # Public ~ # Swimming Lessons Public ~ # Public & Family Swim + #	Lane Swim ~ # Public ~ # Swimming Lessons Public ~ # Public & Family Swim + #	Lane Swim ~ # Public ~ # Swimming Lessons Public ~ # Public & Family Swim + #	Lane Swim ~ # Public ~ # Swimming Lessons Public ~ # Public & Family Swim + #	Lane Swim ~ # Public ~ # Swimming Lessons Public ~ # Public & Family Swim + #	Lane Swim ~ # Public ~ # Swimming Lessons Public ~ # Public & Family Swim + #	Lane Swim ~ # Public ~ # Swimming Lessons Public ~ # Public & Family Swim + #	Lane Swim ~ # Public ~ # Swimming Lessons Public ~ # Public & Family Swim + #	Lane Swim ~ # Public ~ # Swimming Lessons Public ~ # Public & Family Swim + #

- # - Free session for all 60+ swimmers.
- - Main pool only.
- \* - This session requires booking

+ - Children are free with a paying adult.  
This timetable is subject to change.

Under 8's – Please refer to our admissions policy

Appendix 2F		
PAVILION THEATRE, RHYL April 2018 - March 2019		
2018/19 Diary		
Date	Show	Production Company
13th April	Totally Tina	Artistes International
14th April	The Magic of Hollywood ETM	PASHA
15th April	You Win Again	Entertainers
19th April	The Bohemians	ETM
27th April	Derek Acorah	Brian Shaw Concerts
28th April	The Manfreds	DFO
4th May	Joe McElderry	Celeb Agents
9th May	The Little Mermaid	Ballet UK
12th May	Martine McCutcheon	ETM
19th May	Jane Heckman	Stagecoach
24th May	Rhythm of the Night	Aspire Media
26th May	The Carpenter Story	Derek Block
13th June	Anfield Legends	Aspire Media
17th June	The Elvis Years	The Elvis Years
22nd June	Les Musicals	Amick Productions
28th June	Prestatyn High Sch ROA	Record of Achievement
29th June	Pink Floyd Tribute	Open Hand
30th June	Rhythm of the Dance	Audienceaware
2nd - 6th July	Footloose	Ysgol Emrys Ap Iwan
7th / 8th July	Dance Fusion	Linzi Grace
11th July	Na Neil!	Arad Goch
12th July	Denbighshire Music	Denbighshire Music Coop
13th - 14th July	North Wales School	DecaDance
15th July	Raymond Froggatt	RBM Concerts
17th July	Play List for Gar Harris Show	Gay Harris Dancers/Local Dance School
18th July	Jason Manfred	Phil McIntyre Ents
20th July	Jools Holland	Miracle Artists
21st July	Rock n Roll Paradise	Johnny Mans
23-27th July	Junior showtime + rehearsals	Gay Harris Dancers

28th July	Let's Hang On	Audienceaware
2nd August	Milkshake	Nett Uk
3rd August	Junior Showtime '18	Gay Harris Dancers
6th - 11th Aug	Goodnight Mr Tom	Theatre in the Community
12th August	Junior Showtime '18	Gay Harris Dancers
17th Aug	Junior Showtime '18	Gay Harris Dancers
19th August	Get In for Cilla	Bill Kenwright Ltd
20th August	Get In for Cilla	Bill Kenwright Ltd
21st - 25th Aug	Cilla the Musical	Bill Kenwright Ltd
31st Aug	Supersonic Seventies	Greg Hart Productions
1st Sept	Treasure Island	Magic Light Productions *****
2nd Sept	Body Rock Roadshow	Body Rock Dance Academy
6th Sept	Lipstick on your collar	Lip Stick on Your Collar Productions
8th Sept	The Story of the Beach Boys	Beach Boyz Tribute
15th Sept	Go Now: The Story of the Moody blues	Gordy Marshall
20th Sept	Rob Brydon	Live Nation
27th Sept	Joe Pasquale	Talented Artists
28th Sept	The Drifters	Artistes international
29th Sept	The World Famous Elvis	LPM Events
30th Sept	Rip it UP	Nail O'Brien Eats
4th Oct	Roy Chubby Brown	
5th Oct	Luther Vandross Tribute	Book Em Danno
6th Oct	90's Night (Kuta)	Kuta Events
7th Oct	Buddy Holly	Individual Entertainments Ltd
11th Oct	Swan Lake	Amande/Book Em Danno
12th Oct	Quadrophenia	Book Em Danno
13th Oct	Bay City Rollers	Tangent Management
19th Oct	Sally Morgan	Audience Aware
20th Oct	Navi King of Pop	Artistes International
25th Oct	10CC	Kennedy Street/Nick Leigh
26th October	Abba Mania	Handshake
27th - 28th Oct	Young Farmers / cancelled	
	This is the Greatest Show	Book Em Danno
8th Nov	Fast Love George Michael	Entertainers
9th Nov	Royal British Legion	Poppy Appeal WW1
10th Nov	The Mersey Beatles	Cuffe & Taylor
11th / 17th Nov	Oliver	Power Play
18th Nov	Whitney Show	Flying Muisic
24th Nov	Popcorn	Inferno Dance
25th Nov	Legally Blond Jnr	Jane Heckman School of Dance
26th/27th Nov	Welsh Panto	Cwmni Mega
28th Nov 2018 - 5th Dec	Panto	UK Productions
26th Jan	Max Boyce	Handshake (SD)
29th Jan	Dan Snow	Cloud Nine Entertainments
1st Feb	Searchers	Alan Field Association
7th Feb	Opera Boys	Roy Hastings
8th Feb	Ga Ga - A Tribute to Queen	Graham Patrick
9th Feb	Michael Starring Ben	James Baker Productions
13th Feb	Gael Force Dance	ETM
14th Feb	Legends of American Country	JMG Music Group
15th Feb	Eisteddfod yr Urdod 2020	Rhyl & Rhuddlan Fund Raising Committee
25th Feb	Wrestling	Welsh Wrestling
28th Feb	The Purreys	19 Stockton Green, Castleknock, Dublin, 15K 38P
1st March	St David's Day Concert (SD)	St Kentigerns Hospice
9th March	Thank Abba for the Music (P) (SD)	Derek Block
10th, March	Sooty	Book Em Danno
14th March	Jason Mansford	Phill McIntyre
15th March	A Beautiful Noise	Flying Music
16th March	Got to Sing Got to Dance	Rainbow Promotions
21st March	Flash Back	Can Sing Ltd
22nd March	Gruffydd Wyn	
24th - 30th March	Joseph	Bill Kenwright Ltd

Appendix 2G Rhyl Events Arena Programme

<b>Event</b>	<b>Date</b>	<b>Venue</b>	<b>Act/Performer</b>
Seaside Soul	21 <sup>st</sup> August, 2016	Rhyl Events Arena	Jimmy James & The Vagabonds
Seaside Soul	21 <sup>st</sup> August, 2016	Rhyl Events Arena	The Real Thing
Seaside Soul	21 <sup>st</sup> August, 2016	Rhyl Events Arena	Still Drifting featuring Ray Lewis
Seaside Soul	21 <sup>st</sup> August, 2016	Rhyl Events Arena	Midnight Soul Sisters
Nostalgia Fest	13 <sup>th</sup> August 2017	Rhyl Events Arena	Odyssey
Nostalgia Fest	13 <sup>th</sup> August 2017	Rhyl Events Arena	Aswad
Nostalgia Fest	13 <sup>th</sup> August 2017	Rhyl Events Arena	The Christians
Nostalgia Fest	13 <sup>th</sup> August 2017	Rhyl Events Arena	Doctor and the Medics
Arena Fest	12 <sup>th</sup> August, 2018	Rhyl Events Arena	Heather Small
Arena Fest	12 <sup>th</sup> August, 2018	Rhyl Events Arena	Showaddywaddy
Arena Fest	12 <sup>th</sup> August, 2018	Rhyl Events Arena	Maxine Mazumder as Dusty
Arena Fest	12 <sup>th</sup> August 2018	Rhyl Events Arena	Doctor and the Medics
Arena Fest	12 <sup>th</sup> August, 2018	Rhyl Events Arena	Yubaba

Above is a list of the Artists / Bands that have performed at Rhyl Arena 2016 / 17 / 18.

All the other Events listed within the events calendar are sporting events



# RUTHIN CRAFT CENTRE



## **Our Vision**

***To Celebrate Craft and the Art of Making***



- **By presenting the very best Contemporary Craft from Wales, the UK and Internationally**
- **By supporting makers of Contemporary Craft**
- **By providing opportunities for engagement with Craft and Making**

**'Craft Counts' programme Fact:**  
Since re-launch in 2008 the Centre's 3 main exhibition galleries have, in 10 years, shown 124 exhibitions (solo & group displays) – exhibiting the work of 966 makers from Wales, UK and internationally.





### 1. Presentation

- Destination venue for Contemporary Craft both physical and virtual
- Open to the public 362 days per year – Free admission
- Changing Exhibition programme across multiple gallery spaces
- Provision of interpretation and information, e.g. publications, films, resource materials
- Working collaboratively and in partnership with key national and international organisations
- Displaying the diversity of 'craft' and applied art

### 2. Support

- Recognition and celebration of established practitioners
- Identification and nurturing of next generation of makers
- Exhibition and Retail opportunities for makers
- Facilitate 'Collection' acquisition opportunities for makers
- Mentoring and training opportunities
- Residency and engagement opportunities

### 3. Engagement

- Activities programme for all ages / all levels
- Embracing the breadth of 'craft' and the art of making
- Opportunities change throughout the year – not static
- Gallery & Exhibition talks / lectures / demonstrations
- Outreach work with schools, colleges, community and targeted groups
- Encouraging the next generation of makers
- Master-classes and hands-on participation



*“Over the last 25 years Hughes (with his deputy director Jane Gerrard) has done an extraordinary thing: creating the nation’s most vibrant and cutting-edge contemporary craft gallery in north Wales.”*

**‘Power List – of the most influential people in British craft’  
Crafts Magazine (May/June 2018)**

**Our Assets are many and varied but include the following:-**

- **Reputation**
- **Status**
- **Support & Following**
- **Infrastructure**
- **Creativity**

### **Reputation**

The quality of the exhibitions, touring and publications emanating from RCC over 25 years of operation has established its reputation within the sector and internationally. Over this period the combination of the complementary skills of Philip Hughes as Director and Jane Gerrard as Deputy Director has been axiomatic to the development of that reputation.

**In 2017 the Director, Philip Hughes, received an MBE  
- for services to Craft and Applied Art**

The successful model of bringing in experienced and knowledgeable guest curators to create exhibitions within their specific specialisms allows a breadth and diversity of voices alongside an easy authority across the disciplines. The programming of the Centre is informed by regular and on-going creative conversations with craftspeople, individuals and organisations in Wales, the UK and internationally.

### **Status**

RCC receives annual revenue funding as one of the Arts Council of Wales’ revenue funded portfolio. We regularly represent Wales at events such as COLLECT (The International Art Fair for Contemporary Objects – presented by the Crafts Council).

***Ruthin Craft Centre stands as the nation’s most significant  
centre for the crafts and applied arts in Wales.***  
**ACW investment review 2015**

The Centre is owned by Denbighshire County Council (DCC) within its Leisure Portfolio giving us access to a wide range of financial, H.R. and maintenance services. We work to delivering the local authorities priorities, as set out in the DCC Corporate Plan including connected communities, resilient communities and support for young people.

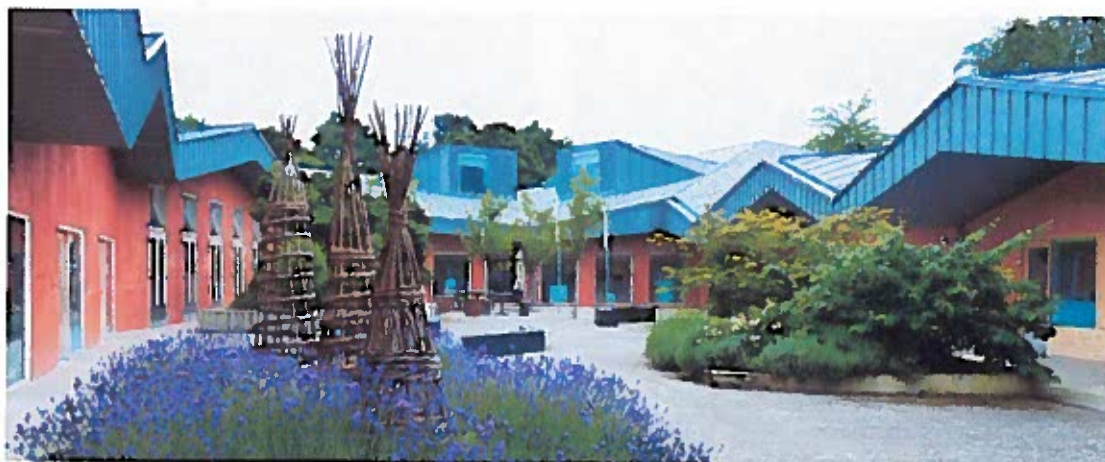
We are an active member of VAGW, the networking group for Visual Arts organisations in Wales.

### **Support & Following**

The present levels of support and engagement gained by our limited use of social media identify this as fertile ground for further investment of time and resources:

- **Following GDPR updating (May 2018) RCC maintained a subscriber database of over 1,000; a 50% retention rate**

- Open rate for Mailchimp announcements and updates is 50-60% against an industry standard of 23% (for arts sector)
- RCC Twitter account has over 3,000 followers
- Visitor numbers to site are approx. 70,000 per year



### **Infrastructure**

In 2008 the Centre re-opened after a major £4.3 million refurbishment with £3.2 million investment (75%) from ACW Capital Lottery - (25%) from DCC and other funders. The Centre comprises - 3 Exhibition Galleries, a Retail Gallery (shop), Education Space and Project Space workshops, tourist information point and Café with a courtyard terrace. There is a free car park with capacity for 70 cars and 6 coach bay parking areas. The centre is open from 10am to 5.30pm, 362 days of the year – closing only 3 days - Christmas, Boxing & New Year.

The Centre sits within its own extensive grounds. In 2015 we embarked upon a programme of environment development by introducing 190 square metres of wild flower planting for pollination across the extensive car park planting beds with support from both the Town Council and the Keep Wales Tidy – National Buzz scheme. In 2016 we were awarded an additional development grant and became one of the 9 Welsh Natural Buzz 2016 Demo Sites – with additional planting and works undertaken within the courtyard and the car park areas.

We are exploring potential further development in this area such as public art installations/creations and external exhibition opportunities within the courtyard areas etc.



## **Creativity**

Craft and its linked creativity is in itself a strength. It's potential as one of the Creative Industries and to improving Health and Well Being is increasingly recognised and links to the aims of the Well-being of Future Generations Act (Wales) 2015.

We work as Wales' leading venue for Applied Art and help deliver the Craft Council of Great Britain's vision of Craft:

*Craft is for everyone*

*Craft encourages us to appreciate beauty and authenticity. To celebrate ideas. To value materials and notice how things are made.*

*It moves, amuses and provokes. It pushes us to ask questions, to be sensitive and to think carefully.*

*Craft gives us a link to the physical. A need to touch, shape, mould, feel and create. To roll up our sleeves, have a go and get our hands dirty. To say, what would happen if?*

*It encourages us to think with our hands. Feel with our heads. Listen with our eyes.*

*Craft Changes lives.*

*It brings people together, starting conversations and changing communities. It connects industries. Opens up opportunities. Makes the futuristic possible.*

*The urge to make is human. Let's celebrate the achievement of our makers, collectors and supporters at a time when it matters more than ever.*

*Let's make a difference.*

**The Case for Craft: 2015-16 Impact Report, Crafts Council**

## **Ruthin Craft Centre**

### **Our Aims**

- **To develop, present and promote creativity, artistic excellence and innovation across all areas of Applied Arts practice**
- **To support the makers of Contemporary Craft at all stages of their careers**

- **To create and maximise opportunities for people to engage with and benefit from the very best in the Applied Arts**
- **To ensure that RCC runs along successful business and operational lines**
- **To be *the* destination for Contemporary Craft**

**Aim 1: To develop, present and promote creativity, artistic excellence and innovation across all areas of Applied Arts practice**

*The conscientious role that Ruthin Craft Centre plays in the promotion and innovative presentation of contemporary crafts should be encouraged.*

**The Goldsmiths' Company**

This aim expresses our core artistic mission. We need to ensure that Craft and Creativity are, and are seen to be, at the centre of all we do. The challenge as a Destination for Craft is to ensure that the experience of beautifully created Applied Art is not only implicit but explicit in our presentation to our audiences.



Our galleries and their carefully selected and curated exhibitions are at the heart of our Centre. The exhibitions, some of which have proved seminal as unique showings in the whole of UK, have generated a profile and awareness of Wales as a place that generates and welcomes artistic practice of the highest international standard and ambition.

We present a balanced spectrum of Applied Arts media, exploring the fullest range of professional artistic practice, resulting from new approaches to curation and comprising a range of survey, monograph and thematic exhibitions. Our programming each year covers the following categories of exhibition:

- The profiling of new and innovative practice within the Applied Arts
- The production of new major exhibitions profiling the work of key practitioners
- Increasing the value of international cultural exchange to the arts in Wales
- The identification and promotion of the next generation of leading practitioners

## **Aim 2: To support the makers of Contemporary Craft at all stages of their careers**

*Since 1996, Ruthin Craft Centre has supported my practice and has been the main exponent of what I have been trying to achieve in my work and I owe them much gratitude for my success.*

**Claire Curneen, Ceramic Artist**

We research, identify and profile the very best of new talent. In doing so, we not only show the work but we also mentor and encourage the artists giving them the necessary support to facilitate the development of their careers.

Ensuring a vibrant and healthy economy to sustain creative and entrepreneurial Applied Artists is vital to the future and sustainability of the Centre. We undertake the following actions to support Applied Artists to develop and maintain their careers:

- Providing exhibition opportunities both in our main galleries and in the studio spaces
- Providing retail opportunities in our retail gallery and through our artist showcases
- Residency opportunities to support funded development work
- Opportunities to obtain employment as workshop leaders and assistants
- Support to source funding and opportunities to develop careers of young or emerging artists and those at mid-career
- Professional development work of a wide-ranging nature including master-classes, seminars and symposia, lectures and professional networking events and portfolio review opportunities.
- Working with artist networks such as Helfa Gelf to communicate with a wide range of local artists and craftspeople
- Deliver mentorship surgeries, Marketing Strategy workshops, Open Studios and focus seminars for artists and makers covering a range of topics that will allow them to develop their practice.

*The Goldsmiths' Company have a long-standing relationship with Ruthin Craft Centre, having collaborated on exhibitions and other projects over the last 15 years. The Company greatly admires the important role that the centre plays in finding, supporting and encouraging living makers in many contemporary fields.*

**The Goldsmiths' Company**

## **Aim 3: To create and maximise opportunities for people to engage with and benefit from the very best in the Applied Arts**

We have a long-term commitment to grow a wider understanding of, appreciation of, and engagement with the Applied Arts. This aim is achieved through our Exhibition Enhancement, Engagement and Learning Programmes.





### - Exhibition Enhancement Programme

For each exhibition, we develop a customised package of support interventions such as:

- Bi-lingual support material for exhibitions including text panels, information sheets, films etc.
- Gallery talks and lectures
- Live and screened demonstrations
- Symposia, conferences and study days
- Publications

Ensuring high quality in terms of commissioning text, design and presentation is paramount.

### - Engagement Programme

Our engagement programme consists of:

- Family Friendly activities
- Parent/Toddler activities; through to Older Generation 60+
- Interactive Resource Space
- Craftspeople in residence
- Community and targeted group engagement work
- Show and Tell exhibitions of work created during engagement activities.

*I believe the workshops that are being run from Ruthin Craft Centre are invaluable. Art is not only therapeutic, but it is also a language which communicates and connects with people. These workshops have inspired me for the first time in years.*  
**Jumana Mouradi, 'Making Connections' participant, St Asaph**



### - Learning Programme

**Workshops and Masterclasses** For all ages and all levels of experience ranging from master-classes to the simplest entry-level access to a direct experience of contemporary craft.

**Criw Celf Pathway (*Raising The Bar & Portfolio*)** – Programmes for 14 to 18 year olds which we deliver as part of the North Wales network working in collaboration with the six local authorities and four other galleries. The North Wales network is part of ACW's National Scheme of delivery across Wales.

*Very much enjoyed working with artists .... as I got to discover how they put together an art exhibition to create the finished product.*

**'Raising the Bar' participant**



*I think the Portfolio Programme offers an exciting range of arts experiences for children studying art, to broaden their experience and hopefully inspire them. It is an amazing opportunity to work with different artists from a range of disciplines.*

**Parent of a 'Portfolio participant**

### **Schools and Colleges – We:**

- cultivate and maintain mutually supportive relationships with primary and secondary schools in Denbighshire and work with the special needs education provision
- deliver a fully bi-lingual service
- encourage and support teachers to use the resources available at the Centre to lead on-site workshops with their classes
- maintain strong relationships with colleges (e.g. Coleg Menai, Glyndwr University) and provide guided gallery talks and lectures for visiting college groups
- maintain and develop our relationship with specialised Art and Craft departments within colleges and universities in Wales and the UK
- produce Learning Packs targeted both at the general audience and at schools and colleges. These can be downloaded from our web site and are sometimes available in hard copy.

*I have been bringing my 2 children to the Ruthin Craft Centre for the past three years, every time we come and stay with Nain and Taid. We Tudalen 106*

*Centre and I wish they would learn from yourselves in their approach to children and families.*

**Alex Airey, 'Making Connections' participant**

Over the past five years we have co-ordinated these three strands within developmental programmes (*What is Craft?*, *Making Connections*, *Craft Counts*). These have helped us to prioritise and deliver. We now want to take this successful principle and apply it to the whole spectrum of activity at RCC.



#### **Aim 4: To ensure that RCC runs along successful business and operational lines**

This involves:

- Staffing Structure
- Financial Management
- Retail and Trading
- On-site catering operations
- Partnerships
- Trusts & Foundations
- Digital Presence

#### **STAFFING STRUCTURE**

Our staffing complement is at present as follows:

- Director - full time
- Deputy Director - full time
- Education Officer – part-time (0.6)
- Senior Gallery Sales Officer - full time
- Administration Officer - full time
- 3x part-time (0.6) Gallery Sales Assistants

Other functions such as curation, marketing and cleaning are bought in on a contract basis.

#### **FINANCIAL MANAGEMENT**

As an organisation we work within the County's comprehensive portfolio of policies and our finance and HR management are undertaken by the relevant County Council departments. Increased and more detailed advanced financial forecasting will require increased input from RCC staff in the future.



## RETAIL AND TRADING

Our annual income from retail and trading is in the region of £225,000. This includes the retail gallery, engagement and room hire income.

- **Retail Gallery – circa £200,000 per year**  
The majority of these sales are for hand-made Applied Art pieces that we have exhibited, displayed in our retail gallery or featured in Retail Showcases. We offer our customers the possibility of purchasing through ACW's interest free purchase scheme, COLLECTORPLAN.

We seek new ways of increasing our trading potential and have experimented with retail displays in courtyard studio windows. These displays have already proved successful resulting in purchases of significant items.

- **Engagement and room hire income – circa £15-20k per year**  
Our Learning programme schedule takes priority for use of spaces and we have been successful over the past five years in raising additional funding for this enhanced provision. This does, however, need to be balanced with the ability to offer free participation activities and opportunities.

Our Education Space facilities continue to be popular with a range of groups who are able to hire the space when it is not in use by us. Our charges for this space are reasonable and compare well to other local provision.



## ON-SITE CATERING OPERATIONS

The restaurant accommodates eighty covers with additional seating for twenty-four at tables in the courtyard. Café R, serves morning coffee, lunch, afternoon tea and a range of drinks and snacks and sources local food. Meals are cooked to order in the café kitchen. At present it is managed by Denbighshire County Council's in-house Catering Services.

Customer experience of the café is an important part of the offer at RCC. We need a café that is:

- popular with our visitors
- is open whenever the Centre is open
- provides a menu that reflects the ethos of the Centre
- provides refreshments and catering for Centre functions, events and education courses
- is cost neutral to the Centre and ideally would contribute to service costs

## **PARTNERSHIPS**

The key principle behind the partnerships that we forge is finding mutually beneficial ways of delivering exhibitions, projects and activities that save money by sharing costs, reaching more people because of shared audiences and/or providing a deeper, more meaningful interaction between the artist and the audience.

- **Exhibitions** - Allowing us to share the costs by collaborating with other galleries on exhibition development. Gaining access to funding in other regional areas e.g. Arts Council England when working with UK wide partners.
- **Publications** - The cost of commissioning copy, photography etc. is often paid for directly by other galleries and/or agents. The benefits we receive are significant and include income generation from the sale of these publications in our retail gallery and on-line.
- **Business Sponsorship** – to raise business sponsorship and match sponsorship funding working with organisations such as Arts & Business Cymru.

## **TRUSTS & FOUNDATIONS**

We have benefitted from support from organisations such as Paul Hamlyn and Esmée Fairbairn who have been willing to fund and work with our organisation in many aspects including Exhibition and Engagement projects. We will continue to prioritise sourcing funding from Trusts and Foundations.

## **DIGITAL PRESENCE**

We have piloted the use of digital media both in terms of interpretation of our exhibitions and of marketing and both have proved successful. There is significant potential for further development.

We will be seeking ways to increase our offer in terms of on-line selling and we are developing plans for a significant increase in our use of social media. These two developments, however, have staffing implications and would be included in our planned review of the staffing structure

We will also be developing and implementing plans for increasing our use of digital applications throughout the Centre.

## **Aim 5: To be *the* destination for contemporary Craft**

We are identified as a significant deliverer within the Cultural Tourism agenda. Our links within the DCC Commercial Leisure and Tourism Department support our work. We respond to wider tourism initiatives such as Year of Discovery.

*As an accommodation provider, we welcome people from across the globe, many of whom experience the free exhibitions and variety of work the centre undertakes. We hear first hand from these visitors, many of whom are aware of the work of RCC, and many of whom happen upon RCC as a result of visiting the town, and the feedback is incredibly enthusiastic. They are wowed by the building, the wealth of creativity on display both in the galleries and in the retail space as well as the work displayed in and around the courtyard.*

*The centre similarly engages people from the town and further afield who then take the time to experience the attractions and shops of the town centre; an important economic factor for a small town like Ruthin. North Wales Tourism, the largest destination management organisation in Wales, account that economically, tourism has increased in the county of Denbighshire some 88% in the last 12 years; exceptional places like RCC who understand the driver of a high-quality offering are in no small part to thank for this significant statistic.*

**Christopher Frost, partner, manorhaus, Ruthin  
Vice-Chair, North Wales Tourism  
North Wales Ambassador - Arts & Business Cymru**

The Centre is embedded within the local community and is linked to the town via the Art Trail and other initiatives. Retaining the name of Ruthin within any re-branding is important to maintain our positioning and identity on the UK cultural arts map.

We will maintain our support for other galleries, art centres and organisations in Wales in terms of sharing expertise and advice and, where appropriate, collaborating on the touring of exhibitions.

*Mission Gallery is proud of our association with Ruthin Craft centre; we have supported and collaborated with them over two decades – it is our most loyal and longstanding partnership.*

*The advocacy that Ruthin Craft centre provides for Wales on an international stage is vital, as is its support of artists and smaller organisations such as ourselves.*

**Mission Gallery**

We will maintain and develop our relationships with private and institutional collectors promoting in particular Wales based applied artists. We will continue to promote their work at international events such as COLLECT, Saatchi Gallery, London.



*Ruthin Craft Centre has long been a beacon of best practice in Wales, enabling other galleries around Wales to raise their game significantly, encouraging the rich pool of talent in Wales to reach its potential, and bringing these achievements to international attention.*

**Andrew Renton, Keeper of Art, National Museum Wales**



**Craft of high quality**

***What an exciting and unashamedly sophisticated venue. Congratulations all round to all those responsible for this beautiful building containing shows of such aspiration and excellence. We spent an hour and a half soaking up the works and envying the local aficionados their luck. Why doesn't every region and district have somewhere that aims to be this supportive, demonstrative and influential. Three cheers!***

*Trip Advisor, Sept 2018 – noredtram, Ipswich, UK 3215*



## **Our Vision**

### ***To Celebrate Craft and the Art of Making***

*No matter how 'digital' we are becoming we still need to  
Make stuff!*

**Audience feedback from the What is Craft? programme**





Appendix 21 Llangollen Pavilion Programme of Events Dec 2017-Jan 2018							
Date	Event Name	Short Discription	Conf	Studio	Hall	Site	number
2017							
Jan 11	NEWDance	Small Meeting Teas and coffees - 4hrs	/				10
	corporate joint meeting C J M	Small meeting Teas and coffees - 1hr	/				20
Jan 12	Food Festival	Small Meeting - 1hr	/				10
Jan 13	NEWDance	Small Meeting Teas and coffees - 4hrs	/				10
Jan 18	ANOB	Small meeting Teas and coffees - 1hr	/				30
	LIME	Small meeting - 1.5hrs	/				20
	Sports Society	Small Meeting Teas and coffees - 1.5hrs	/				7
Jan 19 -22	Llangollen Pantomime	Rehearsal throughout January, 4 evening and 2 matinees performances + Bar		/	/		300 x 6
Jan 20	St Asaph Diocese	Small Meeting Teas and coffees and Buffet- 6hrs	/	/			30
Jan 23	NEWDance	Monday night dance class 2x1hr			/		30
	R3	Small meeting - 1.5hrs	/				20
	Iaith	Small meeting Teas and coffees + breakfast babs - 1hr	/				10
Jan 25	R3	Small meeting - 4hrs	/				20
Jan 26	Blood donation	Blood transfusion service			/		100
Jan 30	NEWDance	Monday night dance class 2x1hr			/		30
Feb 2	DCC	Small Meeting - 1hr	/				10
Feb 3	GWE (Schools)	Small Meeting Teas and coffees and Buffet- 6hrs	/				35
Feb 05	Mind, body and spirit festival	Stalls and practitioners alternative meds/lifestyle + Café	/	/	/		250
Feb 6	NEWDance	Monday night dance class 2x1hr			/		30
Feb 7	GWE (Schools)	Small Meeting Teas and coffees and Buffet- 6hrs	/				35
Feb 8	Food Festival	Small meeting - 1.5hrs	/				10
Feb 8 -19	Quiltfest and a trade day	Exhibition of quilts , workshops and a traders day + Café on 12 Feb (Stalls)		/	/	12th	1000
Feb 13	NEWDance	Monday night dance class 2x1hr			/		30
Feb 14	Iaith	Small meeting Teas and coffees (evening) - 1.5hr	/				10
Feb 15	ANOB	Small meeting Teas and coffees - 1hr	/				30
Feb 16	R3	Small meeting - 4hrs	/				20
Feb 26	Wedding fayre	wedding related Stall holders + Café		/	/		250
Feb 27	NEWDance	Monday night dance class 2x1hr			/		30
	R3	rope climbing in arena - 2hrs	/				20
Mar 6	NEWDance	Monday night dance class 2x1hr			/		30
	R3	Small meeting - 1hrs	/				20
Mar 7	R3	Small meeting - 1hrs	/				20
Mar 10	ANOB	Small meeting Teas and coffees - 4hrs	/				30
Mar 12	Vintage and antique Fair	stall holders + café	/	/	/		250
Mar 13	NEWDance	Monday night dance class 2x1hr			/		30
	R3	Small meeting - 4hrs	/				20
	DCC MAG	Small Meeting - 1hr	/				10
Mar 14	St Asaph Diocese	conference + breakout rooms with buffet & Tea and coffees/ rd tables + linen		/	/		90
	R3	Small meeting - 4hrs	/				20
	Food Festival	Small meeting - 1.5hrs	/				10
Mar 16	CADMHAS	Small Meeting Teas and coffees and Buffet- 6hrs	/				30
	R3	Small meeting - 4hrs	/				20
Mar 20	DCC Countryside Service	Dark Skies / conference with buffet & Tea and coffees/ rd tables + linen		/	/		50
	NEWDance	Monday night dance class 2x1hr			/		30
Mar 21	Calder CITB	meeting with tea and coffee 6hrs	1				60
	R3	Small meeting - 4hrs	/				20
Mar 22	R3	Small meeting - 4hrs	/				20
	School Cluster	meeting with tea and coffee 6hrs	/				35
Mar 23	R3	Small meeting - 4hrs	/				20
Mar 24	R3	Small meeting - 4hrs	/				20
	Canalboat Trust	Use of studio for refreshments prior to boat trip		/			60
Mar 25	Andy Marshall	mini hot air balloons using clear Arena space - All Day					50
Mar 27	NEWDance	Monday night dance class 2x1hr			/		30
	R3	Small meeting - 4hrs	/				20
Mar 28	R3	Small meeting - 4hrs	/				20
Mar 29	R3	Small meeting - 4hrs	/				20
	LIME AGM	Meeting - 3hrs			/		120
Mar 30	R3	Small meeting - 4hrs	/				20
	NEWDance	Small Board Meeting Teas and coffees - 4hrs	/				10
Mar31	R3	Small meeting - 4hrs	/				20
Apr 3	R3	Small meeting - 4hrs	/				20
	Cadwyn	Small Meeting and workshops Teas and coffees and Buffet- 6hrs	/				30
	NEWDance	Monday night dance class 2x1hr			/		30
Apr 5	R3 Europe	Small Meeting - 1hr	/				10
Apr 8	Tate Craft and Gift fair	Stalls holders in Hall + Café		/	/		250
Apr 9	Tate Craft and Gift fair	Stalls and practitioners alternative meds/lifestyle + Café		/	/		300
Apr 12	Food Festival	Small meeting - 1.5hrs	/				10
Apr 13	4 counties youth Orchestra	Rehearsal and performance 350 - use of studio as changing area - 50		/	/		400

Appendix 21 Llangollen Pavilion Programme of Events Dec 2017-Jan 2018							
Date	Event Name	Short Discription	Conf	Studio	Hall	Site	number
Apr 15	LIME	Training in conference room	/				12
Apr 21	CORP Health and Safety	Small meeting - 1.5hrs	/				6
	wedding Set up	set up wedding, chairs, round tables, linen, lights, sound and decorations		/	/		10
Apr 22	Trish Mossan Wedding	wedding reception , outside caterers -food and evening party, disco, Bar		/	/		250
Apr 24	DCC/LIME	Small meeting - 1.5hrs	/				10
	R3	Small meeting - 4hrs + Buffet	/				20
Apr 25	R3 Europe	conference + breakout rooms with buffet & Tea and coffees	/	/	/		150
Apr 26	R3 Europe	conference + breakout rooms with buffet & Tea and coffees	/	/	/		150
Apr 27	R3 Europe	conference + breakout rooms with buffet & Tea and coffees	/	/	/		150
Apr 28	Llan outdoors	Small meeting - 4hrs	/				20
	R3	Small meeting - 4hrs	/				20
Apr 30	DCC Countryside Service	Nordic Walking - start meeting ing foyer					15
	LIME Auditions	music audition - 3hrs	/				10
May 6	Baby Pop up Fair	Stalls holders in Hall + Café		/	/		250
May 7	Nightingale Bike	Start site for nightingale bike event				/	300
May 8	Fashion and Clothes Sales	Fashion show in Hall			/		250
	NEWDance	Monday night dance class 2x1hr			/		30
	YDB Exam	Ysgol Dinas Bran Exams 300 exam desks in hall , 80 exam desk in studio		/	/		30-350
May 9	Vangollen	small meeting re event	/				10
	YDB Exam	Ysgol Dinas Bran Exams 300 exam desks in hall , 80 exam desk in studio		/	/		30-350
May 10	St Asaph Diocese	Meeting with buffet & Tea and coffees 6hrs	/				40
May 11	YDB Exam	Ysgol Dinas Bran Exams 300 exam desks in hall , 80 exam desk in studio		/	/		30-350
May 12	YDB Exam	Ysgol Dinas Bran Exams 300 exam desks in hall , 80 exam desk in studio		/	/		30-350
May 13	Ruthin Cannine Society	Dog Show using outside /arena (Day)				/	250
	Llangollen Rotary	Fashion show runway in Hall (Evening)		/	/		300
May 13	Fashion and Clothes Sales	Fashion show in Hall			/		250
May 14	MInd, Body and Spirlt Festival	Stalls and practitioners alternative meds/lifestyle + Café	/	/	/		250
May 15	YDB Exam	Ysgol Dinas Bran Exams 300 exam desks in hall , 80 exam desk in studio		/	/		30-350
	NEWDance	Monday night dance class 2x1hr			/		30
May 16	YDB Exam	Ysgol Dinas Bran Exams 300 exam desks in hall , 80 exam desk in studio		/	/		30-350
May 17	YDB Exam	Ysgol Dinas Bran Exams 300 exam desks in hall , 80 exam desk in studio		/	/		30-350
	Food Festival	Small meeting - 1.5hrs	/				10
May 18	YDB Exam	Ysgol Dinas Bran Exams 300 exam desks in hall , 80 exam desk in studio		/	/		30-350
	Vangollen	set up				/	20
May 19	Vangollen	Stalls holders, caterers - fun fair, marquees, vehicles ,outside music +Café, Bar		/	/	/	600
May 20	Vangollen	Stalls holders, caterers - fun fair, marquees, vehicles ,outside music +Café, Bar		/	/	/	1000
May 21	Vangollen	Stalls holders, caterers - fun fair, marquees, vehicles ,outside music +Café, Bar		/	/	/	1000
May 22	YDB Exam	Ysgol Dinas Bran Exams 300 exam desks in hall , 80 exam desk in studio		/	/		30-350
	NEWDance	Monday night dance class 2x1hr			/		30
May 23	YDB Exam	Ysgol Dinas Bran Exams 300 exam desks in hall , 80 exam desk in studio		/	/		30-350
May 24	YDB Exam	Ysgol Dinas Bran Exams 300 exam desks in hall , 80 exam desk in studio		/	/		30-350
	CRT	Small meeting - 4hrs with Buffet	/	/			23
May 25	YDB Exam	Ysgol Dinas Bran Exams 300 exam desks in hall , 80 exam desk in studio		/	/		30-350
May 26	Red Dragon Music Festival	Set up site		/	/	/	10
May 27	Red Dragon Music Festival	Stalls holders, caterers , camping , Arena music + Café, Bar		/	/	/	600
May 28	Red Dragon Music Festival	Stalls holders, caterers , camping , Arena music + Café, Bar		/	/	/	600
May 29	Red Dragon Music Festival	Stalls holders, caterers , camping , Arena music + Café, Bar		/	/	/	600
May 31	Blood Donation	Blood transfusion service				/	100
Jun 5	YDB Exam	Ysgol Dinas Bran Exams 300 exam desks in hall , 80 exam desk in studio		/	/		30-350
	NEWDance	Monday night dance class 2x1hr			/		30
Jun 6	YDB Exam	Ysgol Dinas Bran Exams 300 exam desks in hall , 80 exam desk in studio		/	/		30-350
Jun 7	YDB Exam	Ysgol Dinas Bran Exams 300 exam desks in hall , 80 exam desk in studio		/	/		30-350
Jun 9	R3	using arena hoists				/	15
	Llangollen Railway AGM	evening meeting 3hrs	/				70
	wedding	set up		/	/		10
Jun 10	Wedding Reception	wedding reception , outside caterers -food and evening party, disco, Bar		/	/		250
Jun 11	wedding	clear up		/	/		10
Jun 12	YDB Exam	Ysgol Dinas Bran Exams 300 exam desks in hall , 80 exam desk in studio		/	/		30-350
	NEWDance	Monday night dance class 2x1hr			/		30
Jun 13	YDB Exam	Ysgol Dinas Bran Exams 300 exam desks in hall , 80 exam desk in studio		/	/		30-350
Jun 14	YDB Exam	Ysgol Dinas Bran Exams 300 exam desks in hall , 80 exam desk in studio		/	/		30-350
	Food Festival	Small meeting - 1.5hrs	/				10
Jun 15	Inner wheel	Annual Conference and buffet - round tables ,linen, stalls refreshments		/	/		200
Jun 18	Antique and vintage fair	Stalls holders in Hall + Café		/	/		250
Jun 19	Handover to LIME - DCC exclusion period June 19th to July 16th						
	Llangollen International Musical Eisteddfod - Festival starts from July 2nd to 9th July						
July 17	Handback to DDC						
July 19	Food Festival	Small meeting - 1.5hrs	/				10
July 21	Karen NEWDance	dance class party night - 4hrs - lights and tables		/			30

**Appendix 21 Llangollen Pavilion Programme of Events Dec 2017-Jan 2018**

Date	Event Name	Short Discription	Conf	Studio	Hall	Site	number
July 23	Llangollen Comic con	stalls, meet and greet, cos play and competitions, music and café	/	/	/	/	300
July 25	DCC	1st Aiders refreshers course	/	/	/	/	8
July 26	DCC	1st Aiders refreshers course	/	/	/	/	8
July 28	DCC	small meeting Corporate health and safety	/	/	/	/	6
July 29	wedding	evening reception -disco, buffet, tables and linen	/	/	/	/	300
Aug 4	Llangollen Bike Festival	set up	/	/	/	/	20
Aug 5	Llangollen Bike Festival	Stalls, Motorbikes, catering vans,café,bar,outside Music, camping stall holders	/	/	/	/	1500
Aug 6	Llangollen Bike Festival	Stalls, Motorbikes, catering vans,café,bar,outside Music, camping stall holders	/	/	/	/	1500
Aug 10	Food Festival	Small meeting - 1.5hrs	/	/	/	/	10
Aug 11	Llangollen Faery Festival	set up	/	/	/	/	10
Aug 12	Llangollen Faery Festival	Stalls, funfair, catering vans,café,bar,Music, camping stall holders	/	/	/	/	1000
Aug 13	Llangollen Faery Festival	Stalls, funfair, catering vans,café,bar,Music, camping stall holders	/	/	/	/	1000
Aug 17	Betsi Cadwalladr	Small meeting - 6hrs + Buffet	/	/	/	/	35
Aug 19	Chris Dyer	toy Fair stalls and café	/	/	/	/	300
Aug 24	Food Festival	Small meeting - 1.5hrs	/	/	/	/	10
Aug 26	4 counties youth Orchestra	Rehearsals and evening performance	/	/	/	/	350
Aug 30	Autotrail Rally	30 - 40 campervans staying on site with some events in Pavilion + Café	/	/	/	/	100
Aug 31	Autotrail Rally	30 - 40 campervans staying on site with some events in Pavilion + Café	/	/	/	/	100
Sept 1	Autotrail Rally	30 - 40 campervans staying on site with some events in Pavilion + Café	/	/	/	/	100
Sept 2	Autotrail Rally	30 - 40 campervans staying on site with some events in Pavilion + Café	/	/	/	/	100
	Baby Pop up Fair	Stalls holders in Hall + Café	/	/	/	/	250
Sept 3	Autotrail Rally	30 - 40 campervans staying on site with some events in Pavilion + Café	/	/	/	/	100
Sept 4	Autotrail Rally	30 - 40 campervans staying on site with some events in Pavilion + Café	/	/	/	/	100
	NEWDance	Monday night dance class 2x1hr	/	/	/	/	30
	NEWDance	Small Board Meeting Teas and coffees - 4hrs	/	/	/	/	10
Sept 5	Autotrail Rally	30 - 40 campervans staying on site with some events in Pavilion + Café	/	/	/	/	100
	School Cluster	meeting with tea and coffee 6hrs	/	/	/	/	35
Sept 6	Autotrail Rally	30 - 40 campervans staying on site with some events in Pavilion + Café	/	/	/	/	100
Sept 7	Harley owners club	campervans and camping, harley motorbikes, music, rideouts + Bar,Café	/	/	/	/	150
Sept 8	Harley owners club	campervans and camping, harley motorbikes, music, rideouts + Bar,Café	/	/	/	/	150
Sept 9	Harley owners club	campervans and camping, harley motorbikes, music, rideouts + Bar,Café	/	/	/	/	150
Sept 10	Harley owners club	campervans and camping, harley motorbikes, music, rideouts + Bar,Café	/	/	/	/	150
Sept 11	NEWDance	Monday night dance class 2x1hr	/	/	/	/	30
Sept 13	Food Festival	Small meeting - 1.5hrs	/	/	/	/	10
Sept 20	Natural Resource Wales	small conference 30 + public attendees 40 teas coffees and buffet	/	/	/	/	70
Sept 21	Natural Resource Wales	small conference 30 + public attendees 40 teas coffees and buffet	/	/	/	/	70
	NEWDance	Small Board Meeting, AGM Teas and coffees - 4hrs	/	/	/	/	10
Sept 22	NWM & NW Rally	30 - 40 campervans staying on site with some events in Pavilion + Café	/	/	/	/	100
Sept 23	NWM & NW Rally	30 - 40 campervans staying on site with some events in Pavilion + Café	/	/	/	/	100
Sept 24	NWM & NW Rally	30 - 40 campervans staying on site with some events in Pavilion + Café	/	/	/	/	100
Sept 27	Blood Donation	Blood transfusion service	/	/	/	/	100
Sept 29	Cogswart - Steam Punk	stalls, workshops,evening concert, catering vans, camping and café bar	/	/	/	/	300
Sept 30	Cogswart - Steam Punk	stalls, workshops, cos play, outside music, catering vans, camping and café bar	/	/	/	/	1000
Oct 1	Cogswart - Steam Punk	stalls, workshops, cos play, outside music, catering vans, camping and café bar	/	/	/	/	1000
Oct 2	Food Festival	Small meeting - 1.5hrs	/	/	/	/	10
Oct 4	Wales Co-operative Centre	Conference and breakout rooms buffet and refreshments, Rd Tables linen	/	/	/	/	150
Oct 5	Wales Co-operative Centre	Conference and breakout rooms buffet and refreshments, Rd Tables linen	/	/	/	/	150
Oct 6	ANOB	Small meeting Teas and coffees - 4hrs	/	/	/	/	30
Oct 7	Wedding	evening reception -disco, buffet, Bar, tables and linen	/	/	/	/	300
Oct 9	Schools Jamboree	welsh language junior school children, music and small side stage	/	/	/	/	150
	NEWDance	Monday night dance class 2x1hr	/	/	/	/	30
Oct 12	GWE (Schools)	Small Meeting Teas and coffees and Buffet- 6hrs	/	/	/	/	35
Oct 14	Llangollen Food Festival	Food retailers and related kitchen equipment, caterers, Music, Food Demos	/	/	/	/	1000
Oct 15	Llangollen Food Festival	Food retailers and related kitchen equipment, caterers, Music, Food Demos	/	/	/	/	1000
Oct 16	NEWDance	Monday night dance class 2x1hr	/	/	/	/	30
Oct 19	GWE (Schools)	Small Meeting Teas and coffees and Buffet- 6hrs	/	/	/	/	35
	LIME/DCC	Small meeting - 1.5hrs	/	/	/	/	10
Oct 21	Baby Pop up Fair	Stalls holders in Hall + Café	/	/	/	/	250
Oct 24	LIME	Small meeting - 2hrs	/	/	/	/	15
	Food Festival	Small meeting - 1.5hrs	/	/	/	/	10
Oct 25	WI	conference and stalls in Hall with round tables and linen refreshments in Studio	/	/	/	/	200
Oct 29	Mind, body and spirit festival	Stalls and practitioners alternative meds/lifestyle + Café	/	/	/	/	250
Nov 6	NEWDance	Monday night dance class 2x1hr	/	/	/	/	30
	Social care wales	small conference teas coffees and coisnants	/	/	/	/	15
Nov 7	Social care wales	small conference teas coffees and coisnants	/	/	/	/	15
Nov 8	Llangollen motorbike Festival	small meeting	/	/	/	/	10
Nov 9	DCC Sports awards	DCC award ceremony, table, linen, specialist lighting, bar	/	/	/	/	250
Nov 10	DCC councillors	small meeting	/	/	/	/	4
	DCC Excellence awards	DCC award ceremony, table, linen, specialist lighting, Tea,coffee Cake	/	/	/	/	100

Appendix 21 Llangollen Pavilion Programme of Events Dec 2017-Jan 2018							
Date	Event Name	Short Discription	Conf	Studio	Hall	Site	number
Nov 13	NEWDance	Monday night dance class 2x1hr		/	/		30
Nov 15	School Career Fair	Stands , Buffet for employers 35 - Pupils from Ysgol Dinas Bran 250 approx		/	/		250
Nov 20	DCC	Meeting own refreshments	/		/		30
	NEWDance	Monday night dance class 2x1hr			/		10
Nov 22	R3	rope climbing in arena - 2hrs	/				10
	Food Festival	Small meeting - 1.5hrs	/				30
Nov 23	ANOB	Small meeting Teas and coffees - 4hrs	/				250
Nov 26	Antique and vintage fair	Stalls holders in Hall + Café		/	/		30
Nov 27	NEWDance	Monday night dance class 2x1hr			/		15
Nov 30	Ysgol Dinas Bran	Drama Exam-using dance floor and stage lighting			/		30
Dec 4	NEWDance	Monday night dance class 2x1hr	/				26
Dec 6	School Cluster	meeting with tea and coffee 6hrs		/	/		400
Dec 7	NEWDance	Schools dance performance			/		30
Dec 11	NEWDance	Monday night dance class 2x1hr	/				10
	NEWDance	Small Board Meeting , AGM Teas and coffees - 4hrs	/				4
Dec 13	DCC Meeting HR	small meeting 2hrs	/				50
	Ysgol Yr Gwernant	Rehearsal - school christmas show		/	/		200
Dec 16	Pavilion Xmas Party	Christmas Decorations, Tables, Linen, Caterer,stage, Lighting, Disco		/	/		50
Dec 18	Ysgol Yr Gwernant	Rehearsal - school christmas show		/	/		400
Dec 19	Ysgol Yr Gwernant	school christmas show		/	/		
Closed over Christmas Period 23/12/17 until 02/01/18							

# Leisure ADM Indicators

Portfolio	Leisure Centres / Nova / Exercise Referral	Strategic Leisure	Commercial Catering	Pavilions / Town Halls / Ruthin Craft Centre
<p>Indicators used to manage these services:</p> <ul style="list-style-type: none"> <li>Direct Debit Income (Adult / Junior Fitness, Swim)</li> <li>Direct Debit Failures (Adult / Junior Fitness, Swim)</li> <li>New Memberships Sold (Adult / Junior Fitness, Swim)</li> <li>Cancelled Memberships / Attrition Rate (Adult / Junior Fitness, Swim)</li> <li>Vacancy Rate / Waiting Lists (Swim Lesson programme)</li> <li>Parent Portal Usages / Online Booking Usage (Swim / Class Fitness Programme)</li> <li>Cash Income (from non-members)</li> <li>Average Direct Debit Yield</li> <li>% Engagement with Classes</li> <li>Average Length of Stay per Member</li> <li>Customer Satisfaction (Customer Surveys)</li> <li>Customer Compliments / Complaints</li> <li>Number of Visits (across all Commercial Leisure visitor attractions)</li> <li>Soft Play Visitors / Bookings</li> <li>Soft Play – Birthday Parties booked</li> <li>NERS (Referrals received; % attended first consultation; % take up on the programme; % completed the programme)</li> </ul>	<ul style="list-style-type: none"> <li>No of successful Community Chest applications</li> <li>Disability Sport referrals and disabled person participation</li> <li>Disability Sessions delivered</li> <li>Accredited community sport clubs with in sport</li> <li>No of art work shop sessions, participants and performance attendances</li> <li>Volunteering</li> <li>AYP Programme attendances</li> <li>Accreditation gained</li> <li>Training Delivered</li> <li>Quality of Training</li> </ul>	<ul style="list-style-type: none"> <li>Number of Covers</li> <li>Spend per Head (Food / Drink)</li> <li>% Seat Utilisation</li> <li>Gross Profit (Food / Drink)</li> <li>Staff Costs as % of Income</li> <li>Expenditure as % of Income</li> </ul> <p>All data is business critical and is analysed weekly.</p>	<ul style="list-style-type: none"> <li>Number Shows</li> <li>Number of Tickets Sold</li> <li>Number of Online Sales</li> <li>Number of Box Office Sales</li> <li>% Tickets Sold Online</li> <li>% Tickets Sold Box Office</li> <li>Financial information (Income, Expenditure, Out-Turn)</li> <li>Footfall</li> <li>Number of bookings</li> <li>Number of Studio Activities</li> <li>Number of Visits</li> <li>Participation Numbers in Workshops, Activities and Events</li> <li>Number of Workshops</li> </ul>	
<p>Delivering a well-managed Service (spans across all areas)</p>	<ul style="list-style-type: none"> <li>Number of days lost due to sickness absence per FTE</li> <li>Safer Recruitment Compliance</li> </ul>	<ul style="list-style-type: none"> <li>% of complaints responded to within corporate timescales</li> </ul>	<ul style="list-style-type: none"> <li>Number of compliments upheld</li> <li>% of eligible staff that were due a performance appraisal within the last 13 months and have received one</li> </ul>	<ul style="list-style-type: none"> <li>Number of complaints received from customers / stakeholders</li> </ul>

**APPENDIX 3 A**

**LOCAL AUTHORITY TRADING COMPANY  
(sub) OPTION 1**

**Description/Definition**

**A COMPANY LIMITED BY GUARANTEE**

**Key Characteristics**

- Separate entity from the Council and 'in scope' staff would transfer to it
- Directors can have personal liabilities to the company and to trade lawfully
- Must be set up as a not for profit and non profit distributing controlled company if it is to meet the Council's requirements of control and tax savings.
- Council would be the single 'member' (sole owner) of the company - not a 'shareholder' contributing share capital, as in a company limited by shares.
- Will still have the freedom to trade
- Will still be liable to Corporation Tax on any profits
- NNDR – if non profit making and philanthropic or recreation objectives up to 100% relief available
- VAT on majority of income will be wholly exempt
- VAT on expenditure will need careful crafting of the agreements for service delivery and the property leases to ensure VAT recovery ratios
- Can be a registered charity, but does not have to be.

### Sub- Option 1 Appraisal

<b>Advantages</b>	<b>Disadvantages</b>	<b>Comments</b>
<p>Limited liability for the Council in the event of insolvency on the part of the company</p>	<p>This council owned corporate option is an unfamiliar model to DCC</p>	<p>The Council as landlord will remain liable for the buildings as in order to maximise VAT a full repairing lease will not be granted.</p>
<p>Flexible model in that an all Councillor or all Officer or a mix of both can be appointed to the Company Board of Directors.</p>	<p>Room for political and logistical issues such as representation and conflicts if Directors are also Officers/Members as a Directors' first duty is to the company, not the Council</p>	<p>A local authority as must still deal with reputation damage in the event of insolvency.</p>
<p>Not as strongly associated with pure profit making as a Company Limited by Shares</p>	<p>Administration governed by the Companies Act 2006</p>	<p>The corporate model is a major step and requires more to be done than simply arranging or contracting for a service.</p>
<p>Provides flexibility in the management of the service with freedom from local authority bureaucracy</p>	<p>No power to delegate to a company, there needs to be a contract in place.</p>	<p>The company model for authorities is not really 'arms length' as authorities are not easily able to walk away from a company they own if it gets into trouble.</p>
<p>The Council will decide the form of the Company's 'constitution', which will detail the rules for running the company.</p>	<p>If set up as none profit distributing, profits would be reinvested into the company, not spent elsewhere in the Council.</p>	<p>The decision making power of the organisation rests primarily with its' board of directors, but some matters will be reserved to the owner of the company (the Council).</p>
<p>The service contract will ensure the Council has control over the services the Company is providing.</p>	<p>Operational management will be in the hands of Directors, not the Council directly. But they must act in accordance with Company Law.</p>	<p>The Councils' involvement in the company</p>
<p>Council is the sole owner and will have control via this ownership.</p>	<p>These contracts will need to be monitored which will take up some resources.</p>	
<p>The Council can put in place a robust contract with the company adding another layer of control.</p>	<p>Company staff and council officers will</p>	

<p>The Council would need to be controlling member to take advantage of the 'Teckal' exemption and avoid procurement implications as this would be an 'in – house' company. The Council can contract directly with the company without running a regulated procurement. Similarly, the company would not need to run a regulated procurement to contract with the Council for certain services eg HR, Legal, Payroll etc</p> <p>The Company could however decide to run an open market competition and potentially get better value for services it purchases from the Council.</p> <p>Development or buying in of commercial acumen can benefit and improve service delivery</p> <p>An opportunity to use the Service Level Agreement between the Council and the Company for the management and running of the leisure services to by adding VAT to the invoices and improving</p>	<p>need to respect and understand the new relationship and dimensions – always need to think do we have a contract for this? New way of working both ways.</p> <p>The Company must pay for the services on the basis of 'full cost recovery' principles.</p> <p>In house Council services providing support may suffer if the company goes out to the market.</p> <p>The disadvantages to the Company are that it must still follow procurement rules if it is set up as a 'Teckal' company for any contracts that are not supplied from the Council.</p> <p>Staying within the confines of Teckal to ensure sufficient control may be difficult and the limitations of external business activity need to be closely monitored.</p> <p>Could distort DCC's 'Partial Exemption Calculation' and the SLAs will be a matter for negotiation between the parties.</p> <p>The Council is</p>	<p>arrangements could be operated at a number of levels:</p> <ul style="list-style-type: none"> <li>a) Having the right to appoint and dismiss the Board of Directors</li> <li>b) Ensuring that certain decisions are reserved specifically to members (the Council)</li> <li>c) Approving the Company's Annual Business Plan</li> <li>d) Change the Company's 'Constitution' if necessary.</li> </ul>
--	--	--



<p>the ratio of VAT the Company can recover. (VAT charge to DCC will be of no significance as it will be seen as non business activity of promoting leisure services provision and not providing it)</p> <p>The Company reduce the value of its taxable expenditure by negotiating with the Council for the grant of a peppercorn lease to the company.</p> <p>The Company could choose to register with the Charity Commission – see sub option 3 below.</p>	<p>effectively finding a way to subsidise the Company in order to secure the best VAT ratios which suit both Parties.</p> <p>Need to ensure the peppercorn lease is not a 'sham' by the adding of additional charges outside of the lease, which HMRC could interpret as rent in disguise.</p> <p>If it chose to be a registered charity, this will be greater than the regulation by the Community Interest Company Regulator who is more hands off – see sub option 2 below.</p>	<p>A peppercorn rent would be charged on all leases to maximise VAT ratios, rather than a commercially based rental.</p> <p>Does not have to a registered charity, but its 'objects' should be confirmed with HMRC ie its philanthropic objectives are sufficient to benefit from exemptions. In other words HMRC may grant 'charitable' status in their eyes, and may not insist on formal registration as a Charity with the Charity Commission.</p>
---	--	--

# LOCAL AUTHORITY TRADING COMPANY (sub) OPTION 2

## Description/Definition

### Community Interest Company (CIC)

### Key Characteristics

- Separate entity from both authorities and staff would transfer to it
- A strong brand in its own right
- A business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or the community
- A CIC is not a separate form of company but merely a company with certain characteristics – the Company Limited by Guarantee can be used as the legal structure of the CIC, but goes further with its community objects.
- Must pass the so called 'community interest test'
- Not to be confused with a charity.
- Members control – prescribed provisions.
- NNDR – as non profit distributing and philanthropic objectives up to 100% relief available
- VAT on majority of income will be exempt
- VAT on expenditure will need careful crafting of the agreements for service delivery and the property leases to ensure VAT recovery ratios

**Sub Option 2 Appraisal**

The appraisal of Option 1 above, will also be applicable in addition to the below, if indeed the legal structure for the CIC is to be a 'company limited by guarantee'.

Advantages	Disadvantages	Comments
<p>Will not need (it is unable) to be a registered charity so the regulatory requirements of the Charity Commissioner is not applicable to this model.</p> <p>Limited liability assuming set up as a company</p> <p>DCC can still have control at Board level</p> <p>Stronger brand than a normal social enterprise as there is a positive value attached to the CIC brand, as it clearly marks the company as a bona fide social enterprise.</p>	<p>An unfamiliar model to DCC</p> <p>No power to delegate to a company, there needs to be contract in place.</p> <p>Asset lock – which generally does not allow it to distribute assets to its members (unless it falls within authorised payments) or to transfer assets.</p> <p>Annual Community Interest Report to the CIC regulator – so additional regulation and red tape.</p> <p>Director's duties are firstly to the company, very real prospect of conflict for a Member or Officer if they consider their duty to the Council or area as a whole. Declarations of interest could affect decision making in a way neither authority expected.</p> <p>Once set up as a CIC a company may not convert back to a plain company limited by guarantee it may only be converted into a charity or registered society; or be dissolved.</p>	<p>A CIC could be converted to a Charity at a later stage to a Charitable Incorporated Organisation.</p> <p>If wound up the assets it owns must be sold or transferred at full market value – unless the assets are transferred to another asset locked body of for the benefit of the community. It is possible that the regulator would approve a transfer back to the Council as a municipal body.</p> <p>Must pass the community interest test annually.</p>

# LOCAL AUTHORITY TRADING COMPANY (sub) OPTION 3

## Description/Definition

### A CHARITABLE COMPANY

### Key Characteristics

- A charitable company is a private limited company that fulfils the essential criteria for formal charitable status.
- Suitable for medium and large charities engaged in activities involving a level of risk and complexity, using land, employing staff and entering into significant contractual liabilities and funding arrangements.
- A 'company limited by guarantee' would still be the structure
- Separate entity from the Council and 'in scope' staff would transfer to it as it is a corporate body with its own legal identity.
- The Council as member can opt to govern and scrutinise
- Larger Charities often have a 'trading arm'
- NNDR – charitable objectives should attract maximum relief
- Charities attract the most favourable VAT benefits
- Would be subject to dual regulation (Companies House and Charity Commission)

**Sub Option 3 Appraisal**

<b>Advantages</b>	<b>Disadvantages</b>	<b>Comments</b>
<p>Limited liability for the Council in the event of insolvency</p> <p>Generous tax incentives</p> <p>Flexible model in that an all Councillor or all Officer or a mix of both can be appointed to the Board of Directors, but with a choice of 2 possible membership structures.</p> <p>All charitable companies have members who have rights to vote to influence the charitable company's governance. This could include persons other than its directors – a type of structure that is intended to be democratic.</p> <p>Provides flexibility in the management of the service with freedom from local authority bureaucracy</p> <p>The service contract will ensure the Council has control over the services the Charitable Company is providing.</p> <p>The Council can put in place a robust contract</p>	<p>Charitable trusts may be familiar to the Council, but a council owned charitable company option is an unfamiliar model to DCC.</p> <p>Adding in other future services may not be straightforward if they do not fit the charitable objects. It cannot have unrestricted objects.</p> <p>Room for political and logistical issues such as representation and conflicts if Directors are also Officers/Members as a Directors' first duty is to the charitable company, not the Council</p> <p>Dual Administration responsibilities and also being regulated by company and charity law at the same time, so not necessarily as flexible as a plain company limited by guarantee.</p> <p>The Charities Commission will need to be satisfied that the constitution is acceptable for charitable status. A model constitution provided by the regulator may be used.</p> <p>These contracts will</p>	<p>A local authority as must still deal with reputation damage in the event of insolvency. Surplus assets on winding up must be applied for charitable purposes.</p> <p>The corporate charitable model is a major step and requires more to be done than simply arranging or contracting for a service.</p> <p>Members of a charitable company owe a fiduciary duty to the company and must act in the company's interest to the exclusion of their (Council) or a third parties' interest.</p>

<p>with the company setting a layer of control.</p>	<p>need to be monitored which will take up some resources.</p> <p>Council is the sole owner but it will be regulated and controlled to a degree by its formal charitable status.</p> <p>May need to set up a trading arm to trade commercially.</p> <p>No power to delegate there needs to be a contract in place.</p> <p>Operational management will be in the hands of Directors, not the Council directly. But they must act in accordance with Company Law plus its Charitable objects.</p> <p>Charitable Company staff and council officers will need to respect and understand the new relationship and dimensions – always need to think do we have a contract for this? New way of working both ways.</p> <p>It will be subject to greater charity regulation than the regulation by the Community Interest Company Regulator who is more hands off.</p>	
---	--	--

**APPENDIX 3 B**

Homes	5,600	4,100	12,000	4,400
Turnover (2017/18)	£31.5m	£25.5m	£60m	£33.2m
Staff	300	260	450+	490
Chair of Board	£10,000	£7,000	£12,000	£10,000
Chair of Committee	£1,000	£2,000	£3,000	£1,000
Non-Exec Director	£5,000	£3,000	£6,000	£5,000
Non-Exec Director who Chairs a Committee	£6,000	£5,000	£9,000	£6,000

Benchmarking for Registered Social Landlords in Wales which have decided to pay Non-Executive Directors on their boards

## **APPENDIX 3 C**

### **HEADS OF TERMS LEASE FOR ADM**

Annual Peppercorn Rent: rent at the rate of £1 per annum.

Building: [DESCRIPTION OF THE BUILDING] shown edged blue on the plan attached to this deed [marked Plan 2].

LTA 1954: Landlord and Tenant Act 1954.

Permitted Use: use as a [SPECIFY].

Property: [that part of] the [ground floor] of the Building, the floor plan of which is shown edged red on the plan attached to this lease [marked Plan 1], [including all the windows and window frames in that part] [and the [ fascia] [FURTHER DESCRIPTION/BOUNDARIES OF THE LET PROPERTY] [but excluding all Service Media which are within that area but which do not serve it exclusively] [and excluding any load-bearing or structural part].

Service Media: all media for the supply or removal of heat, electricity, gas, water, sewage, [air-conditioning,] energy, telecommunications, data and all other services and utilities and all structures, machinery and equipment ancillary to those media.

Term: a term of years beginning on, and including the date of this lease and ending on, and including [DATE].

VAT: value added tax chargeable under the Value Added Tax Act 1994 and any similar replacement tax and any similar additional tax.

The Landlord grants the Tenant the following rights (the Rights) to use in common with the Landlord and any other person authorised by the Landlord:

The following rights are excepted and reserved from this lease to the Landlord (the Reservations): the right to enter the Property for any purpose mentioned in this lease or connected with it or with the Landlord's interest in the Building or any other property or to carry out any works to any other part of the Building, at any reasonable time and, except in the case of an emergency, after having given reasonable notice (which need not be in writing) to the Tenant;

At any time during the Term, the full and free right [to build into any boundary of the Property, and] to develop land other than the Building, whether or not such land is owned by the Landlord, as the Landlord may think fit [; and]

The Tenant shall pay the Annual Rent and any VAT in respect of it by [four equal instalments in advance on [SPECIFY QUARTER DAYS]]

The Tenant shall pay all costs in connection with the supply and removal of electricity, [gas,] water, sewage, telecommunications [and] data [and other services and utilities] to or from the Property  
The Tenant shall pay all rates, taxes and other impositions and outgoings payable in respect of the Property

### **6. INSURANCE**

6.1 The Landlord shall keep the Building insured against loss or damage by fire and such other risks as the Landlord considers it prudent to insure against.

6.2 The Tenant shall pay on demand a fair proportion of the cost to the Landlord of the insurance of the Building

### **7. PROHIBITION OF DEALINGS**

The Tenant shall not: assign, underlet, charge, part with or share possession or share occupation of this lease or the whole or part of the Property;

### **8. REPAIRS AND DECORATION**

The Tenant shall keep the Property clean and tidy, including cleaning the inside and outside of the windows.

### **9. ALTERATIONS AND SIGNS**

9.1 The Tenant shall not make any alteration to the property

### **10. BREACH OF REPAIR AND MAINTENANCE OBLIGATIONS**

The Landlord may enter the Property to inspect its condition and may give the Tenant a notice of any breach of any of the tenant covenants in this lease relating to the condition of the Property.



## 11. USE

11.1 The Tenant shall not use the Property for any purpose except the Permitted Use.

## 12. COMPLIANCE WITH LAWS

The Tenant shall comply with all laws relating to the Property and the occupation and use of the Property by the Tenant, to the use of all Service Media and machinery and equipment at or serving the Property, and to all materials kept at or disposed from the Property.

## 13. RETURNING THE PROPERTY TO THE LANDLORD

At the end of the Term, the Tenant shall return the Property to the Landlord in the condition required by this lease and shall remove from the Property all stock and chattels belonging to or it.

## 14. INDEMNITY

The Tenant shall keep the Landlord indemnified against all liabilities, expenses, costs

## 15. LANDLORD'S COVENANT FOR QUIET ENJOYMENT

The Landlord covenants with the Tenant, that, so long as the Tenant pays the rents reserved by and complies with its obligations in this lease, the Tenant shall have quiet enjoyment of the Property without any interruption by the Landlord or any person claiming under the Landlord except as otherwise permitted by this lease.

## 16. RE-ENTRY AND FORFEITURE

16.1 The Landlord may re-enter the Property (or any part of the Property in the name of the whole) at any time

## 20. GOVERNING LAW

This lease and any dispute or claim arising out of it or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

## 21. JURISDICTION

Note: Jurisdiction

Each party irrevocably agrees that the courts of England and Wales shall have [exclusive OR non-exclusive] jurisdiction to settle any dispute or claim arising out of or in connection with this lease or its subject matter or formation (including non-contractual disputes or claims).

## 22. MISCELLANEOUS

22.1 The parties confirm that:

(a) the Landlord served a notice on the Tenant, as required by section 38A(3)(a) of the LTA 1954, applying to the tenancy created by this lease

(b) The Tenant made a [statutory] declaration dated [DATE] in accordance with the requirements of section 38A(3)(b) of the LTA 1954 [a certified copy of which [statutory] declaration is annexed to this lease]; and

(c) There is no agreement for lease to which this lease gives effect.]

22.2 The parties agree that the provisions of sections 24 to 28 of the LTA 1954 are excluded in relation to the tenancy created by this lease.

22.3 A person who is not a party to this lease shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this lease. [This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.]

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

## Summary of Options Appraisal (RAG status)

The headline models of delivery, were considered through an initial high level Options Appraisal, which was the starting point for the discussion on which model could best fit the Council's requirements and which models were discounted and why. The resulting 'high level' delivery models were as follows:

- Status Quo , in house commercial leisure service
- Outsource to the Private Sector
- A Leisure Trust, the same operating model as a previous ADM, Clwyd Leisure
- A Local Authority Trading Company, which would be wholly owned by the Council.

A copy of the initial detailed Options appraisal which sets out the negatives and positives, is available to elected members on request. The essential and critical criteria, which was applied to the high level options were as follows:

- Local authority control
- Ability to benefit from tax exemptions
- Ability to trade and grow
- Continuation and resilience of the Council leisure offer
- Effective contribution to supporting delivery of the Council's Corporate Priorities for its' citizens and its' duties under the Social Services and Well Being Act 2014 and the Well Being of Future Generations Act 2015

The resulting RAG status results based on the above criteria:

Option	Description	Ability to meet critical criteria	RAG Status
<b>In house commercial leisure service</b>	Continuation of current model	No powers to trade Future Resilience not assured Tax exemptions not maximised Savings not achieved	Yellow

<b>Outsource to private sector</b>	Council would put the service out to tender; process of procurement well understood.	Indirect control by the Council through the contract only. No influence at Board level so no direct control. Contribution to wellbeing and future generations could be affected. Continuation of service dependant on contractor and tender price.	Red
<b>Leisure Trust</b>	Well understood model - common in leisure, museums and arts centres.	No council control/majority control. Council appetite for another leisure trust unlikely, based on previous experience. Resilience of service dependant on grant funding.	Red
<b>LATC</b>	A separate but wholly Local Authority owned entity.	Local authority control Ability to benefit from tax exemptions Ability to trade and grow Continuation and resilience of the Council leisure offer Effective contribution to supporting delivery of the Council's Corporate Priorities for its' citizens and its' duties under the Social Services and Well Being Act 2014 and the Well Being of Future Generations Act 2015	Green

## POTENTIAL INITIAL VAT SAVINGS

	2018/19 Forecast Outturn	Extra VAT costs	Extra VAT Income	Standard rated income	Exempt Income
<b>Initial estimated savings</b>					
Totals		£593,571	-£435,357	-£4,360,264	-£2,176,787
New contract for services provided (say)	-£2,000,000				
Add all Standard rated income at all sites	<u>-£4,360,264</u>				
Total Standard rated income	-£6,360,264				
Add all the Exempt income (total of the C's)	-£2,176,787				
Total Gross income (excluding grant income)	<u>-£8,537,051</u>				
% of income that is taxable	74.5019%				
		-£442,222			
Value of VAT lost due to partial exemption			£151,349		
Net VAT savings			<u>-£284,008</u>		

PAY INFLATION 2019-20

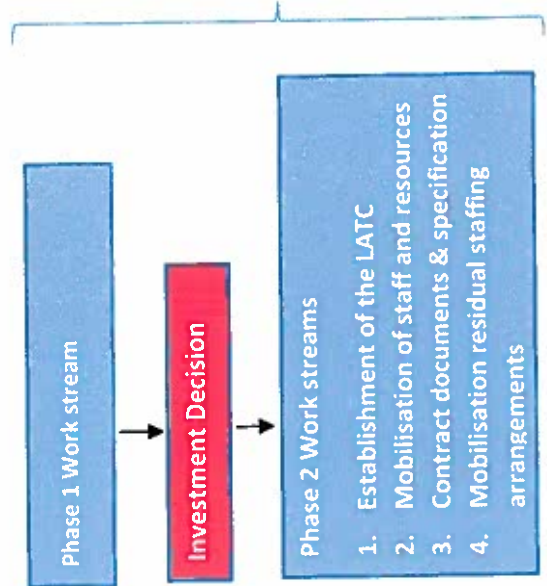
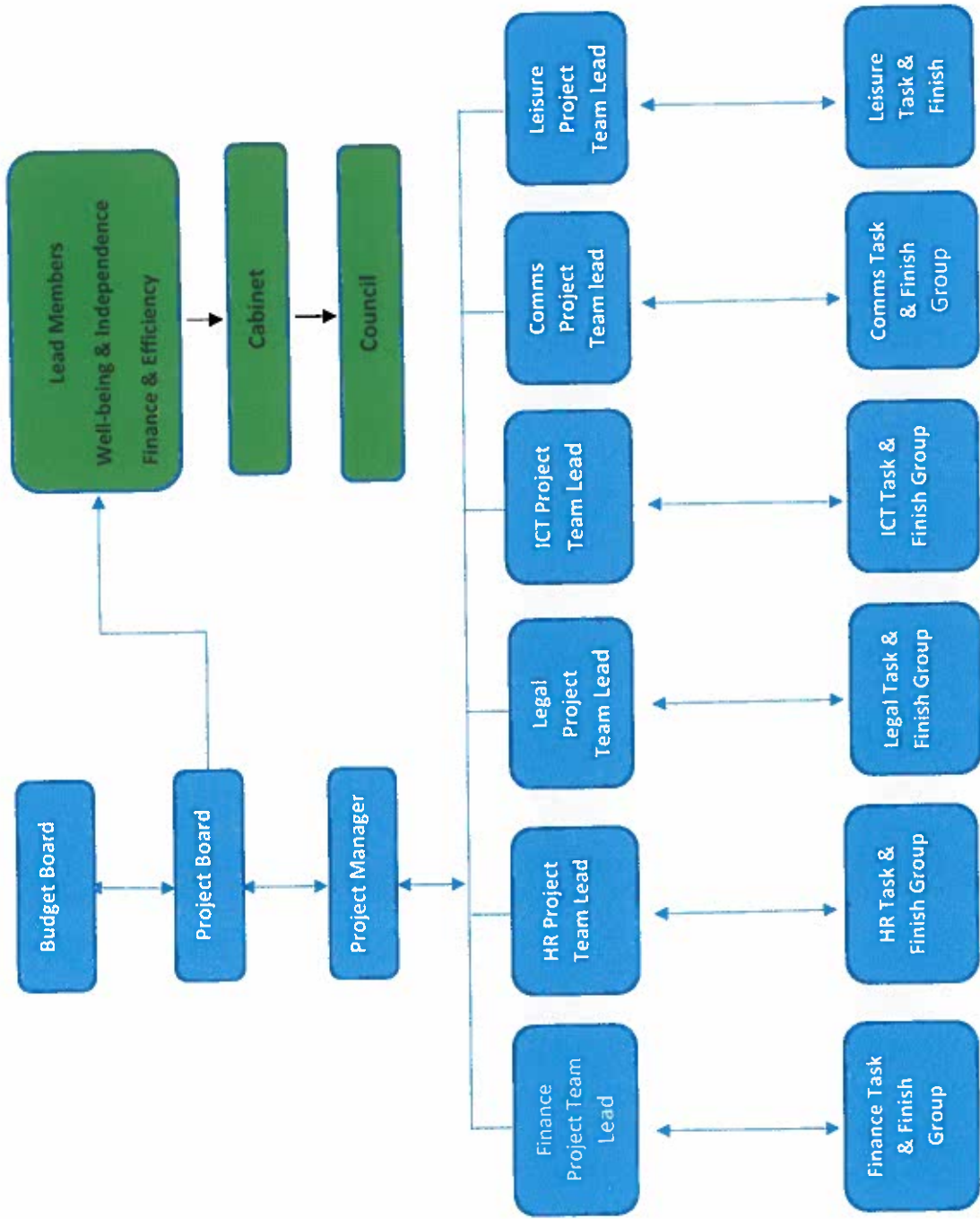
APPENDIX 4D

		2019/20 BUDGETS
		PAY INFLATION
<b>ELEXXX</b>	<b>LEISURE SERVICES</b>	<b>£161,979</b>
<b>ELECOM</b>	<b>LEISURE COMMERCIAL</b>	<b>£142,920</b>
<b>ELECLW</b>	<b>SC2</b>	<b>£4,645</b>
<b>ELECOA</b>	<b>COAST</b>	<b>£2,567</b>
P52CST	NORTH WALES BOWLS CENTRE	£2,567
<b>ELELCR</b>	<b>LEISURE CENTRES</b>	<b>£91,533</b>
P51CST	CORWEN LEISURE CENTRE	£11,200
P54CST	NOVA	£20,584
P55CST	RHYL LEISURE CENTRE	£24,025
P56CST	PRESTATYN LEISURE CENTRE	£2,620
P57CST	ST. ASAPH LEISURE CENTRE	£4,883
P58CST	DENBIGH LEISURE CENTRE	£12,109
P59CST	RUTHIN LEISURE CENTRE	£11,400
P60CST	LLANGOLLEN LEISURE CENTRE	£4,712
<b>ELENER</b>	<b>NATIONAL EXERCISE REFERRAL SCHEME</b>	<b>£0</b>
L06CST	NATIONAL EXERCISE REFERRAL SCHEME	£0
P68CST	GP EXERCISE REFERRAL CO-ORDINATOR	£0
<b>ELEPAV</b>	<b>PAVILIONS</b>	<b>£34,727</b>
P47CST	RUTHIN CRAFT CENTRE	£6,141
P61CST	RHYL PAVILION THEATRE	£27,730
P63CST	EVENTS	£856
<b>ELESUP</b>	<b>MANAGEMENT &amp; SUPPORT</b>	<b>£9,448</b>
P42CST	COMMERCIAL LEISURE MANAGEMENT & SUPPORT	£9,448
P43CST	LEISURE CARD	£0
<b>ELEDEV</b>	<b>STRATEGIC LEISURE</b>	<b>£4,750</b>
<b>E53CST</b>	<b>ARTS</b>	<b>£1,872</b>
E53001	ARTS - GENERAL	£1,872
E53002	LOCAL AUTHORITY GOOD NIGHT OUT FUND	£0
<b>L39CST</b>	<b>DRAGON SPORT</b>	<b>£0</b>
<b>L40CST</b>	<b>5 X 60</b>	<b>£0</b>
<b>P44CST</b>	<b>SPORTS DEVELOPMENT</b>	<b>£2,878</b>
P44001	POSITIVE ACTIVITIES	£0
P44003	COACH & VOLUNTEER DEVELOPMENT	£315
P44007	DISABILITY SPORTS DEVELOPMENT	£785
P44008	SPORTS & PHYSICAL ACTIVITY PROG MGR	£949
P44009	BIKEABILITY	£829
<b>FACXXX</b>	<b>FACILITIES</b>	<b>£5,832</b>
<b>P48CST</b>	<b>ROYAL INTERNATIONAL PAVILION</b>	<b>£2,986</b>
<b>P62001</b>	<b>RHYL TOWN HALL</b>	<b>£2,846</b>
<b>ESMXXX</b>	<b>MANAGEMENT &amp; SUPPORT</b>	<b>£8,477</b>
P41001	ADMIN SUPPORT	£513
P41002	HOS & OFFICER SUPPORT	£6,315
P41003	LEISURE GENERAL	£0
P41004	LEISURE DEVELOPMENT PARTNER FRAMEWORK	£0
P41006	CML FACILITIES MANAGEMENT	£1,649

REVENUE BUDGETS 2018-19 FINANCIAL YEAR							APPENDIX 4E
Implementation of an alternative delivery model (ADM), for various leisure related activities/functions							
	18/19 Expenditure Budget			18/19 Income Budget	18/19 Council Subsidy (Budget)	Potential NNDR savings (90%)	Potential VAT savings
	Prudential Borrowing	Other Expenditure	Total Gross Expenditure Budget				
<b>In scope Facilities, functions &amp; activities</b>							
Llangollen Leisure Centre	£0	£230,773	£230,773	-£179,332	£51,441	£10,184	
Corwen Leisure Centre	£6,297	£368,886	£375,183	-£237,381	£137,802	£14,572	
Ruthin Leisure Centre	£74,307	£598,745	£673,052	-£493,169	£179,883	£15,524	
Denbigh Leisure Centre	£83,075	£618,056	£701,131	-£656,850	£44,281	£57,362	
St Asaph Leisure Centre	£12,526	£225,097	£237,623	-£252,440	-£14,817	£13,104	
Rhyd-y-fon Leisure Centre	£73,041	£995,113	£1,068,154	-£1,017,876	£50,278	£39,790	
Prestatyn Leisure Centre	£24,333	£188,568	£212,901	-£160,128	£2,773	£16,171	
Prestatyn Nova	£273,640	£986,229	£1,259,869	-£870,300	£389,569	£60,138	
SC24	£0	£135,138	£135,138	£0	£135,138	£216,000	
Rhyl Pavilion Theatre	£4,089	£1,755,182	£1,759,271	-£1,106,689	£652,582	£34,695	
Rhyl Events Arena, & events function	£0	£173,856	£173,856	-£64,490	£109,366	£0	
North Wales Bowls Centre	£13,146	£275,291	£288,437	-£223,650	£64,787	£15,497	
Rhyl Town Hall	£0	£155,832	£155,832	-£63,675	£92,157	£25,212	
Ruthin Craft Centre	£0	£735,106	£735,106	-£659,588	£75,518	£18,134	
Llangollen Royal International Pavilion	£0	£289,881	£289,881	-£126,050	£163,831	£80,492	
Management, Operations & Business Support	£0	£772,803	£772,803	-£91,295	£681,508	£0	
Commercial Catering - 1891	£0	£554,954	£554,954	-£568,031	-£13,077	£0	
Commercial Catering - SC2	£0	£0	£0	£0	£0	£0	
Commercial Catering - Café R	£0	£238,783	£238,783	-£225,419	£13,364	£5,899	
National Exercise Referral Scheme (NERS)	£0	£190,399	£190,399	-£159,074	£31,325		
Strategic Leisure	£0	£497,597	£497,597	-£365,538	£132,059	£0	
<b>TOTAL</b>	<b>£564,454</b>	<b>£9,986,289</b>	<b>£10,550,743</b>	<b>-£7,520,975</b>	<b>£3,029,768</b>	<b>£622,775</b>	<b>£284,008</b>

Appendix SA Key Milestones	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20
<b>Milestones</b>												
Council Approval of the Business Case, establishment of the LATC, appointment of one Director & Company name												
Cabinet Approval of updated revenue savings & project implementation cost												
LATC registered with Companies House												
Draft LATC Constitution complete												
LATC Board membership proposal complete												
Strategic Governance Board membership proposal and terms of reference complete												
Key staff TUPE to LATC to initiate systems, policies, and Financial Plan												
SLT restructure actioned for residual services from FAH												
Cabinet Approval of memorandum & LATC Board membership												
Cabinet approval of Strategic Governance Board membership and terms of reference												
Council Approval of memorandum & LATC Board membership												
Due diligence on legal status of assets completed												
Draft contract complete												
Specification of services required complete												
Lease of assets to the LATC approved by Asset Management Group and County Landlord												
Property Leases complete												
Inventory schedules complete												
Service Level Agreements completed												
Contract completed for review by LATC												
Contract Management arrangements complete												
Financial Plan for the LATC approved by Cabinet												
LATC financial systems in place												
LATC policies and procedures in place												
LATC insurances/licencing in place												
Contract signed by LATC & DCC												
Remainder of in scope staff TUPE to LATC												
LATC commences trading												

### Appendix 5B Project Governance Structure





## Appendix 5C

### Stakeholders, Communication and Partners

Stakeholders

Staff within scope of the ADM

Stakeholders

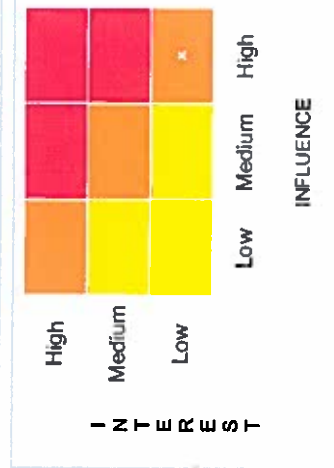
Stakeholder

Stakeholder

Organisation

Department (if internal)

Interest & Influence



How will their interest be managed?

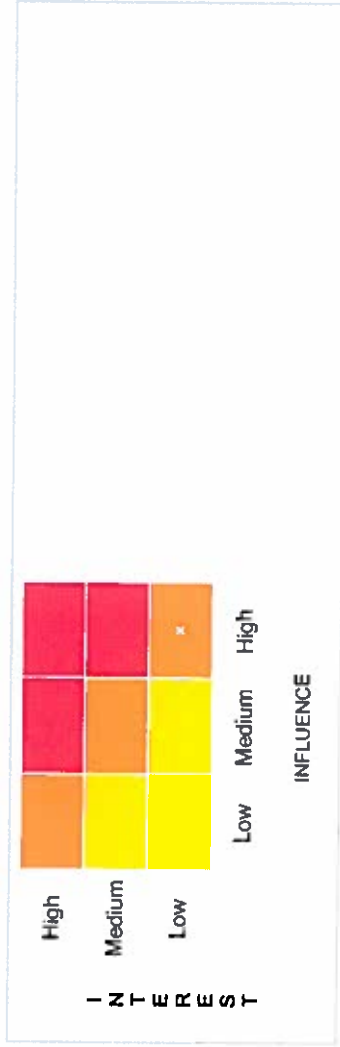
Communication

## Appendix 5C

Communication message/details	<ul style="list-style-type: none"> <li>• There are opportunities which will emerge as the change is designed and delivered.</li> <li>• This is an opportunity to build a commercial approach</li> <li>• There won't be any service impact on residents</li> </ul>
Communication Frequency	As necessary
Form of Communication	<ul style="list-style-type: none"> <li>• Written staff briefing</li> <li>• Verbal face to face updates to groups</li> <li>• Formal consultation process</li> <li>• Informal 1-1</li> <li>• Formal 1-1</li> </ul>
Owners	Catrin Roberts
Staff within FAH who are out of scope of the ADM	
Stakeholders	
Stakeholder	Staff
Stakeholder	Staff within FAH who are out of scope of the ADM
Organisation	DCC
Department (if internal)	Facilities, Assets & Housing

## Appendix 5C

### Interest & Influence



How will their interest be managed?

Communication

Communication message/details

Keep informed

- There are important financial and operational drivers to validate looking at the option of an ADM
- The initial thinking is being tested through the project management process
- There is an option to stop the process if it is unable to achieve the anticipated benefits.

Communication Frequency

Form of Communication

As necessary

Staff briefing- written and verbal  
 Informal meetings for individuals/groups  
 Formal written consultation

Owners

Nicola Stubbins

SLT members

## Appendix 5C

Stakeholders	
Stakeholder	
Stakeholder	
Organisation	
Department (if internal)	
Interest & Influence	
How will their interest be managed?	Keep informed
Communication	

## Appendix 5C

### Communication message/details

- There are important financial and operational drivers to validate looking at the option of an ADM for Leisure Services.
- There are staff changes as the Head of FAHS would transfer to an ADM if it is a viable project.
- The remaining services within FAHS and the Leisure Services deemed out of scope of an ADM will be absorbed within other Service Areas
- Provides an opportunity to revisit service areas and level out the responsibilities
- If the ADM does not go ahead then no changes will occur.

### Communication Frequency

As necessary

### Form of Communication

- SLT reports
- Informal meetings
- Formal written communication

### Owners

Nicola Stubbins

### Cabinet Members

#### Stakeholders

#### Stakeholder

#### Stakeholder

#### Organisation

#### Department (if internal)

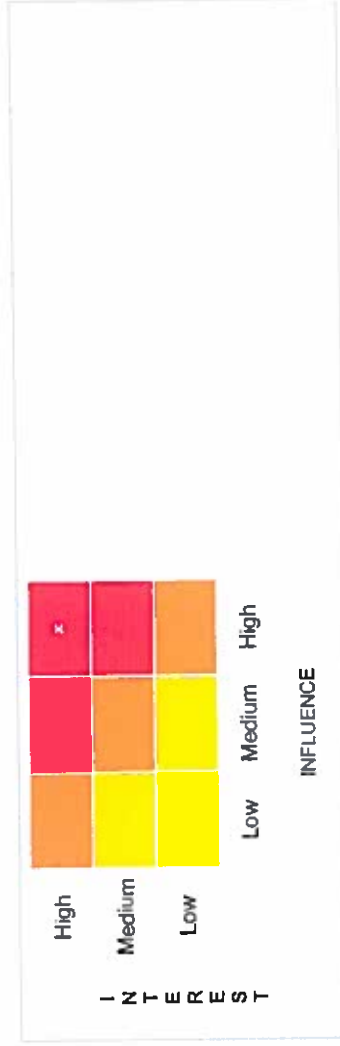
Cabinet Members

Cabinet Members

DCC

## Appendix 5C

### Interest & Influence



How will their interest be managed?

Communication

Communication message/details

Keep satisfied

- There are important financial and operational drivers to validate looking at the option of an ADM
- The initial thinking is being tested through the business case
- There is an option to stop the process
- This will not impact on service delivery to residents
- We will ensure all terms and conditions for staff that transfer to the ADM are the same as those that remain with the Council.

Communication Frequency

Form of Communication

As necessary

Reports to Cabinet and Council.  
Verbal updates to Lead Members

Owners

Graham Boase

Lead Member for Wellbeing & Independence & Lead Member for Finance & Efficiency

## Appendix 5C

Stakeholders

Stakeholder

Stakeholder

Organisation

Department (if internal)

Interest & Influence

How will their interest be managed?

Communication

Cabinet Members																					
Lead Member for Wellbeing & Independence & Lead Member for Finance & Efficiency																					
DCC																					
Cabinet	<table border="1"><tr><td>High</td><td>Orange</td><td>Red</td><td>Red with x</td></tr><tr><td>Medium</td><td>Yellow</td><td>Orange</td><td>Orange</td></tr><tr><td>Low</td><td>Yellow</td><td>Yellow</td><td>Orange</td></tr><tr><td></td><td>Low</td><td>Medium</td><td>High</td></tr><tr><td></td><td colspan="3">INFLUENCE</td></tr></table>	High	Orange	Red	Red with x	Medium	Yellow	Orange	Orange	Low	Yellow	Yellow	Orange		Low	Medium	High		INFLUENCE		
High	Orange	Red	Red with x																		
Medium	Yellow	Orange	Orange																		
Low	Yellow	Yellow	Orange																		
	Low	Medium	High																		
	INFLUENCE																				
Keep satisfied																					

## Appendix 5C

### Communication message/details

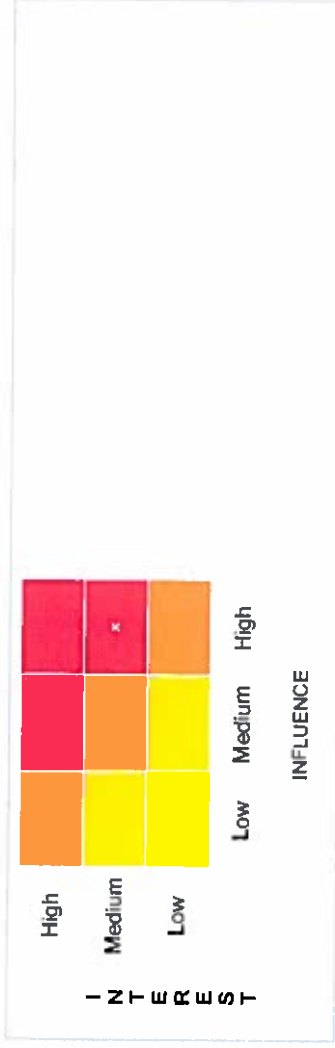
- There are important financial and operational drivers to validate looking at the option of an ADM
- The initial thinking is being tested through the business case
- There is an option to stop the process
- This will not impact on service delivery to residents
- We will ensure all terms and conditions for staff that transfer to the ADM are the same as those that remain with the Council.

Communication Frequency	As necessary
Form of Communication	Verbal updates
Owners	Graham Boase
DCC Councillors	
Stakeholders	
Stakeholder	Members
Stakeholder	DCC Councillors
Organisation	DCC
Department (if internal)	Elected Member



## Appendix 5C

### Interest & Influence



How will their interest be managed?

Communication

Communication message/details

Keep satisfied

- There are important financial and operational drivers to validate looking at the option of an ADM
- The initial thinking is being tested through the business case
- There is an option to stop the process
- This will not impact on service delivery to residents
- We will ensure all terms and conditions for staff that transfer to the ADM are the same as those that remain with the Council.

Communication Frequency

Form of Communication

As necessary

- Member workshops
- MAG meetings
- Reports

Owners

Graham Boase

## Appendix 5C

### Trade Union representatives

Stakeholders

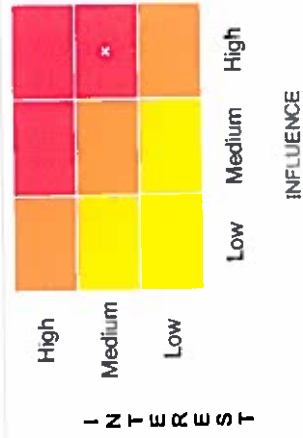
Stakeholder

Stakeholder

Organisation

Department (if internal)

Interest & Influence



How will their interest be managed?

Communication

Keep informed

## Appendix 5C

### Communication message/details

- These changes are necessary for the long term health of the Council and Leisure Services
- we will ensure all terms and conditions are maintained for staff that transfer to any new entity
- We will follow policy around redeployment and change
- We will seek to avoid job losses through redeployment
- We value their advice and support

Communication Frequency

As necessary

Form of Communication

Meetings

Owners

Catrin Roberts

Project Board Members

Stakeholders

Stakeholder

Senior Management

Stakeholder

Project Board Members

Organisation

DCC

Department (if internal)

## Appendix 5C

Interest & Influence	
 <p>Interest</p> <p>High</p> <p>Medium</p> <p>Low</p> <p>Influence</p> <p>Low</p> <p>Medium</p> <p>High</p>	
How will their interest be managed?	Keep satisfied
Communication	
Communication message/details	Details of the project progress
Communication Frequency	As necessary
Form of Communication	Email Project Board meetings Project Team meetings VERTO
Owners	Sian Price
North Wales Bowls Club	
Stakeholders	
Stakeholder	Other
Stakeholder	North Wales Bowls Club

## Appendix 5C

Organisation	North Wales Bowls Club
Department (if internal)	
Interest & Influence	
How will their interest be managed?	Keep satisfied
Communication	
Communication message/details	The way in which leisure is delivered in DCC may changing; this will not impact on Service delivery.
Communication Frequency	As necessary
Form of Communication	Verbal update Letter detailing any changes.
Owners	Jamie Groves
Reshaping the Council Programme Board	
Stakeholders	

## Appendix 5C

Stakeholder	Cabinet Members
Stakeholder	Reshaping the Council Programme Board
Organisation	DCC
Department (if internal)	Accountancy
Interest & Influence	
How will their interest be managed?	Keep informed
Communication	
Communication message/details	Project updates
Communication Frequency	Monthly
Form of Communication	Meeting
Owners	Graham Boase

Tenants or those sub letting space within 'in scope' facilities

**Appendix 5C**

Stakeholders	
Stakeholder	Other
Stakeholder	Tenants or those sub-letting space within 'in scope' facilities
Organisation	DCC & Flying Start
Department (if internal)	Legal and Democratic Services
Interest & Influence	
How will their interest be managed?	Keep satisfied
Communication	
Communication message/details	The way in which Leisure is operated in the Council may be changing, but the use of office space by yourselves will remain the same.
Communication Frequency	As necessary
Form of Communication	Verbal update Letter

## Appendix 5C

Owners	Jamie Groves
Stakeholders	Sports Clubs/organised groups/individuals that regularly hire facilities
Stakeholder	Service Users
Stakeholder	Sports Clubs/organised groups/individuals that regularly hire facilities
Organisation	Various
Department (if internal)	
Interest & Influence	
How will their interest be managed?	Keep satisfied
Communication	
Communication message/details	The way in which the Council is delivering Leisure Services may be changing, but the service delivery will remain the same
Communication Frequency	As necessary



## Appendix 5C

Form of Communication

Notice in facilities at point of change  
Verbal update by staff

Owners

Jamie Groves

Service users funded through the National Exercise Referral Scheme (NERS).

Stakeholders

Stakeholder

Service Users

Stakeholder

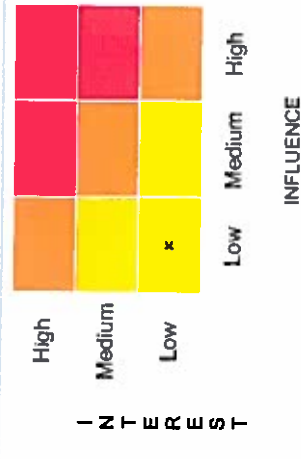
Service users funded through the National Exercise Referral Scheme (NERS).

Organisation

DCC residents

Department (if internal)

Interest & Influence



How will their interest be managed?

Communication

Keep satisfied

## Appendix 5C

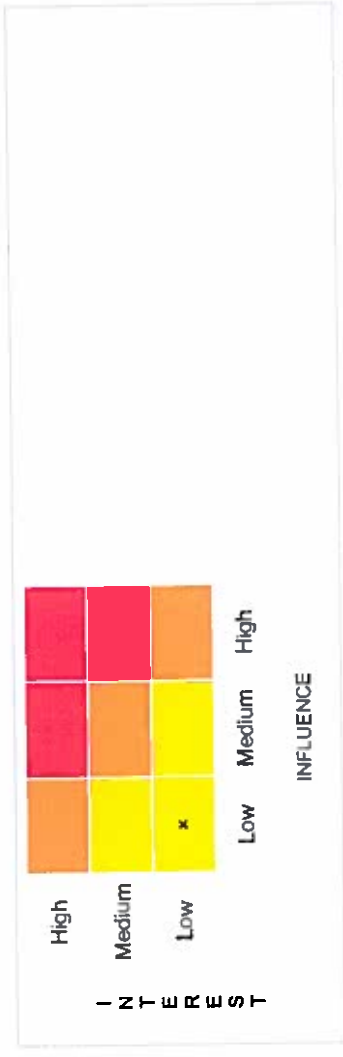
Communication message/details	The way that leisure Services is being delivered may be changing, but the service delivery will remain the same.																									
Communication Frequency	As necessary																									
Form of Communication	Notices at point of any change Verbal updates																									
Owners	Jamie Groves																									
Leisure Membership holders																										
Stakeholders																										
Stakeholder																										
Stakeholder																										
Organisation																										
Department (if internal)																										
Interest & Influence	<p style="text-align: center;"> <b>Service Users</b>  <b>Leisure Membership holders</b>  <b>DCC Residents who subscribe to the Denbighshire Leisure membership scheme</b> </p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td style="text-align: center;">High</td> <td style="text-align: center;">Medium</td> <td style="text-align: center;">Low</td> <td></td> </tr> <tr> <td style="text-align: center;">High</td> <td style="background-color: red;"></td> <td style="background-color: red;"></td> <td style="background-color: orange;"></td> <td style="text-align: center;">High</td> </tr> <tr> <td style="text-align: center;">Medium</td> <td style="background-color: orange;"></td> <td style="background-color: yellow;"></td> <td style="background-color: yellow;"></td> <td style="text-align: center;">Medium</td> </tr> <tr> <td style="text-align: center;">Low</td> <td style="background-color: orange;"></td> <td style="background-color: yellow; text-align: center;">*</td> <td style="background-color: orange;"></td> <td style="text-align: center;">Low</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td style="text-align: center;">INFLUENCE</td> </tr> </table>		High	Medium	Low		High				High	Medium				Medium	Low		*		Low					INFLUENCE
	High	Medium	Low																							
High				High																						
Medium				Medium																						
Low		*		Low																						
				INFLUENCE																						

## Appendix 5C

How will their interest be managed?	Keep satisfied
Communication	
Communication message/details	The way in which Leisure Services are delivered by the Council may be changing, but the existing service delivery will remain the same.
Communication Frequency	As necessary
Form of Communication	Notices at point of any change verbal updates
Owners	Jamie Groves
Members of the Public (residents of and visitors to DCC)	
Stakeholders	
Stakeholder	Service Users
Stakeholder	Members of the Public (residents of and visitors to DCC)
Organisation	DCC residents
Department (if internal)	

## Appendix 5C

### Interest & Influence



How will their interest be managed?	Keep satisfied
Communication	
Communication message/details	The way in which Leisure Services is being delivered may change but service delivery will remain the same
Communication Frequency	As necessary
Form of Communication	Notices at the point of any change Verbal updates
Owners	Jamie Groves

School users without SLA's	
Stakeholders	
Stakeholder	Service Users
Stakeholder	School users without SLA's

## Appendix 5C

Organisation	DCC
Department (if internal)	Education
Interest & Influence	
How will their interest be managed?	Keep satisfied
Communication	
Communication message/details	The way in which Leisure Services is delivered may be changing, but this will not impact on services
Communication Frequency	As necessary
Form of Communication	Notices at point of any change verbal updates Update at Primary, secondary and special school forums
Owners	Jamie Groves
GUSTO	
Stakeholders	

## Appendix 5C

Stakeholder	Other
Stakeholder	GUSTO
Organisation	External organisation who lease catering concession at the NOVA
Department (if internal)	
Interest & Influence	
How will their interest be managed?	Keep informed
Communication	
Communication message/details	The way in which Leisure Services is delivered in DCC may be changing, the terms of your existing contract is unchanged.
Communication Frequency	As necessary
Form of Communication	Letter verbal update
Owners	Jamie Groves

## Appendix 5C

Stakeholders	
Stakeholder	Government Departments
Stakeholder	City Town & Community Councils in areas where facilities located
Organisation	Local Government
Department (if internal)	
Interest & Influence	
How will their interest be managed?	Keep informed
Communication	
Communication message/details	The way in which Leisure Services is delivered may be changing, but the services delivered at your local facilities will remain the same.
Communication Frequency	As necessary
Form of Communication	Letter
Owners	Graham Boase

## Appendix 5C

### Key media contacts

Stakeholders	
Stakeholder	
Stakeholder	
Organisation	
Department (if internal)	
Interest & Influence	
How will their interest be managed?	Manage closely
Communication	
Communication message/details	The way in which the Council is delivering Leisure Services may be changing, but the service delivery will remain the same
Communication Frequency	As necessary
Form of Communication	Press release



**Appendix 5C**

**Owners**

Sian Owen

Wales Audit Office

**Stakeholders**

**Stakeholder**

**Stakeholder**

**Organisation**

**Department (if internal)**

**Interest & Influence**



**How will their interest be managed?**

**Communication**

**Communication message/details**

**Communication Frequency**

Keep informed

Updates on the processes followed as part of the project development

Monthly

## Appendix 5C

Form of Communication	1-1 meetings with members of the Project Board, the Project Manager.
Owners	Graham Boase
Industry/standards regulators	
Stakeholders	
Stakeholder	Government Departments
Stakeholder	Industry/standards regulators
Organisation	Welsh Government & National Government
Department (if internal)	
Interest & Influence	
How will their interest be managed?	
Communication	
Communication message/details	The way in which Leisure Services is being delivered in DCC may be changing, but the facilities and service delivery are remaining the same.

## Appendix 5C

Communication Frequency

Form of Communication

Owners

As necessary

Letter to advise of any change.

Jamie Groves

Alliance Leisure

Stakeholders

Stakeholder

Stakeholder

Organisation

Department (if internal)

Interest & Influence

Other

Alliance Leisure

Private Leisure Company



How will their interest be managed?

Communication

## Appendix 5C

Communication message/details

Communication Frequency

Form of Communication

Owners

### Non FAH staff members

Stakeholders

Stakeholder

Stakeholder

Organisation

Department (if internal)

Interest & Influence

High	High	Medium	Low
Medium	Medium	Low	Low
Low	Low	Low	Low

IN T E R E S T

INFLUENCE

Low Medium High

How will their interest be managed?

Keep informed

## Appendix 5C

### Communication

#### Communication message/details

- There are important financial and operational drivers to validate looking at the option of an ADM
- The initial thinking is being tested through the project management process
- There is an option to stop the process if it is unable to achieve the anticipated benefits.

#### Communication Frequency

#### Form of Communication

#### Owners

As necessary

Intranet

Graham Boase

#### Artists who exhibit work and run courses at the Craft centre

#### Stakeholders

#### Stakeholder

#### Stakeholder

#### Organisation

#### Department (if internal)

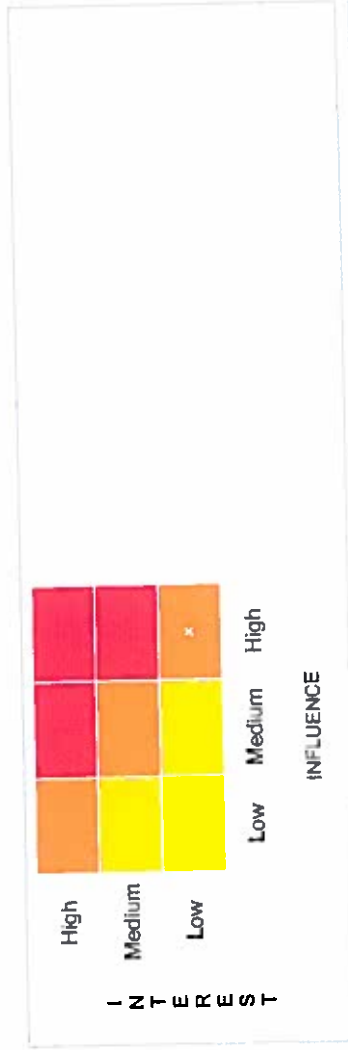
Other

Artists who exhibit work and run courses at the Craft centre

Sole traders/Local Businesses

## Appendix 5C

### Interest & Influence



How will their interest be managed?

Communication

Communication message/details

Communication Frequency

Form of Communication

Owners

Keep satisfied

The way in which DCC operates the Craft Centre may be changing, but the way in which you use the Craft centre is remaining the same.

As necessary

Verbal updates  
Email communication

Jamie Groves

**Appendix 5D Benefits Realisation Plan**

**Proposed Alternative Delivery model, (ADM), for various leisure related activities and functions**

Ben ID	Title	Description	Monthly operational meeting	Quarterly Governance Board meeting	Who	Evidence
<b>Financial Benefits</b>						
001	NNDR savings	Saving associated with 90% exemption from business rates	✓ (April only)	✓ (Q1 only)	DCC Finance Manager	Business Rates Bill
002	VAT savings	Saving from a more tax efficient delivery model	✓	✓	NEWCO	Analysis provided by company accountant
003	Net income generated by the ADMC	NET income £ generated from trade that is additional to the services commissioned by the Council.	✓	✓	NEWCO	Analysis provided by company accountant
<b>Community/Partnership Working</b>						
004	Community benefit initiatives delivered in partnership	Number of Community benefit initiatives delivered in partnership with other public service organisations.	✓	✓	NEWCO	Evidence of partnership working, e.g poster for event,
005	Delivery within Communities	Number of alternative (out of scope) facilities/venues used for the delivery of services to DCC residents	✓	✓	NEWCO	Programme of events offered & venue provided for the previous month.
<b>Local Economy</b>						
006	Apprenticeship/trainee schemes	Number of apprentices/trainees/work placements who have benefitted from opportunities.	✓	✓	NEWCO	Details provided of individuals participating (Need to check GDPR implications)

Ben ID	Title	Description	Monthly operational meeting	Quarterly Governance Board meeting	Who	Evidence
007	Denbighshire businesses supported	£ in respect of goods and services procured from Denbighshire businesses, & value £ goods sold on behalf of Denbighshire businesses (net of commission)	✓	✓	NEWCO	List of DCC companies, the goods/ services procured and the £. Sales £ net of commission made on behalf of DCC businesses
<b>Quality</b>						
008	Complaints logged	Number of complaints logged per month and percentage resolved	✓	✓	NEWCO	Report from NEWCO (Need to include within spec the requirement for all complaints to be logged with DCC as well as ADMC- trend analysis)
009	Participation rates	Participation in all functions within the portfolio	✓	✓	NEWCO	Note that will need to agree a measure/s for each facility/function relative to its business
010	Customer satisfaction	Customer satisfaction with the services that they access	✓	✓	NEWCO	Note that will need to agree a measure/s for each facility/function relative to its business
011	Staff satisfaction	Bi annual staff survey undertaken by ADMC, based on an extract of DCC's staff survey		✓ Bi annual	NEWCO	Survey results



# Implementation of an Alternative Delivery Model Company

## Well-being Impact Assessment Report

This report summarises the likely impact of the proposal on the social, economic, environmental and cultural well-being of Denbighshire, Wales and the world.

Assessment Number:	564
Brief description:	The project seeks to implement a Council owned, not for profit Local Authority Trading Company limited by guarantee, (LATC), for the delivery of various leisure related facilities, activities and functions, which potentially will include some further service provision where a compelling rationale can be established.
Date Completed:	17/04/2019 12:44:43 Version: 2
Completed by:	Sian Price
Responsible Service:	Business Improvement & Modernisation
Localities affected by the proposal:	Whole County,
Who will be affected by the proposal?	Residents within DCC Visitors to DCC Users of the facilities DCC schools DCC Members DCC staff members impacted by the change Rhyl Town Council LIME Funders Audit Office Regulators Trade Unions Tenants
Was this impact assessment completed as a group?	Yes

# IMPACT ASSESSMENT SUMMARY AND CONCLUSION

Before we look in detail at the contribution and impact of the proposal, it is important to consider how the proposal is applying the sustainable development principle. This means that we must act "in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs."

## Score for the sustainability of the approach

★ ★ ★ ★ ( 3 out of 4 stars ) Actual score : 23 / 30.

## Implications of the score

At the project business case stage there is clarity regarding the potential financial benefits associated with the establishment of an LATC(LATC), and this will assist the Council to sustain its leisure services as far as is practical, in what is a challenging financial climate.

It is anticipated that residents will notice no change to their existing provision. However, this is subject to future WG settlements, which will affect the ability of the council to support service delivery everywhere.

## Summary of impact

### Well-being Goals

- A prosperous Denbighshire
- A resilient Denbighshire
- A healthier Denbighshire
- A more equal Denbighshire
- A Denbighshire of cohesive communities
- A Denbighshire of vibrant culture and thriving Welsh language
- A globally responsible Denbighshire

- Neutral
- Neutral
- Neutral
- Neutral
- Neutral
- Neutral
- Neutral



## Main conclusions

Overall the impact of this project was assessed as neutral. In the main, this project is seeking to implement an LATC for the operation of Leisure related facilities functions and activities, in order to benefit from the specific savings that can only be derived through the establishment of an LATC, and to enable any commercial endeavours to be pursued, with a view to raising income. It is anticipated that the service to users will be unchanged, unless the council has to make further significant savings in the future, and the opportunities for the LATC to raise income, have not materialised sufficiently to net the effect of a reducing council budget. If this were the case then this service could be affected in the same way as any other service offered by the council. The Council will contract with the LATC for the delivery of services and through the contract management the Council to safeguard its aims and objectives. Each year there will be a process whereby the subsidy and associated benefits are agreed and this will enable the contract to be adapted to meet any emerging needs.

This wellbeing impact assessment for the Project Brief was assessed by DCC's Critical Friend's Review Group who provided valuable observations and comments for consideration. These

comments were considered when updating the wellbeing impact assessment at the business case stage.

### **Evidence to support the Well-being Impact Assessment**

- We have consulted published research or guides that inform us about the likely impact of the proposal
- We have involved an expert / consulted a group who represent those who may affected by the proposal
- We have engaged with people who will be affected by the proposal

# THE LIKELY IMPACT ON DENBIGHSHIRE, WALES AND THE WORLD

## A prosperous Denbighshire

<b>Overall Impact</b>	Neutral
<b>Justification for impact</b>	There is potential for change within the areas of economic development, quality skills and quality jobs for the long term. The positive/negative impacts in respect of these three areas are dependent on the ability of the LATC to maximise its commercial potential and be alert to the opportunities that enable it to access more, or different training to develop its workforce to further support the business, and provide a quality experience to service users. The likelihood is that the project will initially follow the existing practices until the opportunities for change and betterment are identified. The staff within DCC and the LATC will enjoy the same terms and conditions and will legally need to be treated equitably.
<b>Further actions required</b>	An LATC will be alert to the opportunities to contribute to the prosperity of Denbighshire. Through the contract management of the LATC, the council would seek to safeguard its aims and objectives. Consideration needs to be given in respect of knowledge migration as a result of the project, and factored into the project plan.

### Positive impacts identified:

<b>A low carbon society</b>	No known impact
<b>Quality communications, infrastructure and transport</b>	No known impact
<b>Economic development</b>	There may be things that an LATC can do, over and above what the Council can do, to provide a greater economic benefit.
<b>Quality skills for the long term</b>	There could be better access to free training if it is not Council operated, however this will depend on what is available to LATC's. That said staff within the LATC and DCC will be on equal terms and conditions and should expect equal access to their training needs
<b>Quality jobs for the long term</b>	If the LATC established does well, this could impact favourably on the number of quality jobs required to operate the service.
<b>Childcare</b>	None

### Negative impacts identified:

<b>A low carbon society</b>	No known impact
<b>Quality communications, infrastructure and transport</b>	No known impact
<b>Economic development</b>	If the LATC established does not perform as well as hoped, or there is less budget to support it, or people have less money to spend, then there may be negative impacts.

<b>Quality skills for the long term</b>	It is unknown whether any staff TUPE'd to the LATC could still access DCC training.
<b>Quality jobs for the long term</b>	Equally if the company is not very successful there will potentially be a smaller number of quality jobs available.
<b>Childcare</b>	None

## A resilient Denbighshire

<b>Overall Impact</b>	Neutral
<b>Justification for impact</b>	No change is anticipated as a result of the introduction of an LATC. The aim of this project is to continue the existing practices. The LATC will still be able to access the preferential energy rates brokered by the Council. The buildings will still be owned by the Council and maintained through the capital plan which will include access to any energy saving initiatives as applicable. There is no change anticipated in the way in which the buildings are used and therefore no anticipated biodiversity impacts.
<b>Further actions required</b>	The LATC will be alert to the opportunities to contribute to the resilience of Denbighshire. Through the contract management of the LATC the council would seek to safeguard its aims and objectives.

### Positive impacts identified:

<b>Biodiversity and the natural environment</b>	No known impact
<b>Biodiversity in the built environment</b>	No known impact
<b>Reducing waste, reusing and recycling</b>	No known impact
<b>Reduced energy/fuel consumption</b>	No known impact
<b>People's awareness of the environment and biodiversity</b>	No known impact
<b>Flood risk management</b>	No known impact

### Negative impacts identified:

<b>Biodiversity and the natural environment</b>	No known impact
<b>Biodiversity in the built environment</b>	No known impact
<b>Reducing waste, reusing and recycling</b>	No known impact
<b>Reduced energy/fuel consumption</b>	No known impact

<b>People's awareness of the environment and biodiversity</b>	No known impact
<b>Flood risk management</b>	No known impact

## A healthier Denbighshire

<b>Overall Impact</b>	Neutral
<b>Justification for impact</b>	The LATC will have the ability to adapt easily to maximise any opportunities to contribute to a healthier Denbighshire. If the LATC is successful in attracting a proportion of its income elsewhere, there is potentially additional funding to reinvest in the LATC which could contribute to health benefits, or a lower subsidy expected for the Council will could ease the pressure on other areas of Council funding, which could be health related.
<b>Further actions required</b>	The LATC will be alert to the opportunities to contribute to a healthier Denbighshire. Through the contract management of the LATC the Council will safeguard its aims and objectives.

### Positive impacts identified:

<b>A social and physical environment that encourage and support health and well-being</b>	No known impact
<b>Access to good quality, healthy food</b>	No known impact
<b>People's emotional and mental well-being</b>	No known impact
<b>Access to healthcare</b>	No known impact
<b>Participation in leisure opportunities</b>	Potentially there are more opportunities via a separate company, as it can both seek and be more responsive to opportunities, that enhance the offer to residents.

### Negative impacts identified:

<b>A social and physical environment that encourage and support health and well-being</b>	No known impact
<b>Access to good quality, healthy food</b>	No known impact
<b>People's emotional and mental well-being</b>	No known impact
<b>Access to healthcare</b>	No known impact

<b>Participation in leisure opportunities</b>	No known impact
---	-----------------

## A more equal Denbighshire

<b>Overall Impact</b>	Neutral
<b>Justification for impact</b>	The LATC will be required to comply with the Council's guidelines, and will adopt and adhere to policies based on the Council's in this respect. Initially it is likely that the LATC will need a period to become established before looking at further opportunities. The LATC will be aware of price sensitivity and how this will affect the numbers of users who access the services offered. The specification for the services procured from the LATC will be based on what is currently offered, and hence access to specific user groups will be safeguarded.
<b>Further actions required</b>	The LATC will be alert to the opportunities to contribute to the equality of Denbighshire. The contract management of the LATC will ensure that the Council can safeguard its aims and objectives in the future.

### Positive impacts identified:

<b>Improving the well-being of people with protected characteristics. The nine protected characteristics are: age; disability; gender reassignment; marriage or civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation</b>	No known impact
<b>People who suffer discrimination or disadvantage</b>	No known impact
<b>Areas with poor economic, health or educational outcomes</b>	No known impact
<b>People in poverty</b>	No known impact

### Negative impacts identified:

<b>Improving the well-being of people with protected characteristics. The nine protected characteristics are: age; disability; gender reassignment; marriage or civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation</b>	No known impact
<b>People who suffer discrimination or disadvantage</b>	No known impact
<b>Areas with poor economic, health or educational outcomes</b>	No known impact
<b>People in poverty</b>	No known impact

## A Denbighshire of cohesive communities

<b>Overall Impact</b>	Neutral
<b>Justification for impact</b>	There will be an onus on the LATC to consult with its users as it does now. DCC will still canvass opinion from its residents, and will retain the ability to alter its contract with any company to reflect any requirements that it identifies. The LATC will be wholly Council owned, and there will be no rebranding and hence no negative impact is anticipated for the end user. The LATC will be alert to the opportunities to contribute to the cohesive communities of Denbighshire.
<b>Further actions required</b>	The LATC will be alert to the opportunities to contribute to the communities of Denbighshire. The council would seek to safeguard its aims and objectives through the contract management of the LATC.

### Positive impacts identified:

<b>Safe communities and individuals</b>	No known impact
<b>Community participation and resilience</b>	No known impact
<b>The attractiveness of the area</b>	No known impact
<b>Connected communities</b>	No known impact
<b>Rural resilience</b>	No known impact

**Negative impacts identified:** Tudalen 176



<b>Safe communities and individuals</b>	No known impact
<b>Community participation and resilience</b>	No known impact
<b>The attractiveness of the area</b>	No known impact
<b>Connected communities</b>	No known impact
<b>Rural resilience</b>	No known impact

## A Denbighshire of vibrant culture and thriving Welsh language

<b>Overall Impact</b>	Neutral
<b>Justification for impact</b>	The LATC will be subject to the Council's guidelines in this respect. The LATC will be alert to the opportunities to contribute to the vibrant culture and thriving Welsh Language of Denbighshire.
<b>Further actions required</b>	The LATC will be alert to the opportunities to contribute to the culture and Welsh language of Denbighshire, and the Council can monitor this requirement through the contract management arrangements that will be established.

### Positive impacts identified:

<b>People using Welsh</b>	No known impact
<b>Promoting the Welsh language</b>	No known impact
<b>Culture and heritage</b>	No known impact

### Negative impacts identified:

<b>People using Welsh</b>	No known impact
<b>Promoting the Welsh language</b>	No known impact
<b>Culture and heritage</b>	No known impact

## A globally responsible Denbighshire

<b>Overall Impact</b>	Neutral
<b>Justification for impact</b>	The LATC will be alert to the opportunities to contribute to a more globally responsible Denbighshire. The council would seek to safeguard its aims and objectives within any model that is set up.
<b>Further actions required</b>	The LATC will be alert to the opportunities to contribute to the global responsibility of Denbighshire. The council would seek to safeguard its aims and objectives through the contract management of the LATC.

### Positive impacts identified:

<b>Local, national, international supply chains</b>	No known impact
<b>Human rights</b>	No known impact
<b>Broader service provision in the local area or the region</b>	No known impact

**Negative impacts identified:**

<b>Local, national, international supply chains</b>	No known impact
<b>Human rights</b>	No known impact
<b>Broader service provision in the local area or the region</b>	No known impact

### **Details of other Alternative Delivery Models established and lessons learnt**

Officers are aware that during the process to date Members have asked many questions relating to DCC's experiences with Clwyd Leisure Trust, what lessons have we learned from that, and have we looked at what other Authorities in the area, and beyond, are doing in relation to establishing ADMs.

This Appendix seeks to provide Members with reassurances that as a Council we have learned from the Clwyd Leisure experience and that we have researched what other Authorities are doing in terms of establishing their own ADMs.

There is clearly no "one model fits all" approach when it comes to establishing an ADM, as there are a wide range of options. We have carefully considered all options and have suggested an ADM model that others have used, but the recommendation is based on "best fit" for what we want to include and what we want to achieve here in DCC.

#### **1. Flintshire County Council;**

'Aura' was established in September 2017, as a charitable, not-for-profit ADM organisation, which is responsible for managing the majority of leisure centres and libraries previously operated directly by Flintshire County Council.

Aura is owned by its employees, not by the Council. The company's legal model is a "Community Benefit Society".

Members of DCC's, ADM Project Team met with senior managers at Aura. They have been involved in the original set up of the ADM and have been part of the the senior management team since the company's inception. They were able to share the background to the establishment of the ADM and the learning gained over the last 18 months. Aura's business plan is based on Flintshire County Council reducing the subsidy given to the company by 10% per annum for the initial 3 year contract.

#### **2. Gwynedd County Council;**

Gwynedd County Council has recently set up 'Byw'n lach', a similar ADM to the one proposed in DCC i.e. it is a not for profit Local Authority Trading Company limited by guarantee, to run its Leisure Centres, a couple of synthetic pitches and play areas and the National GP Referral scheme. The company commenced trading on 1<sup>st</sup> April 2019.

Whilst it is early days for 'Byw'n lach', the same members of the DCC ADM Project Team benefited from a meeting with Gwynedd County Council's Project Manager who was able to share their recent experiences from the implementation perspective. Members of DCC's finance department also benefitted from a conference call with their counterparts in Gwynedd.

### **3. Newport City Council;**

“Newport Live” is an ADM based on a social enterprise and registered charitable trust. It was established by Newport City Council to run its Leisure and cultural facilities and programmes. DCC was made aware of Newport Live by the Arts Council for Wales, which sited the good working relationship that they had with this enterprise, when DCC’s ADM proposal was discussed with them relative to Ruthin Craft Centre and DCC’s arts programme that they fund. Arts Council for Wales raised no in principle objection to our proposed ADM.

The visits to ‘Aura’ and Gwynedd were valuable and reinforced the approach that we are taking to the implementation within DCC.

For ‘Aura’ although the model is different, many of the implementation processes are the same. The discussions with both confirmed our thinking regarding items such as pensions, payroll, insurances, banking arrangements, Service Level agreements for the ongoing provision of services from the Council, ICT, the leases and contract management arrangements among others. It was also useful to discuss the way in which the staff were transferred to the new legal entities’ and the interim arrangements that they put in place during the transition period.

Both sited the importance of relationship management given that the arrangement is new for both parties. The new company needs to have the freedom to trade, but the Council needs to be able exercise control through the contract management process.

Lessons have also been learned having regard to Clwyd Leisure which was an ADM based on the ‘Trust’ model. This made it harder for the Council to control the activities of the Trust. The Council had a maximum of 2 members on the Board of the Trust, had insufficient ability to audit, and had no contract management arrangements in place.

In addition to the visits to ‘Aura’ in Flintshire and Gwynedd County Council and lessons learned from Clwyd Trust, a short piece of work was commissioned to gain insight from the experiences of other ADM companies that are already trading across the UK. Interviews were undertaken with 8 different arm’s length Alternative Delivery Model companies that had been set up with local authorities. The majority were from the Leisure Sector and included Trust models as well as Local Authority Trading Models.

#### **Key Learning Issues;**

1. Keep in mind the principle benefits that the Council want to achieve from the establishment of an ADM. These should be the guiding principles and provide a sense check throughout the process (e.g. if its about financial savings ensure the ADM Model chosen can benefit from NNDR and VAT savings, if its about the Council retaining significant control don’t establish a company owned by its employees etc).
2. Effective contract management between the Council and the new company to maintain an open and transparent relationship. Contracts need to be in place and clearly outline the expectations and responsibilities of each party and where possible cover all eventualities (its fair to say this was not a strength of the Clwyd Leisure Trust arrangements).

3. The need for the company to have the autonomy to trade but the controls in place to protect the Council's interests (the trading "Teckal" element is included in the proposed ADM model).
4. Where the Council retains a 100% share in the stake holding, the need to have a "Strategic Board" where certain decisions can be referred to protect the interest of the Council should be established to complement existing decision making arrangements (such a "Strategic Board" is proposed as part of the ongoing governance arrangements).
5. Boards for the ADM tend to be made up of between 7 and 12 Directors with require suitable and varied expertise and experience to support the company. The choice of the Chair of the Board is a key appointment for the success of the company (the governance arrangements makes provisions of a Board for the ADM, its precise make up being a decision deferred to Cabinet and Council in the autumn).
6. In establishing the ADM ensure the new arrangement has sufficient budget to succeed, whilst also ensuring it is not provided with too much of a generous budget that will negatively affect those functions retained by the Council (much work and challenge has been carried out in this regard. The revenue budget being transferred to the ADM broadly reflects the existing revenue budgets committed by the Council to run the facilities and deliver the services. These "base budgets" have been established over a number of years of rigorous budget setting arrangements including Service Challenges, savings/efficiency exercises, reports to CET, Cabinet, Council, Scrutiny etc. Officers are satisfied that the balance is broadly correct, but accept there will need to be close monitoring of the budget arrangements to ensure the ADM can deliver the services the Council want it to, whilst also being expected to provide savings/efficiencies in the same way as all other Council Services/functions are required to do).

Mae tudalen hwn yn fwriadol wag

## **Appendix D**

### **Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions**

#### **Heads of Terms**

**1. BACKGROUND**

The Contractor is willing and able to provide the Services in accordance with the terms and conditions of this Contract.

**2. INTERPRETATION**

The interpretation and construction of the Contract shall be subject to the following provisions:

**3. OFFICIAL NOTICES**

Except as otherwise expressly provided within the Contract, no notice or other communication from one Party to the other shall have any validity under the Contract unless made in writing by or on behalf of the Party sending the communication.

**4. ENTIRE AGREEMENT AND CONFLICT**

This Contract constitutes the entire agreement between the Parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to the Contract.

**5. CONTRACT PERIOD**

Notwithstanding the date of this Contract, the Contract Period will commence on the Commencement Date and, unless terminated earlier in accordance with any provisions within the Contract, it shall remain in force until the Expiry Date or any date agreed between the Parties as an extension beyond the Expiry Date.

**6. PERFORMANCE**

The Contractor shall supply the Services in accordance with the Specification and the Tender in consideration for the Contract Price.

**7. QUALITY STANDARDS**

At all times comply with the Quality Standards, and, where applicable, shall maintain accreditation with the relevant Quality Standards authorisation body;



8. The Contractor shall ensure that all Staff supplying the Services shall do so with all due skill, care and diligence and shall possess such qualifications, skills and experience as are necessary for the proper supply of the Services in accordance with Good Industry Practice.

9. **CONTRACT MANAGER, KEY PERSONNEL AND STAFF**

The Contractor shall appoint the Contract Manager. The Contract Manager shall be competent in the subject matter of this Contract and, with the exception of a Dispute, shall be able to make decisions under the Contract without the need for the matter to be escalated within the Contractor's business. This will not limit in any way any other of the Contractor's rights or obligations.

10. **LEASE TO OCCUPY AND SECURITY OF THE PREMISES**

Land or Premises made available from time to time to the Contractor by the Council in connection with the Contract shall be made available to the Contractor on a Leasehold basis and shall be used by the Contractor solely for the purpose of performing its obligations under the Contract. The Council may require the Contractor to enter into a licence agreement for the use of the Premises and may require the Contractor to pay to the Council a licence fee.

11. **EQUIPMENT**

Except as otherwise specified in the Specification, the Contractor shall provide the Equipment to perform the Services at its own cost. Such Equipment shall be fit for purpose, well maintained (in accordance with the manufacturer's servicing and maintenance requirements), insured and, where necessary, fulfilling any Quality Standards and/or the requirements contained in the Specification.

12. **ENVIRONMENTAL REQUIREMENTS AND SOCIAL VALUES**

The Contractor shall be required to deliver any agreed social value elements in accordance with the Well-being of Future Generations (Wales) Act 2015 and the Specification.

The Contractor shall where relevant to the Specification co-operate with the Council in relation to the economic, social and environmental well-being of the Council's area and shall accordingly notify the Council of any best practice ideas which may improve the same.

13. **HEALTH AND SAFETY AT PREMISES**

While on the Premises, the Contractor shall comply with any health and safety measures implemented by the Council in respect of the Staff and any other persons working there.

**14. PROVISION OF MANAGEMENT INFORMATION AND MEETINGS**

The Contractor shall, unless otherwise agreed by the Parties, submit Management Information to the Council throughout the Contract Period as required in the Contract Particulars and in Schedule 4 of the Contract and in the Specification.

**15. MONITORING OF CONTRACT PERFORMANCE**

The Contractor shall comply with the requirements for the monitoring of the performance of the Services as required in the Contract Particulars including, but not limited to, providing the Management Information, performance of the Key Performance Indicators and such data and information as the Contractor may be required to produce under the Contract.

**16. COUNCIL'S OBLIGATIONS**

Except as otherwise expressly provided, the obligations of the Council under the Contract are obligations of the Council in its capacity as a contracting counterparty and nothing in the Contract shall operate as an obligation on, or in any other way fetter or constrain the Council in any other capacity, nor shall the exercise by the Council of its duties and powers in any other capacity lead to any liability under the Contract (howsoever arising) on the part of the Council to the Contractor.

**17. CONTRACT PRICE**

The Contract Price for the Services shall be the full and exclusive remuneration due to the Contractor in respect of the provision of the Services. Unless otherwise agreed in writing by the Council, the Contract Price shall include every cost and expense of the Contractor directly or indirectly incurred in connection with the performance of the Services.

**18. VAT**

The Contractor shall, where it is VAT registered, be entitled to charge the Council VAT in relation to the Services provided to the Council.

**19. INVOICING**

Unless otherwise specified in the Specification or the Contract Particulars, the Contractor shall invoice the Council for payment of the Contract Price in accordance with Schedule 3 no later than seven (7) days after the end of each Month (or such other frequency as agreed between the Parties in writing).

**20. TAXATION, NATIONAL INSURANCE AND EMPLOYMENT LIABILITIES**

The Parties acknowledge and agree that the Contract constitutes a contract for the provision of services and not a contract of employment. The Contractor shall at all times indemnify the Council and keep the Council indemnified in full from and against all claims, proceedings, actions, damages, costs, expenses, liabilities and demands whatsoever and howsoever arising by reason of any circumstances whereby the Council is alleged or determined to have been assumed or imposed with the liability or responsibility for the Staff (or any of them) as an employer of the Staff and/or any liability or responsibility to HM Revenue or Customs as an employer of the Staff whether during the Contract Period or arising from termination or expiry of the Contract.

**21. TERMINATION ON INSOLVENCY OR RELATED EVENTS**

Without affecting any other right or remedy available to it, the Council may terminate this Contract with immediate effect by giving written notice to the Contractor if:

**22. TERMINATION ON CHANGE OF CONTROL**

The Contractor shall notify the Council immediately if the Contractor undergoes a change of Control. The Council may terminate the Contract by notice in writing with immediate effect within six (6) Months of:

**23. TERMINATION ON DEFAULT**

Without prejudice to the above the Council may terminate the Contract by giving written notice to the Contractor with immediate effect if the Contractor commits a Default and if:

**24.** Notwithstanding Clause the above the Council may terminate the Contract by giving written notice to the Contractor with immediate effect if:

**25. TERMINATION FOR CONVENIENCE**

The Council may terminate this Contract at any time by giving three (3) Months' written notice to the Contractor.

**26. CONSEQUENCES OF TERMINATION OR EXPIRY**

**27. DISPUTE RESOLUTION PROCEDURE**

**28. INSURANCE**

**29. LIABILITY**

Nothing in the Contract shall be construed to limit or exclude either Party's liability for:

- a) death or personal injury caused by its negligence; or
- b) fraud or fraudulent misrepresentation; or
- c) any breach of any obligations implied by section 12 of the Sale of Goods Act 1979 or section 2 of the Supply of Goods and Services Act 1982.

**30. INTELLECTUAL PROPERTY**

The Council shall retain ownership of all its Intellectual Property Rights in any specifications, instructions, plans, data, drawings, databases, patents, patterns, models, designs or other material provided to the Contractor by the Council.

**31. CONFIDENTIALITY AND PUBLICITY**

Subject to Clause F2.2, the Parties shall keep confidential the Confidential Information of the other Party and shall use all reasonable endeavours to prevent their Staff, Sub-Contractors and/or representatives from making any disclosure to any person of any matters relating thereto both during the Contract Period and for a period of 6 years following termination or expiry of the Contract.

**32. DATA PROTECTION**

The Parties' rights and obligations under this Contract and the Data Protection Legislation, the Parties acknowledge that the Council is a Data Controller and that the Contractor is a Data Processor.

**33. FREEDOM OF INFORMATION AND ENVIRONMENTAL INFORMATION REGULATIONS**

The Contractor acknowledges that the Council is subject to the requirements of the FOIA and the EIR.

**34. DISCRIMINATION**

The Contractor shall not unlawfully discriminate within the meaning and scope of any Law, enactment, order or regulation relating to discrimination (whether in race, gender, religion, disability, sexual orientation, age or otherwise).

The Contractor shall take all reasonable steps to secure the observance of this provision by its Staff.

**35. RECORD KEEPING, AUDIT ACCESS AND MONITORING**

The Contractor shall keep and maintain until six (6) years after the end of the Contract Period (or as long a period as may either be agreed between the Parties or as required by Law), full and accurate records and accounts of the operation of the Contract including the Services provided under it, the Contract entered into with the Council and the amounts paid by the Council.

**36. REPLACEMENT OF CORRUPTED DATA**

**37. HEALTH AND SAFETY – GENERAL**

The Contractor shall comply, and it shall procure that all Staff shall comply, with all health and safety legislation in force and any health and safety policies of the Council as supplied by the Authorised Officer.

**38. CORPORATE REQUIREMENTS**

**39. PREVENTION OF PROHIBITED ACTS, FRAUD, BRIBERY AND CORRUPTION**

**40. LAW AND CHANGE IN LAW**

**41. TUPE, PENSIONS AND RE-TENDERING**

42. **CONTRACT VARIATION**

43. **RIGHTS AND REMEDIES**

44. **THIRD PARTY RIGHTS**

45. **WAIVER**

46. **SEVERANCE**

47. **ASSIGNMENT, SUB-CONTRACTING AND RESPONSIBILITY**

The Contractor shall not assign, novate, sub-contract or in any other way dispose of the Contract or any part of it without Approval.

48. **FORCE MAJEURE**

Neither Party shall be liable for failure to perform its obligations under the Contract if such failure results from Force Majeure.

49. **DISRUPTION AND BUSINESS CONTINUITY**

50. **CONFLICT OF INTEREST**

51. **COSTS AND EXPENSES**

Each of the Parties will pay their own costs and expenses incurred in connection with the negotiation, preparation, execution, completion and implementation of this Contract.

52. **NON SOLICITATION**

53. **GOVERNING LAW AND JURISDICTION**

54. **WELSH LANGUAGE STANDARDS**

55. **WELL-BEING OF FUTURE GENERATIONS (WALES) ACT 2015**

Mae tudalen hwn yn fwriadol wag



## Appendix E

### Implementation of an Alternative Delivery Model (ADM) for various leisure related activities/functions

#### Further Project Approvals required

Approval required	Committee/Board	Timescale
Benefits Realisation Plan	Project Board	June 2019
Project Plan	Project Board	June 2019
Updated Project Implementation Cost	<ul style="list-style-type: none"> <li>• Project Board</li> <li>• Reshaping the Council Board</li> <li>• Cabinet</li> </ul>	June/July 2019
LATC updated revenue savings	<ul style="list-style-type: none"> <li>• Project Board</li> <li>• Reshaping the Council Board</li> <li>• Cabinet</li> </ul>	June/July 2019
Constitution of the LATC approved	<ul style="list-style-type: none"> <li>• Cabinet</li> <li>• Council</li> </ul>	June/July 2019
Strategic Governance Board Membership	Cabinet	September 2019
LATC Board Membership	<ul style="list-style-type: none"> <li>• Cabinet</li> <li>• Council</li> </ul>	September/October 2019
Lease of the assets to the LATC	Asset Management Group and County Landlord	October 2019
Approval of LATC Financial Plan	Cabinet	November 2019
Award of contract to LATC (See Heads of Terms within Appendix D)	Cabinet	February 2020

\*\*In addition to the above there is a role for Scrutiny in advance of any decisions.

Mae tudalen hwn yn fwriadol wag

Yn rhinwedd Paragraff(au) 12, 13, 15 Rhan 4, Atodlen 12A  
Deddf Llywodraeth Leol 1972.

Document is Restricted

Mae tudalen hwn yn fwriadol wag

RHAGLEN GWAITH I'R DYFODOL Y CYNGOR

Cyfarfod	Eitem (Disgrifiad / Teitl)		Pwrpas yr Adroddiad	Angen Penderfyniad y Cyngor (oes/nac oes)	Aelod Arweiniol a Swyddog Cyswllt
<b>2 Gorffennaf 2019</b>	1	Adroddiad Blynyddol y Pwyllgorau Craffu	Ystyried Adroddiad Blynyddol y Pwyllgorau Craffu yn unol â Chyfansoddiad y Cyngor	Oes	Steve Price / Rhian Evans
	2	Amserlen y Pwyllgorau ar gyfer 2020	Cymeradwyo Amserlen y Pwyllgorau ar gyfer 2020	Oes	Y Cynghorydd Mark Young / Steve Price
	3	Adolygiad Perfformiad Blynyddol 2018/19	I adolygu a chymeradwyo'r Adolygiad Perfformiad Blynyddol ar gyfer cyhoeddi.	Oes	Y Cynghorydd Julian Thompson-Hill/Alan Smith (cysylltu â Nicola Kneale)
	4	Adroddiad Blynyddol y Pwyllgor Safonau	Derbyn Adroddiad Blynyddol y Pwyllgor Safonau	Na	Cadeirydd y Pwyllgor Safonau / Gary Williams
	5	Gweithredu Model Darparu Amgen (MDA) ar gyfer amrywiol weithgareddau a swyddogaethau cysylltiedig â hamdden	Cymeradwyo cyfansoddiad cwmni masnach yr awdurdod lleol	Oes	Y Cynghorwyr Bobby Feeley a Julian Thompson-Hill / Graham Boase / Sian Lloyd Price
<b>10 Medi 2019</b>					
<b>15 Hydref 2019</b>	1	Gweithredu Model Darparu Amgen (MDA) ar gyfer amrywiol weithgareddau a swyddogaethau cysylltiedig â hamdden	I ystyried aelodaeth y bwrdd llywodraethu strategol a bwrdd cwmni masnachu'r awdurdod lleol	Oes	Y Cynghorwyr Bobby Feeley a Julian Thompson-Hill / Graham Boase / Sian Lloyd Price

RHAGLEN GWAITH I'R DYFODOL Y CYNGOR

<b>3 Rhagfyr 2019</b>	1	Defnyddio Plastig	Cyflwyno canfyddiadau ac argymhellion Grŵp Tasg a Gorffen Craffu ar sut y gallai'r Cyngor leihau'r defnydd o blastig mewn modd ymarferol a chynaliadwy.	Oes	Cadeirydd y Pwyllgor Craffu Perfformiad/Cadeirydd y Grŵp Tasg a Gorffen Graham Boase/Rhian Evans

**EITEMAU'R DYFODOL**

Adolygu dosbarthiadau etholiadol a manau pleidleisio	Ystyried adolygiad statudol o ddsbarthiadau etholiadol a manau pleidleisio Sir Ddinbych.	Y Cyngorydd Mark Young / Steve Price / Gareth Evans	<b>I'w cadarnhau</b>
Cytundeb Llywodraethu 2 Cais Twf Gogledd Cymru	Cymeradwyo'r trefniadau llywodraethu mewn perthynas â gweithredu'r fargen dwf.	Y Cyngorydd Hugh Evans / Graham Boase / Gary Williams	<b>I'w cadarnhau</b>

**Nodyn ar gyfer Swyddogion - Dyddiadau Cau Adroddiadau'r Cyngor Llawn**

<i>Cyfarfod</i>	<i>Dyddiad cau</i>	<i>Cyfarfod</i>	<i>Dyddiad cau</i>	<i>Cyfarfod</i>	<i>Dyddiad cau</i>
		<i>Gorffennaf 2019</i>	<b>18 Mehefin 2019</b>		
<i>Medi 2019</i>	<b>27 Awst 2019</b>	<i>Hydref 2019</i>	<b>1 Hydref 2019</b>	<i>Rhagfyr 2019</i>	<b>19 Tachwedd 2019</b>

Diweddarwyd ar 22.05.2019 SP

## Cyfarfod Briffio ar Raglen Gwaith i'r Dyfodol y Cyngor

Cyfarfod	Eitem (Disgrifiad / Teitl)		Pwrpas yr Adroddiad	Aelod Arweiniol a Swyddog Cyswllt
<b>CYFARFOD BRIFFIO'R CYNGOR 3 Mehefin 2019</b>	1	Rhianta Corfforaethol a Diogelu Plant	Derbyn briff ar faterion rhianta corfforaethol a diogelu cyfredol.	Y Cyngorydd Huw Hilditch-Roberts / Julie Moss
	2	Un Llwybr Mynediad at Dai (SARTH) / Polisi Dyraniadau a Gweinyddu	Cyflwyniad y gofynnwyd amdano ar gyfer yr holl aelodau gan y Grŵp Cadeiryddion ac Is-gadeiryddion Craffu	Y Cyngorydd Tony Thomas / Geoff Davies
	3	Cronfeydd Mantais Gymunedol Ffermydd Gwynt Clocaenog a Brenig	Codi ymwybyddiaeth am y cynlluniau a sut mae cymunedau'n cael gafael ar gyllid.	Alan Smith / Fran Rhodes
<b>CYFARFOD BRIFFIO'R CYNGOR 11 Tachwedd 2019</b>	1	Strategaeth Twristiaeth		Y Cyngorydd Hugh Evans / Liz Grieve

Tudalen 205

Diweddarwyd 12/03/2019 - SP

Council Briefing Forward Work Programme.doc

Mae tudalen hwn yn fwiadol wag