

FALKIRK COUNCIL

Subject: FALKIRK COMMUNITY TRUST – BUSINESS PLAN
Meeting: FALKIRK COUNCIL
Date: 12 February 2014
Author: CHIEF EXECUTIVE & CHIEF FINANCE OFFICER

1. INTRODUCTION

- 1.1 The Funding Agreement between the Council and Falkirk Community Trust (FCT) requires that the Trust submit, on an annual basis, an updated Business Plan for the following financial year for approval by the Council. A five year Business Plan Strategy (Appendix 1) sets out the priorities and objectives for the period 2014-2019. This is supported by an Annual Action Plan (Appendix 2) covering the period 2014-15.

2. SERVICE PROVISION

- 2.1 The current Business Plan for the financial year 2013/14 was approved by the Council in February 2013. The overall cost of these services to the Council was £12.495m.

- 2.2 The Business Plan Strategy sets out three high level objectives over a five year period as described below:

- Meeting Customer Needs
 - Improving our customer knowledge
 - Motivating and communicating
 - Social responsibility
 - Growing customer loyalty
 - Affordability and value for money
- Organisational Development
 - Sound governance
 - Organisational culture development
 - Employee empowerment
 - Policy development
- Financial Sustainability
 - Income generation
 - Income used to invest across the organisation
 - Strategic use of reserves
 - Partnership
 - Value for money

- 2.3 The Annual Action Plan for 2014/15 sets out more specifically the actions required to deliver the objectives and priorities detailed in the longer term Business Strategy and respond to opportunities as they arise.

3. REVENUE BUDGET 2014/15

- 3.1 In terms of the requirements of the Funding Agreement, the Business Plan should detail the financial resources required to provide the services specified by the Council. The Annual Action Plan provides a summary of these resources which is also presented in more detail at Appendix 3.
- 3.2 Being mindful of the financial constraints being faced by the Council, the budget includes savings of £0.605m.
- 3.3 To deliver the savings, the Trust has proposed an income target of £0.318m from a combination of new income generation and increasing its customer base. The proposals are referred to below:
- Applying an average increase of 5% (FCT1) across all fees and charges (£0.131m)
 - Introducing the payment of a block of swimming lessons (FCT3) through a direct debit scheme to help customers better manage their payments on a monthly basis instead of having to pay lump sums at a variety of times of the year. Swimming lesson participants who join the scheme will also be allowed to access all swimming pools free of charge, as the previously operated free swim initiative has not resulted in sustained increased usage and is therefore being withdrawn (£0.100m)
 - Addressing the inconsistency in charging for youth groups across School and Trust operated facilities (FCT2) by introducing a standard fee for school facilities which are currently free. Consultation will commence with the affected groups and close liaison with Education Services will ensure a consistent approach (£0.064m)
 - Generating an additional £0.023m by developing and enhancing services across the Trust (FCT4,5,8,9), including the programme of events at the Hippodrome
- 3.4 A review of the concessionary scheme is planned, although cardholders will continue to be provided with cards free of charge. The revised concessionary scheme will enable free swimming, allow access to a wider range of activities and at improved times, but with charges now being introduced to each activity apart from swimming.
- 3.5 Monthly charges for health and fitness memberships have once again been frozen to further encourage the local community to access these services for the general health and well-being of the community.
- 3.6 Service efficiency savings of £0.226m are included in the 2014/15 Budget. This includes a review of staffing levels and reducing overtime (FCT14,17,18,22) by £0.154m across the Trust, reducing the current security patrol service arrangements (FCT16) by £0.025m, and improving the gross profit margins (FCT15) within the Trading Company (£0.030m). Savings of £0.017m will also arise from operational efficiencies and savings expected following the installation of a new library management system (FCT19,20).

- 3.7 Overall the Trust has aimed to minimise reductions to service, however services will still require to be reduced in a limited amount of areas. It is proposed to save £0.044m by withdrawing financial support from the Kinneil Heritage Event and Grangemouth Children's Festival (FCT13). Closing the Zetland Park Kiosk (FCT10) over the winter period and the Neighbourhood Sports Centres, such as Hallglen, Stenhousemuir, Denny and Polmont (FCT11), on Saturday evenings will save £0.017m.
- 3.8 Members will recall that a decision was taken at the full Council Meeting on 20 June 2012 that the Trust would assume the responsibility for the day to day running of the Helix site. The budget has been increased by £0.520m to recognise that the Helix will be operational during 2014.
- 3.9 As part of the celebrations for the Commonwealth Games in Glasgow, the Trust's budget includes a sum of £0.020m to support the Queens Baton relay visiting the Falkirk area in June 2014. This funding will augment an anticipated external grant fund award of £0.010m from Event Scotland.
- 3.10 Taking into account all the budget movements this would produce a revised Annual Service Payment of £13.161m for 2014/15.
- 3.11 The Trust has completed Equality and Poverty Impact Assessments (Appendix 4) on its budget proposals.

4. CAPITAL PROGRAMME

- 4.1 The 2014/15 Action Plan also sets out for Members' consideration the Trust's recommendations and proposals for capital expenditure on cultural and sport assets for the financial year 2014/15. These proposals totalling £0.550m are as follows:
- £0.500m for the replacement of the outdoor athletics track at Grangemouth Stadium
 - £0.010m to replace the fire alarm at Bo'ness library
 - £0.040m for hall heating repairs at Hallglen Sports Centre
- 4.2 Members will be aware that within the leases and property licence granted to the Trust by the Council there is a clear division of responsibility for the maintenance of properties between the Council and the Trust. The proposals detailed above relate to works that will be the responsibility of the Council to carry out directly, as landlord, under the terms of the leases and property licence.

5. CONCLUSION

- 5.1 The Trust Board and Management Team submitted a Five Year Strategy and their Annual Action Plan timeously. The Action Plan will reflect the Trust's third full year of operation and it aims to minimise the impact of the savings requested by the Council. It builds on the achievements to date as well as recognising the need for change and development going forward. Officers of the Council are satisfied that the Trust continues to perform well and deliver a good service to the local community.

6. RECOMMENDATIONS

6.1 Members are asked to approve:

- (a) the Falkirk Community Trust Business Plan Strategy 2014-2019 and Annual Action Plan 2014-15;
- (b) a Service Payment of £13.161m to Falkirk Community Trust for 2014/15;
- (c) the capital expenditure proposals for 2014/15 as outlined in paragraph 4.1.

Chief Executive

Chief Finance Officer

Date: 16 January 2014

Contact Officer: Danny Cairney

LIST OF BACKGROUND PAPERS

1. Funding Agreement among Falkirk Council, Falkirk Community Trust Ltd and Falkirk Community Trading Ltd dated 30 June 2011

Any person wishing to inspect the background papers listed above should telephone Falkirk 01324 506388 and ask for Danny Cairney.