

**FALKIRK COUNCIL**

**Subject: FOLLOWING THE PUBLIC POUND: FALKIRK COMMUNITY TRUST**  
**Meeting: SCRUTINY COMMITTEE**  
**Date: 10 OCTOBER 2013**  
**Author: CHIEF EXECUTIVE**

**1. INTRODUCTION**

1.1 The following report provides Members with information about the agreement between Falkirk Council and the Falkirk Community Trust (the Trust), for the period 1 April 2012 to 31 March 2013, in line with Following the Public Pound and Council procedure.

1.2 The table below provides Members with an overview of the arrangement in place:

<b>Organisation</b>	<b>Project details</b>	<b>Duration of agreement</b>	<b>Total support (financial &amp; in-kind) during report period</b>	<b>Elected Members currently nominated to the Trust Board</b>
Falkirk Community Trust	The provision of cultural, recreation, sports and library services on behalf of Falkirk Council	25 years from June 2011	£12.257 million (2012/13)	Councillors Dennis Goldie, Linda Gow, Malcolm Nicol, Joan Paterson, Pat Reid

1.3 Whilst the Trust provides the strategic services listed above it also has responsibility for:

- The provision of sports, heritage and arts development programmes, health and fitness and outdoor learning, and delivery of the active schools programme;
- The development and lead delivery of strategies and plans in respect of culture, sports, strategic parks and library services. The Trust also contributes to wider Council policy development, where appropriate;
- The strategies and plans on which the Trust leads the development include:
  - The Culture and Sports Strategy;
  - The Physical Activity Strategy;
  - The Arts and Heritage Strategy, and
  - A number of supporting delivery plans which accompany each of these strategies.

- 1.4 The Council's Chief Finance Officer has recently been designated as the key liaison officer with the Trust. As a result, it is expected that there will be further development of the Council's monitoring regime. In addition to regular meetings between the Chief Executive of the Council and the Chief Executive of the Trust, it is anticipated that the Chief Finance Officer will meet the Chief Executive of the Trust on a quarterly basis, and attend the Board as required. As the Trust is a company limited by guarantee, has charitable status, is governed by its Memorandum and Articles of Association, has a defined relationship with the Council and has adopted a number of approaches on the management and mitigation of risk, it is considered to represent a minimum risk to the Council. Since its establishment the Trust has submitted its Business Plan, accounts and performance information to Members for regular scrutiny.

## 2. ORGANISATION OBJECTIVE & SERVICE OUTCOMES

- 2.1 The Trust supports the Council by delivering a range of sports and cultural services on its behalf with the aim of:

- Encouraging the population of the Falkirk Council area to be more active and promoting health and fitness opportunities that are accessible to everyone;
- Supporting people to be more creative and nurturing potential for personal success and wellbeing through the provision of cultural and sporting facilities and resources;
- Helping individuals and community groups to benefit from lifelong learning opportunities and make a social and economic contribution; and
- Involving local people in caring for the areas' environment and heritage, and encouraging others to visit the area.

- 2.2 The Trust has four key outcomes which contribute to the Council's Corporate Plan as follows:

Trust Outcome	Corporate Plan Goal
People are fitter, healthier and more active, more often	Continuing to improve the health, safety and wellbeing of our citizens and communities
People benefit from lifelong learning opportunities	Further developing a thriving and sustainable vibrant economy
People are more creative and the potential for success and wellbeing is nurtured	Continuing to improve the health, safety and wellbeing of our citizens and communities
People are involved in caring for the area's heritage and environment	Enhancing and sustaining an environment in which people want to live and visit

- 2.3 As part of the considerations for the establishment of the Trust, Members considered and approved a business case in 2010. This highlighted the benefits of establishing the Trust as:

- Providing a vehicle with a singular focus on community facing developments;
- Achieving financial savings;
- Maintaining a proximity to the Council family, so that the Trust can derive benefits from this and reduce risk to the Council; and
- Offering potential to widen community ownership and engagement.

### 3. PERFORMANCE

3.1 The Trust provides a quarterly performance report to the Trust Board's Audit and Performance Sub Group. This reports performance on the Trust's Business Plan using a total of 27 indicators, covering the 4 outcomes listed at 2.2. A copy of the performance report covering the period April 2012 to March 2013 is attached at Appendix 1. This report provides a more detailed commentary on each indicator. In summary the Trust reported that:

- 59%, or 16 out of 27 reported indicators were within 5% or above target performance;
- 22%, or 6 out of 27 reported indicators were 5% to 10% below target; and
- 19%, or 5 out of 27 reported indicators were 10% or more below target

3.2 The Trust historically has submitted performance reports to the Best Value Forum and latterly the Leisure and Tourism Committee under our previous governance arrangements. The following provides a brief summary of some of the Trust's key achievements during 2012/13, in fulfilment of its Business Plan and its contribution to the Council's Corporate Plan. A fuller account is provided within the Trust's annual report, attached at Appendix 2. Key achievements include:

- Investing £150,00 in health and fitness, resulting in local targets for attracting new members being exceeded;
- Developing a Culture and Sport Strategy, which is currently being considered by a Policy Development Panel of the Council;
- Over 1 million admissions to sports centres and pools, an increase of 11% compared to 2011/12;
- Over 700,000 young people accessed services, programmes, classes or workshops offered by the Trust. This represents an increase of almost 40,000 compared to 2011/12;
- Over 90,000 people utilised concessionary schemes to access Trust activities, an increase of 9% compared to 2011/12;
- Over 150,000 people were admitted to circuit, health and fitness clubs during the year. This represents an increase of 15% compared to 2011/12;
- The Trust secured £4.54 million from customer income during the year;
- Over 35,000 people visited Callendar House and Kinneil Museum during the year, with 51% of visitors coming from outwith the Council area;
- Over 34,000 people visited the Hippodrome in Bo'ness, an increase of 27% on last year. This included a 25% increase in the number of people who attended the 'Festival of Silent Film', which is now in its 3<sup>rd</sup> year;

- Over 9,500 children participated in activities focused on them, within our libraries. This represents an increase of 28% when compared with last year. Although the Trust attracted over 6,400 new library members last year, the number of active borrowers and library issues continues to fall;
- Near 67,000 people participated in cultural activities during the year, an increase of 22% compared with 2011/12;
- Approximately 26,000 people attended Fireworks Night at Callendar Park; and
- Outdoor activities experienced a 92% uptake rate during the year, compared to 84% in 2011/12.

#### 4. FINANCIAL OVERVIEW

- 4.1 A copy of the Trust's Audited Report and Financial Statements for 2012/13 is attached at Appendix 3. Taking account of the £150,000 investment made on improving health and fitness facilities, and applying £69,000 from a revaluation reserve, this left a small surplus of £9,000. The Trust's wholly owned subsidiary, Community Trust Trading Limited, achieved a break even position.
- 4.2 A summary of the 2012/13 accounts, is as follows:

Description	2012/13 (£)	2011/12 (£) (9 months)
Total Incoming Resources	17.738m	13.001m
Falkirk Council contribution	12.257m	9.356m
Total Expenditure	17.720m	12.646m
Balance as 1 April 2012	619,000	-
Balance as 31 March 2013	742,000	619,000

#### 5. POLICY AND RISK IMPLICATIONS

- 5.1 The Trust has been in operation for only two years and as an organisation it is still developing. The major strategic, business and operational risks associated with the Trust have been identified and are reviewed by the Board periodically. A Strategic Risk Management policy is in place, together with a risk register with review and mitigation processes.
- 5.2 It is likely that the Trust will continue to experience continuing financial pressure, as will the Council. It is in the interests of both organisations to continue to work together to mitigate the worst impacts of these pressures. The Trust has also highlighted the need to conduct a robust options appraisal on its facilities and assets, many of which require significant investment to ensure they will be fit for future need.
- 5.3 In recent times, Trust leisure centres have experienced declining levels of admissions, which challenge income targets. The Trust management have recognised the need for a balance of targeted investment, supported by external funding where possible, and active marketing of memberships and services, as the means of mitigation.

- 5.4 The Trust anticipate growing demand for access to concessionary schemes, as the impact of welfare reform and continuing financial austerity continue to put household budgets under pressure. The availability of such schemes will, however, continue to provide support for the Council's Poverty Strategy.

## **6. CONCLUSION**

- 6.1 This the first formal report on the Trust in accordance with the requirements of Following the Public Pound. The report demonstrates the continuing good progress the Trust is making against its key targets. Section 3 notes the continuing decline in the traditional use of libraries but also notes the continuing increase in attendances for many of our sport and leisure facilities, and steady improvement across our culture and heritage attractions. As with all Following the Public Pound Reports Members can:

- Approve the report and acknowledge the progress the Trust has made in delivering on its core commitments for the Council;
- Request further information on specific aspects of the services provided; and/or
- Request action with follow-up for further consideration by the Committee.

## **7. RECOMMENDATIONS**

**It is recommended that Committee:**

- 7.1 **Considers this report and selects from one of the options listed at 6.1 what course of action it requires; and**
- 7.2 **Notes the progress and performance of the Trust during the period 2012/13.**

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**CHIEF EXECUTIVE**

Date: 18 September 2013  
Ref: ABC1013AW – FCT FPP Report  
Contact Name: Andrew Wilson

### **LIST OF BACKGROUND PAPERS**

1. Falkirk Community Trust Business Plan

Any person wishing to inspect the background papers listed above should telephone Falkirk 01324 506046 and ask for Andrew Wilson.