

# Potential Arms Length Organisation for the Operation of Community Learning and Leisure Activity

## Some Frequently Asked Questions (FAQs)

As part of the recent public consultations, the Council has asked that a report is prepared for the August Education, Culture and Sport Committee on forming a “ALO” to deliver Learning and Leisure services.

**1. Q. What is a “Arms Length Organisation” (ALO)?**

A. An “ALO” is a commonly used word for an organisation, separate from the Council, to run Council cultural and/or leisure activities. It can have a number of different formats, but a limited company with charitable status, funded by the Council to deliver the same service as the Council would be “normal”.

**2. Q. What is a ALO likely to be here?**

A. A Highland CLL ALO would most likely to be a Limited Company with charitable status, possibly with a trading arm for e.g. retail elements.

**3. Q. How could the Highlands benefit from delivering Learning and Leisure services through a ALO?**

A. There are financial savings made through a charitable ALO qualifying for relief for non-domestic rates (NDR). There are also advantages in flexibility of operation of a ALO and access to some funds not available to the Council.

**4. Q. What does “going out to ALO” actually mean?**

A. In our context, going out to a ALO would mean that staff would transfer to the employment of a company with charitable status funded by the Council to deliver the same range of services which are currently delivered by Leisure and Learning. It would mean as much as possible, “business as usual.

**5. Q. Who / what are we talking about transferring into a ALO?**

A. Potentially all Leisure and Learning activity, that is the running of swimming pools, leisure centres, sports activity, arts and culture, heritage and museums, community centres, libraries, archives, youth work and adult learning services in the Council e.g. Finance / Personnel

**6. Q. Who would own the buildings?**

A. The Council would continue to own its buildings which would be leased to the ALO at no cost.

**7. Q. How would the relationship with the Council work?**

A. The relationship between the ALO and the Council would be managed through a Service Level Agreement (SLA) which would specify the budget and the service required of the ALO.

**8. Q. Are other Councils doing this?**

A. 17 out of Scotland's 32 Councils have services out to some kind of ALO. Mostly, these are either single site leisure/sports centres, or all of the Councils leisure facilities. Glasgow has already opted for the same model as is being considered by Highland Council and several other local authorities are at the early stages of doing the same.

**9. Q. What about all the independent facilities that already exist in Highland?**

A. The responsibility for administering their grant aid would transfer to the ALO. Whether or not they join forces into the ALO at a later date would need the agreement of their board/committee, the ALO and probably the Council.

**10. Q. What are the timescales?**

A. If the decision to proceed is taken on 5th August, the current timescale is to aim for establishing a ALO as early into April 2011 as possible. This may prove to be ambitious, but the timescale is important to achieve the benefits of transfer as early as possible.

**11. Q. What about Leisure and Learning staff working in school buildings, including those schools built under Public Private Partnerships?**

A. The Leisure and Learning staff would transfer to the new organisation and they would stay where they are, doing the same job.

**12. Q. Consultation with Unions?**

A. Unions have been sent a staff version of these FAQ's and there is a possible meeting on 11<sup>th</sup> August. An earlier, specific meeting will be arranged if the Unions wish. As part of TUPE and in adherence to Statutory Guidance to Local Authorities on Contracting, there is emphasis on the need for effective communication and consultation between the Local Authority and TU's.

**13. Q. What employment protection is there?**

A. The Transfer of Undertakings (Protection of Employment) Regulations (TUPE) 2005 is the main piece of legislation that protects the position of employees whose employment is transferred from one employer to another. Under TUPE, staff would transfer their employment to the new "ALO" on their existing contractual terms and conditions. As a Local Authority there is also further protection for transferring staff under Local Government in Scotland Act 2002 Statutory Guidance to Local Authorities on Contracting.

**14. Q. What about Pensions?**

It is anticipated that "admitted body" status will be granted to the Council pension scheme for those relating to the ALO meaning pensions of staff transferring remain where they are.