

## **Council Family Review 2022/23 – Review of Glasgow Life – Proposals approved.**

4 There was submitted a report by the Director of Legal and Administration regarding the conclusions and recommendations of the Council Family Review of Glasgow Life, advising

- (1) that since 2015, the Council had carried out a number of strategic reviews, which had led to the number of service departments being reduced from 7 to 5 and the number of Arm's Length External Organisations (ALEOs) from 10 to 5, as detailed in the report;
- (2) that Glasgow Life was a charitable company, and limited by guarantee and had been established in 2006 as Culture and Sport Glasgow, with a wholly owned trading subsidiary Culture and Sports Glasgow (Trading) CIC established on 5th March 2007 which operated and carried out its activities under the name of Glasgow Life and its sub brands;
- (3) of the impact of COVID-19 on Glasgow Life, with income from fees and charges particularly affected and that the Council had provided additional COVID funding to ensure that Glasgow Life had been able to continue to operate, however this funding would come to an end in March 2024 and Glasgow Life required to be on a sustainable financial footing by then;
- (4) that Glasgow Life had a recovery plan in order to achieve the balanced budget without the additional COVID funding and although income had been recovering over the last 2 years, with further recovery expected, Glasgow Life still needed to reduce its expenditure to achieve financial stability and this included a workforce plan which would include redeployment and early retirement/voluntary redundancy;
- (5) that in line with the Council's commitment to continually review its structures, a detailed review had been carried out in relation to Glasgow Life, however due to the complexity of Glasgow Life, the review had been split into 4 key phases, namely Constitution, Finance, Governance and Legal, Property, Support Services and Collections Agreement;
- (6) that 1 of the project streams had looked specifically at workforce issues and had met with the Trade Unions to gather their input in relation to the review, as detailed in the report;
- (7) that a Business Case had been developed relating to the various contractual agreements between the Council and Glasgow Life and to develop the Business Case, a multi-disciplinary team had been established comprising of officers from across the Council and that the Business Case had identified a range of options that were filtered down to a shortlist for detailed appraisal against a set criteria, with each of the short-listed options assessed against a defined criteria of strategic fit, service delivery, scope for innovation, financial case and people/HR;

- (8) that the Business Case highlighted a number of material issues, as detailed in the report to be taken into consideration and acknowledged that there had been changes since Glasgow Life was first established in 2007;
- (9) of an Action Plan, as detailed in Appendix 1 to the report and summarised in the report;
- (10) that all contractual documentation would be reviewed and updated and work was ongoing in terms of the ALEO Governance review and an indication of the new format and next steps, as detailed in the report would provide an integrated approach to the delivery and management of many of the recommendations in the Action Plan, with these changes positively impacting on the working relationship between the Council and Glasgow Life;
- (11) of the next steps for the Framework which it was anticipated would be concluded in time to be utilised for the 2023/24 financial year;
- (12) that the Council's review of Glasgow Life had concluded that Glasgow Life should remain as a charitable company to deliver culture and leisure services on behalf of the Council, subject to the terms of this report and the delivery of the Action Plan, with any material changes or recommendations being submitted to this committee for approval; and
- (13) that the implementation plan had been developed based on the Action Plan with performance against it reported annually to the Operational Performance and Delivery Scrutiny Committee.

After consideration, the committee

- (a) noted the report;
- (b) understood that the recommendation to retain the status quo was heavily based on the financial case, and in particular on the Council's potential liability for non-domestic rates if services were brought back in house;
- (c) believed that if the funding situation for local government was different that would allow for different decisions to be made, and therefore agreed to write to the Cabinet Secretary for Finance and Minister for Local Government asking them to consider these issues in the urgent and necessary reform of local government funding;
- (d) approved
  - (i) Glasgow Life's continued delivering of all culture and leisure services subject to reviewing and amending the legal and ALEO governance framework to update and take account of changes since Glasgow Life was established;
  - (ii) the current end date of the agreement for the delivery of culture and leisure services by Glasgow Life was retained at 31st March 2032, with a further review during 2025/26; and

- (iii) the Action Plan set out in Appendix 1 and agreed that it would be reviewed and reported to Operational Performance and Delivery Scrutiny Committee annually; and
- (e) agreed that
  - (i) the updated ALEO governance framework be submitted to the Operational Performance and Delivery Scrutiny Committee; and
  - (ii) a further paper on actions 13 and 17 relating to Service Level Agreement and Council Approvals Process be reported back to the City Administration Committee for consideration and approval in due course.