

1 SWIMMING AND LEISURE FACILITIES - ESTABLISHING A LEISURE COMPANY WITH CHARITABLE STATUS - BOARD OF DIRECTORS (AN116-2006)

Reference is made to Article VII of the Minute of meeting of the Leisure and Arts Services Committee of 16th January 2006 and Article III of the Minute of meeting of the Policy and Resources Committee of 16th January 2006 wherein Members agreed to carry out an investigation on the feasibility of forming a Leisure Company with charitable status to be known as Dundee Leisure and once established to manage and operate the Olympia Leisure Centre, Lochee Swimming and Leisure Centre, Dundee International Sports Centre, Lynch Sports Centre and Douglas Sports Centre.

The Inland Revenue have agreed in principle the format of the Company's Articles and Memorandum of Association which will allow the Company, once incorporated, to obtain charitable status. This will secure non-domestic rates savings.

However, in order for the non-domestic rates saving to be achieved the Leases of the premises need to be in place by 1st April 2006 and the Company's solicitor cannot receive instructions from the Company until it has been incorporated.

The Articles of Association require that a minimum of ten Directors are in place and as an interim measure, it is proposed that three members of the Council, together with the Depute Chief Executive (Finance) and the Operations Manager of Leisure and Communities become the initial Directors of the Company. In addition, six further non-Council Directors will take part to achieve the minimum number of ten directors plus one to ensure a Council minority.

The first meeting of the Board of Directors will be asked to appoint an Acting Managing Director which will enable instructions to be made to the Company's solicitor.

All of these appointments will be on a temporary basis to enable instructions and negotiations to take place with the Company's solicitor in order to progress matters and it is intended that the results of the feasibility study will be reported to Committee on 20th March for approval. In the event that approval is not given all of the Directors would resign.

In view of the urgency of the matter and the timescales involved approval has been given by the Chief Executive in consultation with the Convener of the Policy and Resources Committee and spokespersons for the SNP, Conservative and Liberal Democrat Groups.