

Report to Active and Cohesive Scrutiny Committee
30 June 2014
Leisure and Cultural Services Management Options Update

Background

A Leisure Trust Working Group established in February 2010 first looked at options for the future management of the Council's Leisure and Cultural facilities. An options appraisal was undertaken for the following options:

- Remain in House
- Establish a new Local Trust
- Establish a Hybrid Trust with a private sector operator.
- Establish a new Trust with a neighbouring authority
- Partner with an existing Trust

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For a number of reasons, including uncertainty over pension costs, TUPE and set-up/procurement costs as well as the need to undertake a soft market test, which were potentially in excess of any VAT or NNDR savings that would accrue to the Council, the review concluded that the most appropriate option was to continue to operate the services in house.

Subsequently, a new delivery model became available called a Community Interest Company (CIC) and the Working Group, along with appropriate specialist advice, examined the potential of a CIC to manage leisure and cultural facilities and services, in the context of the Council's 'Co-operative Council' vision. As a wholly owned company of the Council this overcomes many of the barriers associated with the trust models but relies entirely on mandatory and discretionary rate relief to deliver financial benefits. The approach would therefore reduce our contribution to the rating pool and was not seen as a significant enough benefit. The discussions also concluded that the benefits of aligning facilities and services to the co-operative council ethos could just as easily be achieved through in house management. This work is now being developed by Leisure and Cultural Services and the remainder of this report covers our approach to achieve this.

The Co-operative Council approach for Leisure and Cultural Services

The approach

The co-operative council can provide an overarching framework in dealing with some of the challenges we face across the board, whilst not losing sight of our priority outcome of 'a healthy and active community'. But more is required than just a way of dealing with the current austerity measures. A culture change is needed, as despite our strong record in achieving savings in previous spending reviews, it is simply no longer possible to achieve the required savings through efficiency drives alone. We also think it is naïve to believe that savings on the scale required will not affect residents' lives but these could be minimised by improved delivery mechanisms. Our answer, we think, sits in developing a set of principles rooted in the cooperative council and also preparing for coproduction.

Commissioning

The funding that the Council provides covers a broad range of expenditure, from employing staff, to purchasing supplies, heating and maintaining buildings and covering our transport needs. We are in the process of developing a cultural commissioning strategy to ensure that funding is only spend where it will achieve our agreed objectives for the service based on community need.

Delivery

Leisure and Cultural Services delivers a broad range of activities to a diverse customer base. To ensure that the needs of customers are fully understood and met we give the highest priority to their safety, the quality of the service they receive and minimising the impact our operations have on the environment. We are therefore working towards recognised International/British/European standards in these three areas, to demonstrate our fitness to deliver and remain competitive.

Enabling

We are engaging with our staff, customers, volunteers and other stakeholders to make sure we have the skills and capacity to deliver and continuously improve. There are four strands to our engagement strategy; firstly we provide information so people can make a choice as to getting involved (for example, leaflets, notices, and web site). Secondly we consult with people so that their views are reflected in our decisions (for example surveys, comments cards etc.). Thirdly, we support people to achieve their objectives (for example supporting Clayton Sports Centre to access funding). And finally we want people to realise their ambitions through joint projects with us (coproduction).

Business Development

In order to ensure our approach is successful we need to have the processes in place to both develop services and measure their impact and performance. The viability of the majority of the service is dependent on income generation and it is vitally important that robust payment and monitoring and marketing processes are in place so we can offer the right level of assurance and base our decisions on robust data and intelligence.

Robert Foster
Head of Leisure and Cultural Services