

# Transform or die.

## The stark choice facing Leisure and Culture.

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### Introduction

The last five years have seen significant cuts to leisure and cultural services spending within local authorities. DCLG national statistics (2014) reveal that spending on culture, environment and planning was reduced from £11.1 billion in 2009/10 to £10.9 billion in 2013/14. In real terms this equates to a cut of over 11%. Spending on culture fell approximately 6% in real terms.

Whilst there are always uncertainties about the future of local government spending it is most likely that the level of cuts will continue over the next Parliament. High spending statutory services in particular health and social care face rising demand and as a result future cuts will land disproportionately on discretionary services including leisure and culture.

### So what does this mean for these services?

Efficiency savings and cuts are now embedded into the work programmes of local authorities. For leisure and cultural services this has meant rationalisation and closure of services and/or externalisation to private contractors and trusts. In the early 1990's less than 15% of leisure services were externalised compared with over 70% today. This has usually resulted in the authority making tax and efficiency based savings by delivering the services through a trust model.

However externalisation often results in a similar service for a lower cost coupled with some investment in profitable aspects of the service. This does not address any inherent inefficiency that facilities in particular may have due to their condition or historical design. For example, there are over 4,000 leisure facilities in the UK with the vast majority being built in the 1960's, 70's and early 80's. In 2013 Sport England estimated that half of them were in poor condition. Design has improved considerably over the last 10 years and new, well designed leisure facilities have significantly lower running costs.

This means that after making savings (including non-domestic rates and VAT) and investing in facilities to generate income there is, quite frankly, very limited scope for making further efficiencies that will be required in the next 5 years with the current infrastructure.

## So what next?

So how can local authorities that have already delivered efficiency savings through procurement improve their services and reduce costs? This is the key challenge for the next 5 to 10 years and requires much wider strategic thinking beyond making efficiencies to real service transformation.

At the Sport, Leisure and Culture Consultancy, we've been involved at the coalface in working with authorities in tackling the challenge of real service transformation. From this experience we've developed 10 golden rules for smart authorities:

### 10 Golden Rules for Leisure and Cultural Services transformation

#### 1. Ask "What the authority looking to achieve through its leisure and cultural services now and in the future?"

It is crucial that the authority is clear on what it wants to achieve through its services. This is likely to be radically different from a decade ago and more crucially for leisure include key public health outcomes including exercise participation, obesity prevention and health and wellbeing. For other cultural services such as libraries and the arts it is particularly important for the Council to revisit the role and focus of these services in delivering wider outcomes.

#### 2. Assess the leisure and cultural needs in the community

Demographics, socio economic profiles and population growth are key factors that may have changed in an authority's area since its leisure and culture service and asset mix was developed. Modern profiling and data sources exist to help establish what the needs are now and will be in the future.

#### 3. Understand who and what the leisure and culture providers are in the area

This should include private, public, education and voluntary sector providers. Once again this is likely to be very different in 2015 to when your services were first established. This can be achieved through audits, mapping and analysis.

#### 4. Ask "How successful are the current services in delivering key desired outcomes, meeting community needs and delivering value for money?"

The issue is to identify the extent to which provision as whole is meeting community needs and crucially where there are gaps. The authority needs to examine the cost of delivering its interventions and make comparisons with other organisations. Balanced against the success or otherwise of the services in meeting needs and delivering strategic outcomes you will then be able to make a judgement about overall value for money. This will assist you in identifying future interventions and priorities.

#### 5. Develop clear priorities for the future of leisure and cultural services taking account of future resources

The authority needs to be clear on the resources it is able to allocate to the services, how they will be procured and in the current climate, what cashable savings need to be made. This, when considered with the baseline assessment, provision gaps, and value for money position should

inform the authority's priorities for the future. Enabling other providers to deliver desired outcomes through a commissioned approach will be a key element of the overall offer.

## 6. Identify the options

You need think about future options that go well beyond new ways of managing the existing services. The service design and asset portfolio will almost always have more impact on the cost of running services than the management model. Something many advisers overlook.

## 7. Establish a clear vision of what service could look like in the future within the affordability envelope

It is critical at this stage to gain both political and community buy in to the service vision through extensive consultation and communications. Remember this vision needs to be grounded by affordability and sustainability. The vision should not be the Council's vision, but the vision for the area within scope, with the Council being a key partner.

## 8. Turn the vision into reality and develop a long term transformation plan

The transformation plan should be focused on delivering the priorities and improving value for money for local residents linked to exiting from services that are not a priority and being able to demonstrate achievement of outcomes.

## 9. Ensure the risks are identified and there is sufficient capacity to deliver the plan

Identifying and mitigating risks at an early stage will reap rewards in terms of delivering the authorities transformation plan. More importantly you need ensure that there is sufficient capacity to deliver the plans. Bringing in expertise and resources should be seen as part of the investment to save rather than a barrier or cost.

## 10. Make it happen!

Turning the vision into reality will require a strong project board but importantly passion and commitment from a small number of "champions". These individuals need to be released and empowered and ideally include an elected council member as well as officers and wider stakeholders in the community. A clear improvement plan with outcome based milestones and deliverables and identified efficiencies that is appropriately monitored will keep the programme on track.

### So what are the barriers to transforming services?

Public services have historically been slow at service transformation due internal barriers including:

- **Lack of Leadership:** Lack of a service 'champion' and strong leadership can often be a key limiting factor.
- **Capacity:** Many authorities have shed their in-house leisure and cultural services expertise as part of making cost reductions or externalising. The authority may not have experience of service transformation generally.
- **Politics:** Members can find it difficult to make hard decisions particularly when it involves any aspect of closure, relocation or radical change
- **Timing:** Elections, establishment of Clinical Commissioning Groups and internal reorganisation can conspire against progress.

- **Contracts:** Existing contracts with leisure contractors or trusts may prevent changes to the service or slow progress.
- **Investment:** Lack of opportunities for capital receipts, borrowing and capital investment can inhibit transformation.
- **Lack of quality data:** Poor data inhibits understanding impact on service outcomes.
- **Priority:** In unitary authorities cultural services can be considered a low priority and the easy option can be simply to make cuts.
- **Lack of alignment with Public Health:** For many second tier authorities, they have not yet fully integrated their wider public health responsibilities into their service design.
- **Vested interests:** Are the people leading the transformation the ones to be most affected by it?

To overcome these barriers, care needs to be taken in identifying them and proactively managing them out as risks supported by strong leadership.

### Conclusion

Perhaps the biggest barrier to service transformation is getting stakeholders to think strategically about leisure and cultural services as opposed to thinking about running the current portfolio more efficiently.

However, the anticipated worsening financial climate will force many local authorities to either disinvest in leisure and cultural services or more positively, seek to transform them. This is the stark choice.

Many authorities have a service transformation team and senior officers with responsibility for leisure and cultural services need to position their services within the transformation agenda as part of the solution, not a problem to be eradicated through cuts.

This should be seen as an opportunity to improve services and deliver outcomes rather than be a threat to them. Some authorities have already commenced this transformation journey to demonstrate it really is possible with the right support.

So are you going to lay down and wait for the inevitable or start transforming?

### Further help

SLC have introduced a helpline offering free initial help and advice on where to start on your transformation journey. Telephone us or email [advice@sportleisureculture.co.uk](mailto:advice@sportleisureculture.co.uk).



[www.sportleisureculture.co.uk](http://www.sportleisureculture.co.uk)