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Change has come – but which way now?

In the first of a series of articles for *The Leisure Review* Duncan Wood-Allum suggests the need for a radical change of direction in where the remaining public money is spent on council sport, leisure and cultural services.

We never had it so good in the last 20 years: hundreds of millions spent through lottery funding, record levels of investment in school sport, a property boom, high levels of disposable income, job security, significant investment in new leisure facilities, Renaissance funding for culture, winning the right to host the 2012 Olympics and Paralympics; I could go on. As with all times of plenty, this period was often blighted by in-fighting, bureaucracy, centralised policies, personal agendas, lack of leadership and at times misdirected investment. The outcome was that our sector delivered no real improvements in overall sports participation and physical activity [qv Active People, Sport England 2011], rather just stemmed the decline. To make matters worse, we did not provide the compelling evidence to show the real outcomes and impacts of our work, although nor did our peers around the world.

Improvement and transformation of services has been happening – many organisations and sector colleagues should be rightly proud of their achievements and innovations – but with the benefit of hindsight if we had known the recession and the coalition government that followed was coming:

- would so many councils have put off tough decisions for ‘next year’
- would politicians have continued to keep ageing facilities patched up and running inefficiently despite the advice of officers to rationalise them
- would we have held back on investing in improved information technology and the ability to engage with customers through the web
- would we have held back on investing in programmes, developing deeper links and training with health, education and adult and social care to position ourselves for commissioning
- would many sports development units and museums be run on the basis that they would always be grant-funded and thus overly dependent on handouts
- would councils have set up small independent trusts without the necessary management capability, lifecycle investment and economies of scale to operate sustainably
- would councils continue to say that joined-up working was “too difficult”?

Human nature and politics have all contributed to where we find ourselves now. All of us have in some way inadvertently contributed to this reality. There is less money to go around and many organisations will have to do things differently and in some instances not necessarily better for the foreseeable future.

In this time of austerity what we tend to forget is that we still have the potential to make a huge impact on the nation’s health and wellbeing, and justify more investment for our sector. With 80% of our collective budget of an estimated £2.75 billion to invest in public sport and leisure provision through councils we still have a lot to play with. I have not even mentioned the budgets available to health, education and adult care which our sector could tap into through commissioning and about which I have written previously.

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However, there is a rather large problem. Looking at sport and leisure, most of this £2.75 billion budget is tied into management contracts for operating our ageing sport and leisure facilities, often over 10 to 15 years. My argument is that councils need to radically change and reprioritise this spending in the future.

As a consequence of this budget being linked to these ageing facilities, local government sport, leisure and culture has little ability to invest in innovation or new market development to respond to the commissioning agenda and the changing landscape. To unlock this potential, I want to pose the question: do councils need to move away from direct provision of universal services and funding of sport, leisure and cultural facilities and services?

How could this work in practice? Three scenarios have been developed to describe how some key elements of this alternative approach could work. There is a health warning: the real detail, costs, issues, opportunities and risks could only be ascertained through an independent and detailed options appraisal and business case.

Sporting scenario 1

Let's look at a large borough council with five wet-and-dry leisure facilities, three stand-alone, two of which are on school sites, along with a small sports development team.

Following a challenging consultation exercise with residents on spending priorities as part of an options appraisal, the council phases out its old, costly and tired standalone leisure centres over a two- to five-year period. It redevelops the sites for housing, joint service centres (including leisure), retail or commercial leisure through increasingly relaxed planning policy. Existing users are inconvenienced but transferred/displaced where possible towards spare capacity in the other sites. In parallel to this, voucher schemes are established with private/third sector operators to pick up some of the unmet demand.

Users with cars have to travel further to the nearest venues, increasing their journey time and carbon footprint. Some facilities servicing the displaced users experience capacity issues in the short term but adapt quickly to this new level of demand and benefit from it. Car-sharing schemes start to make an impact. The council has to deal with bad press and local campaign groups but through a well coordinated approach to communicating 'the compelling alternative' they hold their nerve.

The sports development team is disbanded and instead the council directly commissions outcomes through local sports clubs, using some of the revenue saving to support capacity-building which is provided through commissioning and by the national governing bodies directly (Sport England take note). Expert sports development support, evaluation and strategic advice is commissioned on an 'as needed' basis and provided by the county sports partnership, reducing costs significantly and encouraging strategic coordination where possible.

The secondary schools with community-use facilities, which traditionally have been the poorer relative to the standalone leisure centres, now become critical players in the strategic mix (75% of sports halls and sports turf pitches are on school sites, according to Sport England). After detailed consultation and support, they receive two types of investment which have been generated from revenue savings from the subsidised closed sites: first, for those schools willing to develop their involvement, some targeted capital investment to bring their facilities up to acceptable standards; second, and crucially, there is revenue support to build the confidence and quality of the teams operating those sites. New partnerships and networks are developed to encourage a strategic and coordinated approach. Over time these facilities begin to develop a more proactive approach to the efficient delivery of community sport and leisure.

Some of the schools outsource their management to third-party providers or adopt a sustainable, low-cost, high-participation 'lettings plus' model. This model uses third parties to deliver coaching, leagues, classes, special events out of the school facilities as part of a coordinated programme. This 'de-risks' the operation for the school, all of whom are not able to take commercial risks with their budgets. Many leisure operators are in a position to partner schools to deliver this type of service. Revenue generation improves to a level where original levels of subsidy are no longer required (or for that matter available) and sinking funds can slowly be established in some instances.

Swimming provision is reviewed and after stormy debates inside and outside the council chamber, the borough has no choice but to move away from universal swimming services as it closes its old wet and dry centres. The focus shifts to 'drowning prevention' and learn to swim for children while at school because there is not enough money to support universal swimming for the foreseeable future. Private health club pools, school pools, swimming clubs and leisure pools in this period are incentivised to provide access to vulnerable groups and individuals through commissioning and voucher schemes. There is a mixed take up of this initiative and participation rates fall further among target groups.

There is of course unmet demand for swimming and those pools that remain open within and outside the borough experience record attendances, enabling them to increase their prices to core users and provide greater subsidy to concessionary users. However, in this borough swimming becomes a luxury sport for many who are prepared to pay and travel for it, or a recreational entitlement to a vulnerable minority. The words 'swimming provision' and 'postcode lottery' become synonymous in the borough. For pressure groups pools become the new libraries. Across the borough, as there is still unmet demand, private or third sector operators move into the borough and establish facilities, with the council playing a broking role, rather than the traditional gatekeeping role.

The council develops a 'thin client' approach with a neighbouring borough with one or two members of staff overseeing and commissioning a mixed economy of delivery across boundaries. Its role is commissioning, providing enabling support and overseeing an overall sport and leisure strategy. It is complex, challenging and difficult to coordinate the multiple organisations that begin to emerge on the ground but over time, and with persistence and strong leadership, progress is made.

Savings made from supporting the costly, energy-inefficient, standalone facilities are directed to enabling funding as described and in most cases (and this is a reality we need to get used to in the short to medium term) a large proportion of the saving (including excessive support services costs) is redirected back to the town hall.

Sports provision, sports development and community engagement carry on in a different way and still contribute to a wide range of outcomes, not necessarily a better approach but one that over time can maintain a great deal of the current levels of participation and outcomes being delivered, while starting to make an impact in attracting greater commissioning revenue.

Cultural scenario 1

A London borough with three local museums, one of which houses a local studies centre and archive, has to make significant savings – at least 50% – of its revenue budget. Despite increased pressure on the existing in-house management teams to drive more revenue, lack of strategic support, bureaucratic constraints and lack of commercial skills conspire to make little impact on the high levels of subsidy required to maintain these heritage assets.

After an options appraisal, consultation with vociferous but minority local interest groups, with the odd pop star and actor thrown in for good measure, the council has little choice but to take the bold step to close and mothball two of the museums. It focuses on supporting a hub museum and local studies centre for an agreed period of three years prior to it being divested with a view to it becoming a sustainable entity in the medium to long term or – at worst – to closing.

Talks with local friends groups are ongoing and there may be some potential for the mothballed museums to be kept open on reduced hours by volunteers, although there is concern about the capability of individuals involved so additional funding is found to support capacity-building. This is localism in action with all the hidden transactional costs that go along with it.

The core collections are digitised over a phased period following a donation from a local benefactor and smaller donations to enable greater access through the internet. This follows a local campaign through a friends group which is supported by the council. Investment in mobile exhibition cases and promotional material enables the collection to tour the borough and remain accessible through schools and community facilities. Reminiscence boxes are enhanced through local collections and sessions are delivered throughout the borough to

the delight of elderly residents supported by friends groups. This 'virtual museum' concept ensures that heritage still exists and is accessible but in a different form.

Redundancies take place among the core museums team. The curator of the remaining museum and local studies centre undergoes a period of peer support and is helped to reorganise the team to focus on revenue generation, outreach and education, rather than more traditional curatorial and archivist skill sets. This restructuring maximises the potential of this team to better tap into educational funding from children's services and adult and social care and to drive more revenue from core and commercial activities. To a museums purist this is sacrilege but to a pragmatist this is reality for the foreseeable future.

Opening hours are adapted to focus on driving footfall, return visits and revenue. A sponsored programme of events is developed supported by the marketing team from the local leisure operator. Fundraising becomes core business and all staff have a role to play in maximising revenue from donations, sponsorship and philanthropy. This requires training and support over a two-year period, funded through savings from the closure of the other two museums and through time gifted from neighbouring authorities through peer support. Some staff leave disgusted with the change of approach. New staff and volunteers arrive with fresh ideas and no baggage.

Local studies and archives start to charge for their time for specialist searches and begin to tap further into the family history market. Staff and volunteers are cross-trained to undertake a range of duties in the museum and local studies centre. A buzz begins to develop on site. The council then begins to explore the potential of asset transfer and partnering with a third party to take the museum and local studies centre forward. This approach breathes some life into the borough's heritage offer and provides it with the potential to transform itself into a more sustainable service. Will it survive? Only time will tell.

Sporting scenario 2

A city council which has traditionally operated its 15 sports and leisure centres (many with swimming pools) and 8 dual-use centres in-house develops a divestment strategy linked to asset transfer, greater use of school sites, closure and redevelopment of sites to fit with a reduced revenue budget of 50% over the next five years.

The principle behind this is that mainstream users have their needs met over time by the market and the council plays an enabling role to reduce barriers to participation and access by the most vulnerable in society. The council states it is not walking away from provision but has to focus its resources on priority communities and individuals that need support. It will continue to support sport and leisure provision through targeted investment and partnerships to enable access to the market.

Taking between three and seven years, a phased approach to divesting just over half its portfolio takes place, linked to the parallel development of incentives, vouchers and enabling support for targeted sectors of the community to access their sport and leisure differently. Vouchers for bikes, running shoes, gym memberships and in some cases personal training, mobility classes, swimming lessons, group walking and group exercise sessions become the norm using personalised budgets. Local people are given a choice of where to purchase their leisure. Linked to this is an investment in communication and marketing of opportunities using social media and more traditional marketing channels where appropriate.

The council seeks to act in an enabling role to match schools with outside investors in facilities such as five-a-side soccer centres and commercial gyms/studios linked to school use in daytime.

Sites that are closed for redevelopment for housing, retail or leisure may have small elements of commercial leisure (eg private health clubs) built in but the market cannot deliver to the level we have seen in the past because of the tougher economic climate.

For the leisure facilities deemed affordable, politically and strategically essential by elected members the council embarks on a programme of 'invest to save' when funds allow and refurbishes three of the facilities, investing in energy efficiencies and bringing the facilities up to a modern level of provision. In effect the assets are now fit to be transferred to a partner who would take on full responsibilities for repairs and maintenance on a long lease which over time will

be more cost-effective than if the council took on this responsibility.

Three of the sites closed are replaced by one built to provide a strategic hub linked to wider provision of a range of community services serving adjacent communities. It uses modern modular and energy-efficient design and lower-cost building materials, delivering the level of provision that normally would require a capital cost of twice the amount if traditional techniques were used. The life of the building in this scenario is predicted to be 20 years but the design will enable major remodelling to meet future needs after that time.

The council seeks partner operators that have the experience of being in a design-and-build consortia and, where this demonstrates best value, would seek to establish a long-term contract for both management and facility development of this new site. The nature of the contract has a wider commissioned basis and requires more community development outcomes alongside facility operation and traditional sports development. The partner in this instance forms a consortium with third sector providers to deliver these specialist services but remains as the main point of contact for the council to reduce client monitoring costs.

Users who have to travel further are supported through improved transport links at peak times and vouchers to support 'active' travel, such as cycling and walking. Partnerships with the voluntary sector are boosted to ensure the most vulnerable can access the facilities on a regular programmed basis through commissioning.

Opinion

These scenarios are not real councils but they could be. Many of the scenario features described are already being delivered successfully. Some are being considered and some are yet to be realised. Some are deemed to be 'unthinkable' by many elected members, officers and stakeholders.

Elected members lacking political courage or holding off making strategic decisions for the sake of their seat are in denial. Officers resisting change, lacking leadership and temporarily jumping ship to new management models with historical structures, poorly maintained asset portfolios and traditional mindsets just to make NNDR savings are simply delaying the inevitable.

Is it not time we had a fresh debate about how we deliver sport, leisure and culture using the resources we have now and are likely to have in the future on the basis of what is affordable and sustainable rather than what we would like to see in a rose-tinted, grant-funded ideal world?

In the next article I'll be reviewing the feedback from the sector to these ideas and will seek to refine this thinking further. You are invited to join the debate.

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Comment on this article and contribute to the debate. Email the editor at editor@theleisurereview.co.uk

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