

Appendix 4

EIT Review of Sport, Leisure and Recreation

Leisure & Sports Development (L&SD)

Introduction

1. This report is concerned with exploring the potential future approach for and the structure of the Leisure & Sports Development Service and also efficiency savings which might be realised through Tees Active.

Leisure & Sports Development

2. The services provided through the Leisure & Sports Development Team can be categorised into 3 areas as follows:
 - Strategy & Advisory
 - Sports Development (Development of initiatives and programme delivery)
 - Commissioning
3. In August of 2010 L&SD Team had a compilation of 23 staff which included 4 trainee sports development officers funded through the Future Jobs Fund. Due to staff moving on to employment elsewhere, without redundancies this has been reduced at this time to 21 staff, with 14 FT and 7 being PT.
4. The employment of the majority of the team within L&SD (13) is dependant upon external funding particularly from NHS Stockton, Sport England and the Future Jobs Fund. The continued availability of this funding is not guaranteed and it seems unlikely that Stockton Borough Council would be able to replace this through resource allocation. The following posts are subject to time limited funding;
 - 9 posts contracted until March 2011
 - 2 posts contracted until September 2011
 - 1 post contracted until December 2011

- 1 post contracted until March 2012
5. These include;
- 1 x Health Walk Coordinator retained for 6 months to develop the exit strategy (residual external funding covers this contract period)
 - 1 x Community Health & Fitness Advisor (1 year) – retained to develop future delivery plan for Health related initiatives such as Cardiac Rehab', Falls prevention, within new public health framework (residual external funding covers this contract period)
 - 1 x Inclusion Officer – Externally funded until December 2011 following the completion of the 3 year funding term, but subject to evaluation of that programme and potential further funding for Inclusion work
 - 1 x children's/ 0-11's officer externally funded until March 2012 following completion of 3 yr funding term
6. Thus from April 2012 subject to the potential loss of external funding and reductions in core resource allocation we envisage the structure to be as follows:
- 3 FTE plus 3 part time (4 days per week) retained as strategy/ research & development/ commissioning/brokerage team
7. As the majority of the officer time within the L&SD team is taken up in the development and delivery of sports initiatives and programmes, it is the delivery element of initiatives/ programmes through the Leisure & Sports Development Team that would not be able to be sustained post March 2012, once the appropriate exit strategies have been implemented. However these are the elements of the service which can be more readily picked up by other organisations operating within the public, private and/ or voluntary sectors.

How Leisure & Sports Development would operate in the future

8. As with many services in the public sector we have been looking closely at what we currently provide and deliver and how we can position the service to

ensure we provide a service that meets the needs of the community whilst not duplicating provision that is or can be provided by others.

9. We are well aware that there are other organisations that capable of delivering facility based provision and we have a voluntary sector that although not as strong as we would like, does have the potential (if supported) to be a significant player in the provision of sport and active leisure opportunities within the borough. The potential future for the Leisure & Sports Development Service is about providing strategic direction, research and development, brokerage and commissioning of Sport & Active Leisure. We would propose to focus our efforts on facilitating, enabling and empowering other organisations to be become more competent and confident in larger scale delivery. We need to be smarter in the partnerships we seek (developing stronger relationships across the sectors) and develop and ensure that 'sustainable development' and 'sustainable impact' are the focus of the work we engage in.
10. The approach we are proposing for Leisure & Sports Development involves the commitment to the following agendas which we have named 1) Inspire 2) Sustain and 3) Excel.

1. Inspire

Currently there is no organisation coordinating the process of inspiring more people to be physically active and take up participation in sport. We have a large number of providers promoting there own facilities/ activities and unsurprisingly they promote their own programmes. This is a long way from the strategic approach we would advocate and could benefit from a coordinated approach led by SBC as an impartial organisation. Through our inspire agenda we are proposing the following:

- With partners (internal and external) facilitate the delivery of a range of events of varying scales (from small – medium) aimed at engaging more people to be physically active and engage in sport. These would be developed primarily with the aim of facilitating greater participation in activities/ facilities that already exist within the borough. E.g. Park Runs designed to promote running and use of our urban and country parks.

- With partners develop events which aim to inspire sports tourists to the borough, e.g. Golf, Rat Race, Triathlon. We are committed to developing a range of events that are not 'run of the mill' and will capture the imagination of people both within and beyond the Tees Valley.
- Working with the school sports partnerships to support the provision of high quality PE and out of school hours sports provision for young people
- Take a lead in facilitating what the Olympics/ Paralympics can deliver as a legacy for the residents of the borough
- With all stakeholders develop a cohesive plan for the promotion of sport & active leisure within the borough
- Work with colleagues in Children's Centres/ Early Years and Play to facilitate the development of programmes that promote active play in young children forging links between active play and sport for lifelong participation in active leisure
- Work with under-represented groups via the appropriate networks, namely older people, people with disabilities, the BME community, Children Looked After and Carers to facilitate greater participation in sport & active leisure
- Ensure our strategic plans are accessible and have the aspiration to engage our communities and make real positive differences to our communities whilst being realistic that perfection is not an option!
- Be a provider of impartial advice and guidance (or facilitate this) to organisations across the sectors/ borough on all aspects of sport and leisure provision
- Through SBC Central Communications, Public Health and colleagues in the public, private and voluntary sectors support the development and delivery of an appropriate communications plan and campaign for the borough, taking account all of the above.
- To explore opportunities for income generation through avenues such as events, coach development programmes and the facilitation of coaching programmes for children and young people.

2. Sustain

In order to maximise the number of people who sustain their involvement in sport we want to develop the sporting infrastructure within the borough and this includes the following:

- Ensure that we work closely with our strategic leisure partner Tees Active to ensure that commissioned provision meets the needs and aspirations of our community and delivers excellent value for money
- Developing voluntary sector/ community sports organisations to become vibrant, safe and effective organisations providing sports participation and competition for people of all ages and abilities
- Through advice and guidance enable the development of appropriate facilities and management regimes that facilitate ease of access and sustained participation for our communities
- Work with sustainable organisations to improve the provision of sport & active leisure, e.g. youth centres/ Uniform groups
- Support the development of coaches/ teachers/ volunteers to support the sustainability of sport in schools and in the community
- With all key stakeholders including SBC Communications and Access to Services to develop an approach to the provision of information and booking systems which maximises ease of access for participants
- Throughout 2011 develop appropriate exit strategies for the delivered initiatives which we would want to be sustained by third parties, e.g. Health Walk scheme

3. Excel

- To work with our Strategic partner Tees Active to ensure that our gifted and talented sports people are provided with as much support as is possible to enable them to achieve their goals
- Work with Schools and the School Sports Partnership to support our talented young sports people to gain access to the facilities, coaching and advice they need to progress
- To work with colleagues to attract events to the borough that promote excellence/ high performance, e.g. 2012 Training camps

What are the Consequences of reducing direct delivery?

11. For the avoidance of doubt we feel it is important to identify the areas we would no longer be able to directly deliver on and what action we would propose to mitigate this:
- Loss – The development and delivery of services according to a life stage model, which was implemented in late 2008.
 - Mitigation – Due to the reduction in available resources, and the reduction in the numbers within the team, the structure (although not the ethos) will have to be removed, although where appropriate the responsibility for life stage projects being shared around the remaining team members.
 - Loss - Small scale ad-hoc event delivery – Due to the loss of the staff resource responding to the need to provide e.g. town centre participatory programmes such as the Playing Out Events in Billingham/ Stockton, would not be possible through the remaining internal staff cohort.
 - Mitigation – Through the strengthening relationships with other public, private and voluntary sector bodies we would envisage there will be opportunities to commission other organisations, particularly the voluntary sector, although it needs to be accepted that this may take time and support before we can regularly and effectively commission voluntary sector provision for such programmes.
 - Loss - Reduced capacity to contribute to the development of sub-regional and regional events, e.g. TV Youth Games.
 - Mitigation – Discussions to take place sub regionally with Tees Valley Sport and LA partners as they are all experiencing the same process leading to reductions in staff and resources.
 - Loss – the delivery of programmes described as health interventions, e.g. Active Health/ Cardiac Rehab, Falls prevention, etc.
 - Mitigation – Identify commissioning opportunities and/ or speak to facility providers about a business model for sustainability. However if funding unavailable then costs may have to be introduced by the

provider which may affect the ability of certain individuals to take part. Also elements of the scheme such as Cardiac Rehab may be subject to an exit strategy which may take until March 2012 to implement (due to the complexity of the scheme and the qualifications required by deliverers).

- Loss – Specific 0-11 post – This would have an impact on the depth of the work that could be carried out with partners in children centres, schools and community settings.
- Mitigation - This agenda would need to be addressed through a much more strategic approach to the development of active play/ sport for the under 11's. Facilitation and enabling as opposed to the provision of activity programmes.

- Loss – Health Walks (March 2011) – The loss of NHS funding will result in the programme of guided walks being unable to be delivered.
- Mitigation – We have some funding to sustain this project for a further 6 months into the new financial year to establish and embed an exit strategy (This programme attracts over 500 regular walkers, most of whom are older people).

- Loss – Specific Inclusion Officer Post (from Dec 2011) – This will result in the loss of specific and concentrated efforts to work with the groups within the borough who are currently under-represented within sport and active leisure.
- Mitigation – Elements of the work will be included within the proposed new structure however this will be limited to a facilitative and enabling role and by the nature of a reduced staffing will undoubtedly lead to a more diluted approach to supporting under-represented groups.

- Loss – Outdoor Women's Exercise programmes, e.g. Fit2Push/ Women's Running Networks (March 2011)
- Mitigation – Work with other providers to identify options for alternative providers to take on the delivery, although this will inevitably lead to an increase in cost for the participants.

- Loss – Specific community centre based sessions such as boxercise (March 2011) – Due to the loss of delivery staff, undertaking the delivery of community based exercise programmes will no longer be possible.
- Mitigation – Work with our facility based colleagues across the sectors to identify potential gaps and how they can be filled as they are well placed to pick up any gaps in provision and meet unmet demand.
- Loss – The delivery of workplace health initiatives
- Mitigation – This would need to be picked up through the Workplace Health Team (who are the primary deliverers), within SBC, along with discussions with Public Health colleagues about ad hoc support from Health Trainers.
- Loss - The loss of delivery staff will also lead to the loss of some key skills to the service including the ability to deliver programmes such as sports leader's courses.
- Mitigation – The required skills for the delivery of such programmes will need to be procured as and when the leadership programme to be delivered is established. The requirement for such commissioning will require a more structured approach to the delivery of leadership development programmes.

Potential Savings to SBC provided by Leisure & Sports Development

12. As there is an acceptance that we need to contribute to SBC's overall financial position and we can make a significant impact through greater partnership working, it is believed that we can make a saving to SBC in 2011/12 of **£63,751** (based on 2010/11 costs).
13. As a significant area of the Leisure & Sports Development Team's current work is delivery and we are proposing to move away from this in response to reduced funding, then a reduction of posts in this area will be unavoidable, unfortunately leading to redundancies.

14. We have been having discussions with our main funding partner, NHS Stockton about the future funding opportunities, however they are not currently in a position to advise on future funding options/ opportunities, so we feel it prudent to plan for the worst case scenario position from a funding and staffing structure perspective.

Managing Expectations

15. Clearly the loss of external funding and consequently the delivery function of the team will lead to gaps in service provision in the short term. However we do believe that with the reductions in available funding across the board, organisations with a commitment to delivering sport and active leisure opportunities will be much more inclined to develop partnerships with organisations who they may traditionally have viewed as competition.
16. This culture shift away from the public, private and voluntary sectors working independently will take time; however we are already planning to meet with our colleagues across the sectors to investigate the opportunities we see as being available with the central focus on improved outcomes for our local people and the communities they live in.
17. Despite a commitment to engage more effectively with our partners across the sectors the loss of resources and staff members will in the short term undoubtedly prove unpopular, however it is our considered opinion that this can be managed as there appears to be a general acceptance that things need to be done differently if they are to endure.

Tees Active

18. Members will be aware that Tees Active was subject to a review via the Arts, Leisure & Culture Select Committee throughout 2008/09 and as such I have not included information pertaining to the organisational structure, etc, associated with the organisation. The following is information provided by the Managing Director of Tees Active, Steve Chaytor, and is still subject to cross checks by SBC Finance and Leisure staff.

a) *The current operational budget for TAL, supported by the SBC management fee, is sustaining the service whilst concluding large capital schemes at Splash and The Pavilion including the consequent business disruption. However, the most significant burden on the budget is the temporary closure of Billingham Forum. The projected cost of the closure was approximately £850k over 18 months – caused by the loss of over £1million of income whilst retaining and redeploying staff. The three month over run has effectively raised the cost of closure to around £1 million. However, because of the actions we have taken including alternative service provision, our current predictions suggest that we will be able to contain that pressure. The down side is that our reserves are approximately £100k less than we had hoped going into 2010/11. When the Forum reopens, TAL will also be funding almost £10mill of Prudential borrowing that is contributing to The Forum, Pavilion and Barrage developments and fully funding the Splash development. This will amount to approximately £715k per year in capital funding though reductions in management fee. The effect will be to reduce operational funding to approximately £1,918,000, which is a 21% reduction on the 2008/9 management fee.*

The Scope for Savings

b) *The starting point for any potential reduction in the TAL management fee must be to recognise that:*

- *there is a significant commitment to Prudential borrowing repayments predicated on the income generating capacity of the business*
- *TAL must raise an additional £1.1 mill income to meet the new business plans for Billingham Forum and Tees Barrage International White Water Course*
- *when full prudential borrowing repayments are applied in 2011/12 TAL will have effectively reduced the management fee by 21% already – before any further efficiencies*

c) *Notwithstanding the above, we (TAL) understand the position of SBC and accept that there is pressure to reduce the TAL management fee further in order to contribute to the corporate savings of the authority. We have also taken the view that SBC would rather make 'efficiencies' than 'cuts'. We have, therefore concentrated on where, after the reopening of our whole portfolio of facilities in*

2011, we might reasonably be able to make efficiencies in our operation without closure or reduction in service. There are also options for service cuts but we believe these would be negative, demoralising and signalling decline.

Potential Efficiencies

d) The following options can only be achieved if the business plan increased income projections of £1.1 mill are met at Billingham Forum and TBIWWC. For this reason it is proposed that any savings from TAL are only calculated from April 2012 to ensure the new businesses are bedded in.

- *Merger of Castlegate Quay with TBIWWC – a merger of the two venues is being negotiated with SBC, BW and a potential new tenant for Castlegate Quay. If achieved in April 2011 the savings for 2011/12 would need to be invested in alterations and storage at The Barrage site. Therefore the efficiencies would be secured for the following financial year.*

£100k

- *Staff efficiencies following reopening of Billingham Forum – given the commitment to retain the employment of Forum staff during closure there has been a burden on the company that will be lifted when the venue reopens. We believe that a review of our staffing will be able to realise a level of savings on the current staffing budget.*

£100k

e) *This £200k efficiency would amount to a further cut in the management fee of over 10% bringing it down to around £1.7 mill, representing a reduction of over 26% since 2009.*

These two options will ensure that there is no reduction in service.

19. TAL have also highlighted the potential to remove of option 3 pricing – an additional pricing subsidy for low income or other target groups. While general attendances have risen 12 % over five years, option 3 visits have risen by almost 50%. At face value, the £680k we take from option 3 prices would realise £990k if each visitor paid the standard rate. This equates to a concession of around 32% on average. However, it is clear and obvious that the removal of option 3 visits would not be replaced by an equal number of

standard rate visits. Likewise, the reduction in the level of concession, to say 15%, would have equally unpredictable consequences. In addition, we are surrounded by authorities that continue to offer concessions so customers may be tempted to travel and it is likely that SBC would suffer by comparison. Sensitivity analysis on the effect would produce speculative figures, probably within a range between £30,000 and £300,000. However the removal of concessions would alter the fundamental character the public sector leisure offer in Stockton Borough.

(**NB** As we have not had the opportunity to fully digest and interrogate the information provided by Tees Active with regards to the financial detail, SBC Finance officers are currently in the process of examining the information provided and testing TAL assumptions.)

Further examination

20. TAL will soon be reopening Billingham Forum, and an improved white water course at the Barage, In addition they have recently opened extended facilities at SPLASH and improved facilities at Thornaby Pavillion. It is reasonable to expect significant additional trading potential arising from these facility improvements. However, it is impossible to gauge the extent of future growth at this point in time. A detailed analysis of the first 12 months full facility trading will be required toward the end of 2011/12. This analysis will also need to reference market research which will be needed to test customers' willingness to pay more for leisure services.
21. SBC is in the process of exploring with other Tees Valley authorities the potential to establish a joint commissioning approach to leisure services. There may be substantial economies of scale, and greater potential to improve the range of service without increasing delivery costs. The 5 Authorities are not all in the same situation at present and it would be premature to suggest that joint commissioning will happen. It is therefore impossible to speculate on levels of potential savings which would be achievable through such a venture.

22. Service reduction, including the possibility of reducing hours of service, as well as range, remains an option for the future if funding pressures are not resolved by other means.

Tees Active conclusion

23. It seems likely that a figure no less than £200,000 can be saved from the TAL subsidy, from April 2012, without a reduction of service.
24. With member approval additional savings could be made through reduction in option 3 subsidy.
25. Subject to further investigation, it should be possible to save an additional £200 - £250,000 through a combination of increased trading income, increased efficiency through joint commissioning, or reductions in service delivery. However, reductions in service delivery would need to be substantial, noticeable, and in all likelihood contentious if they were to realise significant savings.
26. The further analysis described above will need to be conducted over the period January 2011 to March 2012.