

# CABINET

## OUTLINE PROPOSALS FOR SERVICE REVIEW: SALT AYRE SPORTS CENTRE/LEISURE SERVICES 5 November 2013

### Report of Chief Officer (Health and Housing)

| PURPOSE OF REPORT   |  |                  |     |                  |
|---|--|------------------|-----|------------------|
| To inform Cabinet of the scope of detailed review work needed to present the Council with costed savings options. |  |                  |     |                  |
| Key Decision  |  | Non-Key Decision |     | Officer Referral |
|   |  |                  |     | X                |
| Date of notice of forthcoming key decision  |  |                  | N/A |                  |
| This report is public.  |  |                  |     |                  |

#### RECOMMENDATIONS OF COUNCILLOR RON SANDS

- (1) That Cabinet notes that the areas to be reviewed in the Salt Ayre Sports Centre/ Leisure services review are :
  - All functions delivered at Salt Ayre Sports Centre
  - Sports Development work /Community outreach physical activity.
  - The provision of community pools.
- (2) That Cabinet approves in principle for further development by the Chief Officer (Health and Housing) the proposals outlined in the report..
- (3) That where required, further reports on the implementation of specific parts of the proposals are brought back to Cabinet or Personnel Committee as appropriate for approval.

#### 1.0 Introduction

- 1.1 A review of staffing levels, opening hours, potential income generation and operational improvements at Salt Ayre Sports Centre has been ongoing for a number of months and some efficiencies have already been realised.
- 1.2 A recurring efficiency saving of approximately £80K was made in this financial year by altering the opening hours and alerting shift patterns allowing a consequential reduction in staffing.
- 1.3 The review is investigating both the current provision and how savings can be

made and also the longer term future of the sports centre and pools. The future of the council's role in sport and leisure provision should be seen in the context of the council maintaining a strong commitment to health and well being through physical activity but recognising that the council does not have to directly provide sports/leisure facilities to support this commitment. The council currently has a sports development team, some of whom are externally funded, that deliver and facilitate physical activity in the community often making use of our parks and open spaces and usually targeting our most vulnerable residents.

## **2.0 Proposal Details**

2.1 A review of how best to consider service reductions and /or alternative service delivery models across the areas highlighted above is taking place. This review takes place within the context of:

- The Council's corporate plan / priorities
- The Council's budget position

2.2 The review will take account of the views of relevant staff, trade unions and Elected Members and bring forward options that will-

- Generate ongoing savings reducing the level of subsidy required.
- Present options for efficiency savings and service reductions that can implemented irrespective of how the council decides to deliver leisure services in the longer term.
- Present options for alternative delivery models for the future and the process required to achieve this.
- Present options that include the Council not continuing to directly provide the sports centre and other community facilities.

2.3 The review therefore has two elements :-

1. Short term proposals/service reductions/ income generation such as
  - Merging the sports development function with the Salt Ayre sports centre function to create a joined up sports and physical activity/health offer and a leaner management structure.
  - Review staffing and rota patterns
  - Options for continuation of the café operation.
  - Investigating business case for online bookings.
  - Improving marketing /advertising to generate more income.
  - Overhaul of the passport to leisure scheme
2. Longer term proposals
  - Options appraisal for future management of Salt Ayre e.g leisure trusts, in house service, partnership with private developer, charitable body or social enterprise.
  - Learning from the recent procurement experience at South Lakeland DC
  - Option appraisal for outright sale to private sector or closure.

- As may be appropriate to the options above, soft market testing to see what potential there is for investment and development to meet demands of changing markets e.g rope course, BMX track etc.
- Options appraisal for continuation or otherwise of the management and delivery of the community pools.

2.4 Clearly progressing some of the short term proposals does depend on decisions the council takes as to the longer term future of Salt Ayre and therefore those particular issues will be considered in that context.

### 3.0 Details of Consultation

3.1 No formal consultation has taken place at this stage although some staff at Salt Ayre and in the sports development team have been involved in tasks to look at efficiencies and improvements. Full consultation will be required with staff, trade unions, and other bodies with a direct interest in the discretionary services currently provided by the Council. Where appropriate, local providers will be consulted as part of the market testing exercise.

### 4.0 Options and Options Analysis (including risk assessment)

|               | <b>Option 1:</b> To undertake no review of services   | <b>Option 2:</b> To find efficiency savings only  | <b>Option 3:</b> To undertake a review which could highlight the need for service reduction or an alternative service delivery model                                     |
|---------------|---|---|--|
| Advantages    | None. The Council's budget position is real and there is no alternative but to undertake reviews.                             | None. The extent of the forthcoming budget reduction cannot be mitigated by simply making efficiency savings.                                     | This gives an opportunity to prepare for the future well in advance and to manage the removal of services or transfer to another service provider by a planned approach. |
| Disadvantages | By not commencing any reviews now the Council would have to take urgent corrective action later as a budget crisis developed. | Such a limited review would address only the 2014/15 challenge and give insufficient time to prepare for the larger challenge the following year. | The community will have to prepare realistically for a reduction in services or an alternative provider if the Council can no longer directly provide.                   |
| Risks         | The Council might risk being put under special measures if it didn't address its budget position.                             | The Council might risk being put under special measures if it didn't address its budget position.   | Service reductions are likely to be unpopular with citizens. Moving to an alternative service provider for leisure services will   |

|  |  |  |  |
|--|--|--|--|
|  |  |  | involve a procurement process which will take a considerable amount of officer time and upfront costs for specialist advice to assist in any procurement exercise. |
|--|--|--|--|

**5.0 Officer Preferred Option (and comments)**

5.1 Option 3 is preferred. The Council must plan realistically. Many years of budget reduction and efficiency savings have removed options for simple efficiencies.

**6.0 Conclusion**

6.1 The Council needs to act decisively at this very difficult time to maintain its ability to function across a wide set of statutory functions and other priorities. Regretfully this now means that it has to accept that it may no longer be able to engage in all of its current discretionary activities. Undertaking comprehensive reviews which present Members with a range of costed options should help to inform these difficult decisions.

**RELATIONSHIP TO POLICY FRAMEWORK**

Managing the Councils resources is a key supporting theme in the Corporate Plan. Where Service reduction takes place there will be a need to adjust the Corporate Plan accordingly.

**CONCLUSION OF IMPACT ASSESSMENT**

**(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)**

There will inevitably be a wide range of impacts across a spectrum of areas. Review will seek to be risk managed to avoid safety and legal impacts in particular.

**LEGAL IMPLICATIONS**

The need to have clear regard to contractual and employment rights arising from reviews will be essential.

**FINANCIAL IMPLICATIONS**

The areas to be considered in this review will largely relate to the revenue budget and total £1,367,600 (including internal recharges).

In relation to Salt Ayre for 2013/14, this is currently estimated at £971,200. This is the net cost after excluding notional capital charges of £404,300, but does include internal staff recharges of £332,800. There is also one capital budget of £30,000 for replacements and refurbishments which may also be covered by the review – decisions on whether to progress

these works will be informed by short-term operational needs and the service reviews.

In relation to the Sports Development / Community Outreach teams this is estimated at £262,000 (including £66,800 for internal staff recharges) and for the Community Pools this is estimated at £134,400.

#### **OTHER RESOURCE IMPLICATIONS**

##### **Human Resources:**

The review will inevitably impact on the establishment within the service and potentially from support service areas.

##### Information Services:

Some support from IS may be needed during the course of the review.

##### Property:

Decisions made will impact on the Council's property portfolio. Furthermore, it should be noted that with regard to the community pools, the County Council (as landlord) will need to undertake and fund property works if these facilities are to continue. In order to inform both the City and County Council's budget proposals, therefore, a timely decision will be needed regarding these facilities.

##### **Open Spaces:**

No direct impact at this stage

#### **SECTION 151 OFFICER'S COMMENTS**

The s151 Officer has been consulted and has no further comments.

#### **MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments

#### **BACKGROUND PAPERS**

none

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