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“Managing the Leisure Contract”

APSE Sport & Leisure Management Advisory Group –
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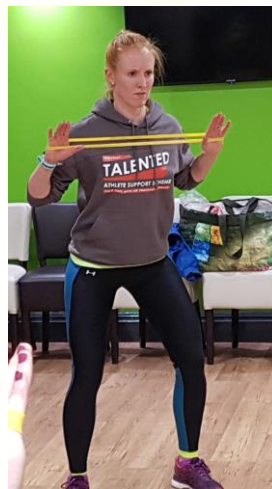
*Working for a **brighter future** together*

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Managing The Contract with Everybody Sport & Recreation

- The journey from local government reorganisation to delivery through leisure trust management
- Getting the most from the leisure trust relationship
- Growth through investment in the future of leisure provision
- Commissioning into the future – what will it look like?



The journey from local government re-organisation to delivery through leisure trust management (1)

- In 2009 four local authorities into one, sixteen leisure sites (plus sports development). Facilities including stand alone and joint use sites, old and very old, mix of indoor and outdoor provision including two athletics tracks and some playing pitches, different management structures, systems and standards.
- Key to day one – just to keep services operating!
- 2012 – Options appraisal on preferred approach to future leisure service delivery based on “no change not an option” due to financial pressures, VFM, changing leisure landscape
- May 2014 – Service transfer of all sites on leases and TUPE transfer of (700+ FTEs), on a ten year plus five Leisure Operating Agreement.
- Charitable Articles written to allow future additional services and commissions if required.
- Based on financial business case Cheshire East retains corporate landlord responsibilities including repairs/maintenance & energy



The journey from local government re-organisation to delivery through leisure trust management (2)

- Attendances up year on year including 8% last year to 3.48m
- Membership doubled to over 18,000
- Learn to Swim Scheme up to over 10,000 on role, plus general swim attendances on the rise
- 50000+ referrals from the One You public health contract that they won the tender for
- Awards
- Current management fee £1.77m plus buy back costs, a 38% reduction since transfer. Future full cost recovery?
- Overall performance has facilitated contract extension being triggered by Council Nov 2018, aligned to current & future investment programme



Getting the most from the leisure trust relationship – the keys to success & mutual benefits (1)

- *Success is based on the initial trust construction - addition of new roles vital ones being finance and operations - new team, new ways of working.*
- *Create a climate to foster a commercial attitude but with a public service ethos. Single focus self reliant business / creation of new business outside original contract – Taste for Life, Alderley Park (commercial contract), Holmes Chapel Community Centre (Parish Council)*
- *Keys to success -*
 - *Transformational cultural change & Leisure +*
 - *Trust independent & prepared to go the extra mile*
 - *Outcome focused operating agreement*
 - *Positive none combative approach to client monitoring*
 - *Recognising the challenges of the Council*
- *Commissioner challenge – being seen to be on the Trust’s side (!) & controlling member and other officer expectations – money, decision making. Letting the child grow with a “hands off” approach.*



Getting the most from the leisure trust relationship – the keys to success & mutual benefits (2)

- Benefits to the authority - reduced financial commitment over the longer term, full cost recovery? / improved service performance for residents / greater involvement of other services using leisure to deliver outcomes (adults and children's services, health – One You Cheshire East) / reduced pressure at budget setting time
- Improved profile of the service within and outside the authority
- A service with a future!



Growth through investment in leisure provision

- Initial investment led by CEC £16.2m Crewe Lifestyle Centre completed April 2016.
- Congleton Leisure Centre £8.8m in for planning permission – the last capital borrowing at present.
- Section 106 opportunities key to local investment including Alsager Sports Hub £5.5m opening spring 2019. In 2018/19 £0.8m requested, £0.3m allocated through permissions.
- Further investment led by the trust themselves based on borrowing from the authority – Sandbach (gym conversion and equipment) £1/2m, Macclesfield Leisure Centre (gym, sauna, village change, infrastructural improvements) £4m.
- Current draft budget consultation 2019/21 for five further sites £14.5m. Based on confidence by the trust from an additional five year contract extension.
- Investment of leisure stock and repayment via reduced management fee plus cost of borrowing - a win win. Very different approach to a “race to the bottom” & managing costs down by service reduction.



Commissioning in the future – what will it look like?

- Less direct Council financial investment through the management fee (current 3% default). APSE State of the Market Survey 2018!
- Greater dependence on health and other sources of funding many external to the Council
- Need for much clearer commissioning from local authorities on what they expect in terms of outcomes and VFM. Tougher internal local authority discussions with other services on commissioning and contributions, for example corporate parent role
- Better understanding of exactly what the authority is getting for the money – breakdown of the subsidy. Clarity that reduced funding means choices that the authority has to make.
- Hubs and joint service co-location (including different Council services) based on lifestyle or similar approach



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Questions

