APSE Sports & Leisure Management Advisory Group

Tuesday 30th January 2024

The landscape

Insight from November 2023 report

•Leisure and culture trusts are in an unsustainable financial position.

- Over half of English trusts (55%) anticipate a deficit or balanced budget position by the end of March. Most are projecting a decrease in their unrestricted reserve levels.

- 60% of Scottish members are facing a deficit budget. Overall, Scottish members anticipate having lost a third (33%) of their unrestricted reserves by the end of this financial year.

- 62.5% of Welsh trusts are projecting a deficit budget at the end of the year. Overall, Welsh members forecast a 6% decrease from the current unrestricted reserve levels by the end of this financial year.

Key pressures

•Energy and operating costs

•Increase in National Living Wage and Real Living Wage

Circa £70K direct additional costs, we also had to increase our differentials for managers immediately above, which cost c£30 K. It also means we were not able to deliver on some other changes and improvements to pension contributions for managers and life insurance policies, as well as enhanced rates for our swimming teachers. [...]

The longer-term picture for employment cost rises does mean we will have to think about our organisational design and this process is already underway. We don't think we will be able to maintain pay differentials completely and the market will ultimately drive our pay costs further. We do think that we will have to be more innovative in our use of automation and there will be some roles that we actively think we will seek to naturally reduce/remove over the next couple of years as transactional customer service encounters can be more effectively delivered via technology and non-human interventions - the increases in NLW is merely speeding up the urgency of these changes.

Key pressures/ challenges

•Decreasing funding from local authority partners

•Decarbonisation of facilities and future proofing

•Mental health and wellbeing of workforce

•Understanding the needs and behaviours of communities

•Working with partners in health

•Risks of short-term decision making – both by operators and local authorities

Trusts working with Local Authority partners

Opportunities

•Shared outcomes and successes

•Local authorities can work with operators with laser focus on leisure and skill and expertise in delivery

•Focus on place and systems – understanding how and when to involve leisure operators in discussions

•Social value – an opportunity to measure and articulate the intangible benefits

Risks

•Focus on need to go through procurement

Procurement is only one method of Commissioning, based on the premise that Best Value will be secured by competitive market purchasing.

That premise is less applicable to securing Best Value public services, with their complex requirements and inter-relationships, than it may be for the purchase of commercial goods and services, such as equipment and information technology.

•At times of budget pressures, importance weighted too heavily on lowest cost

The proper determining factor in commissioning decisions is the public benefit, social, or public, value, derived from public expenditure on public services ("Public Value").

•Potential political decisions, not based on community benefit or need

Membership - Charter of Integrity

This Charter explains the criteria for membership of Community Leisure UK. This Charter determines the membership criteria which applicants need to establish when they join, and all Members are required to sustain throughout their membership.

All members of Community Leisure UK must be independent, not-for-profit charities or social enterprises operating physical activity, sport, cultural, leisure and recreation services and facilities for people and communities across the UK.

Community Leisure UK members are required to conform to good principles of operation and governance, including the following specific criteria:

1. they will be independent from any partner, and free to make organisation and business decisions, without any contractual controlling powers

2. they will not distribute revenues or dividends to shareholders or members but instead invest or otherwise apply all surpluses to their charitable objectives for the provision and support of leisure and culture facilities and services.

3. they will be demonstrably independent and free from control or influence of any profit distributing organisation – thus not a subsidiary of, or established by any profit distributing organisation.

4. all their contracts and agreements are entered into freely by or on behalf of the independent Directors without external control or influence; the contracts and agreements are equitable and have no onerous conditions and are open, competitive and demonstrate best value.

5. they will not enter into any contract and agreement which would benefit any Director, either directly or indirectly, including as a partner, shareholder Director or senior employee of a profit distributing organisation.

6. they will not have any other relationship with any profit distributing company or any organisation associated with such a company which results in surplus funds which would normally be reinvested within the organisation being prevented from being used in this way.

7. that if based in Scotland, prospective members can be recognised as an ALEO (arm's length external organisation) and registered with the Office of the Charity Regulator.

- Understand what kind of organisation is delivering services

- Accountability on commitments made by delivery organisations

Community Outreach

Examples and opportunities

Nearly £450 million of social value was generated by participants in England undertaking consistent activity at leisure trusts (Moving Communities)

•Volunteering growth – learning from the Active Kindness pilot

•Health and wellbeing
    - Prehab for Cancer
    - Movement for Memories
    - Mental Health
    - Respite Care

•Focus on equality, diversity and inclusion

•Facilities as community hubs and co-location of spaces and activities

thank you

Community Leisure UK