



Leicester
City Council

**WARDS AFFECTED:
ALL WARDS (CORPORATE ISSUE)**

CABINET

29 JANUARY 2001

BEST VALUE REVIEW - YEAR ONE

SPORTS

Report of the DIRECTOR OF ENVIRONMENT AND DEVELOPMENT

1. PURPOSE OF REPORT

1.1. To seek member consideration and approval of:

- (i) the Improvement Options put forward as a result of the Best Value Review;
- (ii) the implementation of the City Council's Best Value Review Process to date in respect of this review;
- (iii) the assessment of the review against the Audit Commission's "Seeing Is Believing" criteria.

2. SUMMARY

2.1 This report sets out the results of the Sports Best Value Review to date and provides the information and options for Member consideration prior to finalising the improvement plans for implementation. Key supporting information is appended and referenced within the report and full documentation is available on request via email / file in Members Library.

2.2 Members are aware that the reviews have been undertaken against a thorough process and very tight deadlines. The difficulties resulting from this allied to the recent introduction of a performance management framework within the Authority lead, as would be expected, to a significant amount of learning and development for both the process and the participants. Evaluation of this year's review activities and recommendations for next year form the basis of a separate report.

3. **REPORT**

This Best Value Review of Sports has been undertaken within the strategic framework for the service which currently exists. The Arts and Leisure Department has, already embarked upon the preparation of a Cultural Strategy which will come forward for approval in the next calendar year and which will set the strategic context for each of the activities. In addition, it is recognised by the department that a full examination of management options is necessary in order to take forward the Sports service into the next decade. Taken together, the strategic discussions, which are referred to in the improvement options, will set a clearer direction for the service. In the absence of those documents this Best Value Review has concentrated on areas of improvement and change that are possible in advance of that strategic discussion.

3.1. Improvement options

The review has identified the following improvement options, based on analysis of information, consultation with stakeholders and staff, and discussion by the Core Review Team and Review Project Team. The comments of Trade Unions Have been taken into account throughout the process. Their comments relating to 6 series forms (see appendix 1) will need to be incorporated at the implementation stage of the improvement plan.

Service Directorates comments have also been taken into account, and the Arts, the Environment, Public Health and Leisure Scrutiny Committee has been made aware of emerging issues through a report of 7 November 2000.

These improvements will be carried out in the context of the Cultural Strategy and the Sports Strategy which feeds into it.

3.1.1 Option 1. Undertake a full options study of management arrangements for Sports Services, in the context of a departmental analysis of management options

- Task: Undertake a full analysis of management options for Arts Services, including:
- A Departmental all – inclusive NPDO
 - Trust status (Company Limited by Guarantee, Industrial and Provident Society or Unincorporated Charitable Trust)
 - Voluntary Competitive Tendering
 - Development of the mix of Partnership arrangements
 - Redirection of resources within the Department/Authority
 - Decommissioning of some or all services, with greater reliance on private sector provision
 - Transfer of services to other Departments
 - No change.

The aim of this work is to establish the best and most appropriate mechanism for the management of service. This action will potentially provide savings to the Council which could be reinvested to improve services.

Benefits:	This action will potentially provide savings to the Council which could be reinvested to improve and add further value to Sports Services. It could also contribute to the 2% saving required from this review. There is a need to improve capital investment in key buildings and facilities (which has been inadequate in recent years) to meet the needs of the City's changing demographic and the requirements of the DDA, and to achieve an appropriate level of facilities which can be adequately maintained. Leicester City Council alone cannot deliver the capital reinvestment necessary to do this, whereas examination of Trust options could allow the authority to lever in more external funding.
Timescale:	Options analysis completed by September 2001. It is envisaged that action arising from this will be completed by January 2003.
Responsible:	Head of Sports and Departmental Management Team
Cost:	The cost of the options analysis is estimated as up to £25,000, of which at least 50% will be for external specialist advice. The cost of this could be funded from the capital provision for feasibility studies within the current year's Capital Programme. Full financial analysis of options will be a key part of this work.

3.1.2 Option 2. Improving Sports in Schools Opportunities

Task:	Identify current levels of sports provision in schools and the degree to which it is available to the community (this is a major information gathering exercise which has been begun during the life of this review). Identify opportunities for increasing community use (the continued funding of Sport through Education is essential to deliver this work).
Benefits:	Assess and raise awareness of facility provision within the City to ensure community access.
Timescale:	Information gathering phase completed by April 2001; proposed School Sports Officers in place March 2001, subject to funding.

Responsibility: Sport through Education and Education's Sports Officers.

Cost: This work is expected to cost £18,000, to be funded from prioritisation of the work of the above officers. Part of the proposed Action Plan is to identify continued funding for Sport in Education.

3.1.3 Option 3. Maximise efficiency and income opportunities at specific centres

Task: Implement improvement strategies (identified within the life of this review) to reduce subsidy levels at Saffron Lane, Cossington Street and Braunstone Sports Centres. These will:

- Reduce downtime
- Reduce energy costs
- Reduce vandalism repair costs
- Increase participation levels
- Increase levels of secondary spend

Benefits: Improved overall efficiency resulting in greater usage and generation of savings which will be used to meet 2% budget savings.

Timescale: Work completed by April 2001

Responsibility: Onsite Service Managers with assistance from specialist Managers (eg Catering and Fitness Managers)

Cost: Estimated at £10,000, to be met by prioritising the workloads of the managers involved. It is anticipated that this option will generate savings of up to £50,000.

3.1.4 Option 4. Supply Mapping of Services

Task: Extend the supply mapping detailed in the Sports Strategy to cover private, voluntary and education provision within the City and its neighbouring authorities.

Benefits: This will provide the opportunity to ascertain over provision and service gaps and will help to steer improvement option 7.

Timescale: December 2001

Responsible: This work will be carried out by external providers.

Cost: This work will require a growth budget of £3,000.

3.1.5 Option 5. Improve the delivery of Grant Aid Opportunities for Sport

Task:	Transfer the provision of Grant Aid for Sports from Community Partnerships to the Sports Service.
Benefits:	This will improve effectiveness by allowing a holistic approach to sports provision across both public and voluntary sectors.
Timescale:	January 2001
Responsible:	Head of Sports and Quality and Development Manager
Cost:	A budget of £2,000 will be required for the transfer of this function, to be met by prioritising the work programme of the officers concerned. It is envisaged that the financial resources currently utilised by Community Partnerships with Sports groups would be transferred to Sports Services to facilitate this work.

3.1.6 Option 6. Improved use of services by hard-to-reach groups

Task:	Develop a strategy to improve contact with/access to services by groups which in the past have not had access to sport opportunities.
Benefits:	Increase usage by under-represented groups by the identification and removal of barriers. Improve the responsiveness of the service to cultural diversity.
Timescale:	Work completed by April 2001
Responsibility:	Quality and Development Manager
Cost:	The cost of this work is estimated at £5,000, and this will be met by prioritisation of work programme of the Quality and Development Manager.

3.1.7 Option 7. Improvements to Performance Management

Task:	Improve use of Performance Indicators and benchmarking in areas of the Sports Development, Golf, Sport on Parks and Braunstone Centre, assisted by use of QUEST analysis.
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Benefits: An analysis of the current operations will provide improvement strategies which it is envisaged will improve service awareness, delivery and performance.

Timescale: Work completed by October 2001

Responsible: Quality and Development Manager with managers of the above services

Cost: The cost of this work is estimated at £4,000, and this will be met through prioritisation of the work programme of the Quality and Development Manager.

3.2 . Assessment against inspection criteria

The Cabinet may wish to consider the key criteria which will be used by the Best Value Inspectorate to make judgements about services and our examination of them.

The questions which will be asked by the inspectors are:

- Is it a good service ?
- Is it going to improve ?

INSPECTORATE QUESTIONS	RESPONSES AS A RESULT OF THE REVIEW
A good Service?	
<p><u>Are the authority's aims clear and challenging?</u></p> <p>Has the authority challenged the need for the service?</p>	<p>The authority's role in the provision of these services will be confirmed through the authority's cultural strategy which is currently being drafted. The draft will be available by May 2001. The need for the service has been demonstrated through the numbers of people using the facilities and services. Some testing of public opinion has been carried out but this has been limited (see also forms 2A)</p> <p>Initial meetings of stakeholders have emphasised the priority of confirming the future position of this service.</p>
<p>Does the service support corporate aims Community <u>Plan?</u></p>	<p>The service objectives are in line with the corporate direction of the authority and demonstrate links with key corporate</p>

	<p>strategies and the community plan. (BV forms 2A and 2B).</p> <p>However, some links are stronger than others and these are being addressed in the draft sports strategy, where appropriate.</p>
<p><u>Does the service meet these aims ?</u></p> <p>Is there effective performance management?</p> <p>Is the authority delivering?</p>	<p>The conclusion of the report to P& R in July was that these are partly in place. Some progress has been made this year as the authority now has a system for collecting data for the ACPIs and BVPIs. See also form BV4 and improvement option 6.</p> <p>The reporting of these benchmarks is anticipated by ADLO in December 2000.</p>
<p><u>How does its performance compare?</u></p> <p>How does the authority compare with the top 25%?</p> <p>Has the authority demonstrated cost effectiveness?</p>	<p>In the year 98/99 the ACPI ' net cost per swim' was high and the authority was in the bottom quartile. ACPI comparisons for this year are not available yet (to be published in Dec 00). However this indicator has improved over the past 2 years from £2.52 to £2.21, a 13% improvement.</p>

INSPECTORATE QUESTIONS	RESPONSES AS A RESULT OF THE REVIEW
Going to Improve?	
<p><u>Does the BVR drive improvement?</u></p> <p>Is the BVR process managed effectively?</p> <p>Has the authority fundamentally challenged what it does?</p>	<p>The tight time scale of the reviews resulted in some aspects of the 4 Cs not being carried out as well as the process required, but these are being addressed in the improvement options (see form 6c)</p> <p>This has been undertaken in part as outlined BV forms 2A & 2B. See section on 'competition' in the report to scrutiny panel 7 Nov 00 and improvement options 1 & 4. Also the aim is to adhere to the authority's Procurement strategy which will be available in March 2001.</p>

<p>Has the authority made rigorous comparisons throughout the review?</p> <p>Has the authority made good use of consultation?</p> <p>How competitive is the authority's choice of procurement?</p>	<p>Also the supply mapping exercise for the voluntary sector needs to be carried out on the basis of the guidelines resulting from the procurement review. See also improvement option 1 - 'analysis of management options.'</p> <p>Comparisons have been difficult because of the non-availability of comparable data. (see also section on 'benchmarking' in the report to scrutiny panel 7 Nov 00). A benchmarking club has been set up with 'family' authorities and analysis is expected to be available in December 2000.</p> <p>Consultation has been undertaken but it is recognised that there is a need for improvement which has been addressed in option 6.</p> <p>The authority is in the process of drafting a procurement strategy (see above)</p>
<p><u>How good is the Improvement plan?</u></p> <p>Is the authority trying to improve the right things?</p> <p>Are the improvements ambitious enough to get the authority into the top 25%?</p>	<p>The aim is to improve the service to users and make services more cost effective, see improvement plan.</p> <p>There is a determination to improve this service within the council. This will take time but the improvement options proposed will continue to move the service significantly forward towards this objective. The service has shown steady improvement in the past 3 years (Chartermark, IIP starter).</p>
<p><u>Will the authority deliver the improvements?</u></p> <p>Does the Plan have the commitment that it needs from Members and others?</p> <p>Is the Improvement Plan practical?</p> <p>Does the authority have a track record of managing both change and performance?</p>	<p>Not in a position to demonstrate this yet</p> <p>The plan has clearly identified tasks time scales, responsibilities and cost.</p> <p>The services have previously been subject to CCT in 1992 and again in 1998 and complied with other government legislation in the past. It has acquired Beacon status in certain service areas. The council has recently taken steps to develop and enforce its Performance Management framework which is being actively taken forward.</p>

4. **ATTACHED DOCUMENTATION**

TU comments -Appendix 1

Independent advisor comments / report - Appendix 2.

Extracts from Arts Leisure and Environment Scrutiny 7 November 00 minutes

Arts Leisure and Environment Scrutiny 2 January 01 minutes

5. **FINANCIAL IMPLICATIONS**

Background Information

- Sports in Leicester is provided via the Public, Private and Voluntary Sector, to its multi cultural communities and individuals. Leicester City Council expends, according to the CIPFA figures (99-2000) £4,401,000 per annum, including pro-rata amounts for Central / departmental Support Cost. This represents a spend of £14.98 per head of population. There are concerns that the CIPFA figures for Sports Development included community recreation. These budgets have been excluded to provide a realistic level of subsidy for Sports Development. Breakdown is as follows:

£ 406,000 spend on Outdoor Sports facilities - £1.38 per head of population

£269,000 spend on Sports Development -£0.92 per head of population

£3,042,000 spend on Pools & Sports halls - £10.36 per head of population

£72,000 Surplus on Golf Courses - £0.25 per head of population.

- Leicester when compared with other local authorities in the Comparator Group, spends at a higher rate per head of population than the majority of the other authorities in the CIPFA grouping.
- It is important to note that the City Council supports, through its expenditure on sports, services to a culturally diverse city. This factor has a significant impact on the City's spend per head in relation to comparator authorities.

(a) Implications of the 2% saving

The City Council placed a requirement on the year one Best Value review to identify 2% saving. This represents a sum of £56,000. The following proposals could contribute to achieving this reduction.

- Reduced subsidy levels at Saffron Lane and Cossington Street (Option 3) will achieve savings of £40,000 during 2001/2 and in subsequent years.

- Increased secondary spend levels (also Option 3) will attract additional income levels of £10,000 at Saffron Lane.
- Trust Management options (Improvement Option 1, detailed in the report). It is anticipated that significant savings could be generated by this process but will require a full analysis before accurate predictions can be made.

(b) Reinvestment of 2%

It is anticipated that many of the 'on-going' costs associated with the Service Improvement Plan will be met from existing budgets.

(c) The implications of realigning the overall spend on comparator data

Members will note this is the only audit Commission performance Indicator PI: 1b – Net cost per swim / visit that can be used for yearly comparisons at this stage because of the changes to the Audit Commission indicators.

Leicester is currently in the bottom quartile in its family group. The subsidy per head is £2.21 and this represents a decrease of 13% from the previous year. A further reduction is expected this year due to the closure of St Margarets Baths and Granby Halls – we anticipate the figure to drop to around £2.08 per head.

In order for Leicester to move up to the mid table region the subsidy cost needs to reduce to around £1.46. This would require a 30% cut in the budget (Year 2000/2001). A budget reduction of £943,920.

Such savings could only be achieved through a fundamental reassessment of the authority's priorities and members would need to decide in the context of other services provided by the authority.

To get closer to the family average, consideration would need to be given to:

- Increasing efficiency;
- Increasing usage;
- Exploiting income generation; and
- Consider the council's role in provision of sport services in light of improvement options 3.1.1, 3.1.3 and 3.1.4.

6. LEGAL IMPLICATIONS

If approved by Cabinet, legal implications of the implementation of options are as follows:

The Review Process

The review process has sought to comply with the statutory requirements, against constraints noted in the report. However, certain elements of those requirements remain outstanding. This particularly applies to "challenge"

elements of the fundamental review of the service, in the light of ongoing work regarding the service's strategic direction and, of course, the wider Cultural Strategy being worked on at present. There needs to be greater analysis of how the current review complies with BVPIs and the performance plan, more Comparison with other service providers, and wider Consultation, particularly with Service Users. It will be necessary to ensure that all elements of the Review are completed within the statutory time-scale, i.e. by January 2005.

Service Improvement Options

Implementing a number of the service improvement options set out in section 3 of the report will raise legal issues. The particularly applies to some of the management options set out in Option 1 – particularly if a separate legal entity such as a company or a trust is envisaged. Whichever (if any) of the options is chosen, matters will need to be properly documented and take into account the requirements of the Council's Standing Orders. These will need to be taken into account by officers as work on those options continues, and further advice given to members when decisions come to be taken.

7. EQUALITY

There is a great need to address equalities and cultural diversity issues in Sport and to seek to break down the barriers which exist and to increase access for all. Recent initiatives introduced by the Sports Service to address these issues are detailed below:

Staffing breakdown figures gathered for the Sports Business Plan 2000 show that of the 245 employees in Sports Services 7 (2.8%) are Disabled and 52 (20.6%) are from ethnic minorities. Two recent recruitments have resulted in two more Asian Indian employees being employed at P.O.Level (one permanent & one secondee).

Disability Work - Sports Services employs a full-time Disability Access officer. This individual works within the Sports Development unit. The East Midlands Initiative Trust (EMIT) and the Sports Development unit have jointly put together a three year plan for people with disabilities. Sports Services have also put together an action plan to respond to the DDA part 3 act. This will be included in the Sports Business Plan 2001 – 2002.

Ethnic Minority Work – Sports services recognises the diverse make-up of the city and the community needs. As a result, all Sports facilities operate 'Women Only' sessions. A number of Centres operate 'Men Only' sessions to the Muslim community. All facilities have 'Exclusive Use' sessions for ethnic minority organisations.

Sport England has identified Leicester as one of 15 projects nationwide where they wish to carry a Race Equality and Sport Showcase project. They have allocated £200,000 over a five year period. Members of Sports Services are on the Executive committee on this forum.

Numerous events and activities have been staged within the last 12 months which include the Vaisakhi football tournament, Cricket Festival and the GNG sports festival.

Sports Services have drawn up an equalities action plan to consult and monitor ethnic minority usage. An action plan to respond to the Macpherson report has also been put together. These plans will be included in the Sports Business Plan 2001 – 2002.

8. RECOMMENDATIONS

The committee is recommended to support the Lead Director in completing the review process and:

- i) endorse the Lead Director's management of the process to date;
- ii) endorse the Lead Director's proposals;
- iii) advise the Cabinet on the preferred options and any further action required.

Report Author/Officer to contact

Peter Webster: Lead Director

Rina Singh: Facilitator

Paul Edwards: Lead Review Officer

APPENDIX 1

TRADE UNION COMMENTS ON THE SPORTS BEST VALUE REVIEW 6 SERIES FORMS

Form 6B

Most of the issues identified in earlier forms have now appear to have been integrated into the review process such as the quality of consultation and performance management and Equality. Issues around Health and safety and levels of staff training need to be highlighted in service improvement plans.

Form 6C

Valuable work has been done in arriving at the options proposed for the improvement plan, however issues relating to developing a culture of greater trust and dialogue with staff needs to be addressed.

Form 6D

Links must be drawn with the Procurement and other reviews regarding Trust and other out sourcing / partnerships are under consideration because of issues surrounding TUPE, pensions, and redundancies. Where staffing structures and changes to the terms and conditions of employment are under consideration corporate procedures and consultative mechanism must be adhered to. Trade Union involvement at an early stage is vital.

Best Value Review

Independent Consultee report: Sports Services Leicester Council

Background

As external consultee to the organisation I was asked to examine and oversee the review process for the Best Value review of Sports Services. As part of the process I attended introductory meetings and sat in on core group and improvement briefings to understand the context of the review. I also received all of the forms, which have been completed as part of the review documentation.

Findings -Series 6 forms

The series 6 forms clearly highlight the gaps and potential for improvement of the service offering a selection of options. Hard targets have been set out with a timeframe for achievement, which do link back through to the corporate objectives and aims.

However there seems to be little information about the outcomes of some of the improvement plans, for example under the hard to reach section there is a requirement to undertake consultation with hard to reach groups for best value purposes. But there needs to be reasons why the consultation will be of value to the sports service and what are the barriers people feel if they currently do not use the service. How will the information be used to shape the service and what links are in place to amend policy because of the outcomes of the meeting etc?

There seems less challenge in the process than expected with no private sector comparisons with a choice of trust option being given greater consideration as an improvement rather than evaluation of the other supply mapping options such as private sector partnership.

Findings -General

The section seems strong on quality but the overall feel of the 1- 6 sheets lacks the positives in the service and does not give the reader the overall feel of how good the service is currently, this may well increase the amount of inspection required.

There is also a lack of internal challenge of how good the service that is supplied to sports service is, this is perhaps best demonstrated by the lack of sound financial information talked about at the meetings yet the action plan does not really address this key issue.

The review process within the sports review has been undertaken using a corporate framework of forms. It must be said this rigid nature of review may have led to

important service issues being overlooked. The time scales under which the review was completed may also have contributed to a lack of depth in some areas with more emphasis being placed on making the deadline than the overall outcome of the review.

The newly written sports strategy is a major component in driving the service forward but this is not really highlighted in the review and it is not apparent how this ties in with the stepped improvements planned.

There is an inference of lack of investment (6b) and this is perhaps a key issue for all local authorities but an investment plan is not part of the improvement plan.

There has been a broad representation at the meetings but there seems to be a gap in 'member ownership' of the process :-

- Do members value the service
- Do they know what it costs and why
- Do they have strong feelings on how it should improve

Conclusion

The Sports Services has been reviewed following the corporate framework and met the timescales and deadlines imposed on the review process. The review has examined the service and produced a menu of improvements for the service. These improvements have clear targets set and in some cases are far reaching and cross cutting. However there are a number of areas of concern that should be highlighted:

- More information of how the service is performing generally including the positives.
- An examination of private operation
- More information on the lack of resources to meet the performance management approach
- An examination of the bookkeeping issues to make access to figures quicker and more reliable in the future.

Independent Consultee: John Wileman