

# **Role and Provision of Council-Owned Local Facilities Scrutiny Review – March 2011**

## **Executive Summary**

The Scrutiny Sub-Committee approved an Executive commissioned review into the Role and Provision of Council Owned Local Facilities in May 2010. The scrutiny panel consisted of:

- Councillor Gillian Reuby (Chairman)
- Councillor Charlotte MacCaul
- Councillor Jenny Samper
- Councillor Ian Thomas
- Councillor John Wratten

The main concern of the review was then to consider what the council's role should be in delivering overall indoor leisure provision and its stated leisure objectives. The importance of the issue was highlighted by the break option in March 2012 for the Active Life contract. This provided the council with an opportunity to review its leisure provision arrangements.

The panel considered the national context for leisure services and the operating models available, together with national leisure service delivery trends. The panel found that in the public sector, rising costs of provision together with the tax advantages had meant a general move away from in-house operation to arms length leisure trusts, such as Active Life.

However, a generally mature leisure market had meant that the most successful trusts were diversifying and acquiring new business. There was a growing trend for councils to contract out to a few, large provider trusts. The panel found that Active Life had only recently begun moves to diversify its operations and this relied on the city council to financially underwrite the project at a time when both the trust and council finances were coming under increasing pressure.

The panel found a good balance of facilities across the district together with evidence that despite competition, council facilities provided an important service to the community, although the condition of the Canterbury facilities were not as good as other providers.

The panel also took evidence from other trust operations as well as other leisure providers and worked with specialist leisure consultants to help it consider the future of the council facilities. The panel felt that on balance other trust operations were delivering successful services whilst diversifying and making best use of economies of scale that the council may gain better value by opening the current trust operations out to external competition.

The panel also felt that any competition should be on the basis that the current levels of leisure provision should be maintained. The panel also recommended that the contract break with Active Life should be extended for one year to enable the trust to prepare for competition.

The panel found that the council did not have clear set of leisure objectives and recommended that key performance and outcome measures should be developed as part of the specification for management of council leisure facilities and the subsequent indoor leisure facilities strategy.

Finally, the panel felt that options in terms of maintenance and investment for the future of the Kingsmead site should be determined before the council considered any external competition for council leisure services.

## **Summary of Recommendations**

**Recommendation 1:** *The panel believe that whatever the model of service delivery used, the council should continue to support indoor leisure provision across the whole district.*

**Recommendation 2:** *The panel recommend that the council consider other models of service delivery and subject the current arrangements to market testing in the next two years.*

**Recommendation 3:** *The panel recommend that before subjecting the current arrangements to market testing, the council extend the current contract with Active Life for 12 months to give the required stability for the preparation of any tender exercise*

**Recommendation 4:** *The panel therefore recommend that the current balance of services in Canterbury and the Coastal towns is maintained in any future indoor leisure contract.*

**Recommendation 5:** *That the council further develops key performance and outcome measures as part of any specification for future management of leisure centres.*

**Recommendation 6:** *That the council develop an indoor leisure facilities strategy containing clear and meaningful objectives and outcomes relating to the council's corporate plan.*

**Recommendation 7:** *Once an indoor leisure strategy has been determined the council should explore the option of closer working in partnership with another provider to deliver services. This should happen prior to any consideration of other models of service delivery.*

**Recommendation 8:** *The council should consider the future of the Kingsmead site and determine the maintenance and investment levels prior to any consideration of external competition for leisure services.*