



**COUNCILLOR ANN
MCLACHLAN**

**CABINET MEMBER FOR
TRANSFORMATION, LEISURE
AND CULTURE**

CABINET
27TH MARCH 2017

**LEISURE AND CULTURAL SERVICES – FUTURE
PROVISION OF SERVICES**

Councillor Ann McLachlan, Cabinet Member – Transformation, Leisure and Culture said:

“This work highlights the crucial role that our leisure and cultural services play in the day-to-day lives of the residents of Wirral and achieving the pledges in our Wirral 2020 Vision. Unfortunately due to pressures on funding we know that we cannot simply stand still and continue delivering services in the same way we have done in the past. This report provides an update on work undertaken to date and the next phase.

There is still a lot of work to do to fully develop a business case to determine the most appropriate delivery model, and I am committed to ensuring this moves on quickly. Ultimately we know that unless we radically reform services in ways such as this then we will be forced into damaging service cuts based on the funding we know we will have available.”

REPORT SUMMARY

The purpose of this report is to advise Members of the findings of a recent external review of specific services and to seek approval to develop a Full Business Case for a new service model.

The services within the scope of review, are set out in section three and play a fundamental role in the delivery of a number of Pledges and a whole range of key outcomes across the breadth of the Wirral Plan, but most notably in support of the 'Leisure and Cultural Opportunities for All' Pledge that "We will encourage more people to enjoy the wide range of leisure, cultural and sporting opportunities on offer across Wirral. We will listen to residents' ideas and requests, and by 2020, will have increased access to events and activities to all our residents, regardless of age or income".

This report affects all wards and has been included on the Council's Forward Plan.

RECOMMENDATION/S

Cabinet is requested to:

- (1) Note the findings of the 'Re-imagining Leisure and Cultural Services' report, and the services this relates to, prepared by Bates, Wells & Braithwaite (appendix 1);
- (2) Instruct Strategic Commissioner for Environment to ensure these findings are given due consideration as part of the options appraisal and development of the Full Business Case for the future provision of specified services, to be reported to a future meeting of Cabinet in June 2017.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 Approval from Cabinet is sought at this stage to enable resources to be committed to the development of a Full Business Case, for an appropriate service model for the services set out in section three.
- 1.2 Any proposal to move to a new service model having a direct impact on services, staff and residents requires a comprehensive and robust Full Business Case.
- 1.3 Based on the preliminary work summarised within the report (appendix 1), the Full Business Case will focus on the following models:
 - In house provision
 - Charitable Trust
 - Community Interest Company

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The report setting out the findings of the Re-imagining Leisure and Cultural Services' review highlights that a wholly Council-owned company (Local Authority Trading Company or LATCO) would not have the flexibility to work in the commercial way that will be necessary for future success hence this option has been dismissed.
- 2.2 An essential ingredient of any future service model is the strong focus on social value as well as economic sustainability hence private sector outsourcing is not supported.

3.0 BACKGROUND AND PURPOSE OF THE REVIEW

- 3.1 The Council operates a diverse and extensive range of services. Four areas have been brought into a broad portfolio for review, and these services are set out below:
 - Culture and Arts – including the Floral Pavilion, the Williamson and Birkenhead Priory.
 - Leisure – including wet and dry centres, football pitches, tennis courts, golf.
 - Library service.
 - Parks and Countryside including parks, crematoria and public spaces.

It is recognised these services play an important part and have the potential to play an even greater role in achieving many of the Pledges and associated outcomes set out in the Wirral Plan. These services currently cost in excess of £17m p.a. operated by the Council and employ a significant number of staff - approximately 950 (475 Full Time Equivalents).

- 3.2 The financial challenge facing the Council is well documented and the Medium Term Financial Plan recently approved at its meeting in March highlighted the need to make £132m in savings over the next four years including £45M for the coming year 2017/18 alone. In this context it is understood that the revenue costs for these largely non-statutory services will need to significantly reduce over the coming years.
- 3.3 The 'Re-imagining Leisure and Cultural Services' Review was therefore commissioned last October, with the key purpose of:
- Co-design sustainable services which may encompass changes in structure, ownership or operation, and to sufficiently develop the concept in order for the council to be assured there is value in proceeding (phase 1);
 - Build a detailed operating model based on deeper research, and a wider engagement with stakeholders, and develop a transition plan from the "as is" to the "to be" (phase 2).
- 3.4 In accordance with the Council's contract procedure rules, Bates Wells Braithwaite (BWB) were awarded this work based on their strong company ethos and track record of working with local authorities across the country to achieve social value objectives. Their preliminary findings from their work are set out in **appendix 1** to this report.
- 3.5 This external analysis will now be drawn upon to develop a Full Business Case which will evidence:
- Strategic Case – a compelling case for the preferred option and how it aligns to the delivery of the Wirral Plan
 - The Economic Case – how the preferred option provides the best balance of costs and benefits
 - The Commercial Case – how the preferred option secure value for money
 - The Financial Case – any required funding, investment or savings associated with the preferred option
 - The Management Case – the robust systems and processes required to successfully deliver the preferred option

4.0 FINANCIAL IMPLICATIONS

- 4.1 To date, this work has incurred the following external costs:
- Phase 1 support from BWB including needs analysis, initial options appraisal and development of conceptual models - £148,105
 - Phase 2 support from BWB to support the development of the Full Business Case - £136,604

The Full Business Case will set out the financial implications of service models in detail.

5.0 LEGAL IMPLICATIONS

- 5.1 The Re-imagining Leisure and Cultural Services' Review prepared by Bates, Wells & Braithwaite provides key information to help inform the proposed Full Business Case. There are a number of legal duties and obligations associated with the services in question and the potential alternative service models which will need to be considered and addressed in detail in the Full Business Case.

6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

- 6.1 Development of a Full Business Case will require input from Delivery, Business Services and the Transformation Office.
- 6.2 The Full Business Case will set out any ICT, staffing and assets implications of service models in detail.

7.0 RELEVANT RISKS

- 7.1 As a key project within the Council's Transformation Programme, a robust approach to risk management is being adopted to ensure the delivery of the evidence based Full Business Case.
- 7.2 A key consideration in the development of a Full Business Case is to ensure that any future model adopted is sustainable and able to successfully achieve its business strategy and objectives and a rigorous risk/ opportunity analysis will be undertaken in this regard.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 Engagement will continue with managers and staff via workshops and site visits to properly understand the nature of services and impact on residents and customers.
- 8.2 The needs analysis work undertaken by BWB has included initial discussions with lead commissioners from other areas such as community safety, public health and social care.
- 8.3 It is proposed that further detailed consultation and engagement with a wide range of residents, staff, elected members and other stakeholders is undertaken as well as formal pre-decision scrutiny by the Council's Environment Overview and Scrutiny Committee would take place as part of the process for developing a Full Business Case.
- 8.4 As part of the project management approach, initial engagement has taken place with Trade Union representatives to seek their views and this approach will continue.

9.0 EQUALITY IMPLICATIONS

Has the potential impact of your proposal(s) been reviewed with regard to equality?

(a) Yes and impact review is attached – refer hyperlink:

<http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010-0>

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APPENDICES

1. Re-imagining Leisure and Cultural Services – Phase 1 Report (Bates Wells Braithwaite)

REFERENCE MATERIAL

None

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet: 'Outline Transformation Approach'	21 st March 2016