

Wirral BC - Reimagining Leisure and Cultural Services

Phase 1 Report to Cabinet

14th March 2017



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Section 1

Executive Summary

The objective... is to re-imagine Leisure, Culture and the Arts, Parks and Countryside, and Libraries to deliver an integrated portfolio that better meets local needs whilst reducing Council subsidy.

- 1.1 The objective of this project is to re-imagine four areas of Council statutory and non-statutory services to deliver an integrated portfolio that better meets local needs whilst reducing Council subsidy. The four areas are: Leisure (including not just wet and dry leisure centres but also football pitches, tennis courts, golf courses and others); Culture and the Arts (the Floral Pavilion, the Williamson, and Birkenhead Priory); Parks and Countryside (including large and small parks, public spaces such as roadside verges, and the crematoria); and Libraries. The subsidy, based on 2016/17 actual figures, is currently standing at £17.8m a year, with more likely to be incurred to meet the costs associated with condition surveys on a number of the buildings. Total staff working in these services is 475 full time equivalent employees.
- 1.2 The Council needs to balance its budgets. These areas have already sustained cost cuts in previous years. Further cuts would be likely to result in closures of facilities and reduction of staff. Set against this are targets under the 2020 Pledges better to meet social needs, both generally and for specific groups, and to create, not reduce jobs. The choice, then is to follow this path of further cuts, probably at significant scale, or to reform the way these services operate to:
- Develop new income to support those services and enable Council financial support to be reduced, and
 - Use assets differently in delivering social and economic outcomes for the people of the Wirral.
- This project addresses how these Council services can deliver these two.
- 1.3 The project is structured in two phases:
- Phase 1 (to March 2017) Through a combination of reviewing financial and operational data on the services, and about needs in the area, supplemented with workshops, interviews, and other input from the Council, other agencies and the services themselves, and analysis, to develop a concept of how a re-imagined groups of services might look, with a view of likely savings to Council support.
- Phase 2 (to June 2017) That outline concept is developed further, and in more detail, to produce a full business case with financial projections, business plan, detailed governance model, and transition plan for any proposed changes.
- If changes are approved then further work will need to be done to implement these.

Section 1

Executive Summary

Social and community needs demand a model that is both universal and targeted.

- *It must ensure that: every Wirral resident has affordable access to:*

i. Sports and fitness facilities

ii. Information, books and ICT facilities

iii. Cultural facilities (theatres, galleries events)

iv. Safe Community space – outdoor and indoor

- *It maximises the opportunities to reach out to those in need*

1.4 **The analysis of needs** recognises, but also looks beyond, the pledges in the Wirral 2020 plan to encompass the views of other agencies such as Community Safety Partnerships and Health. It highlights:

- Multigenerational poverty and disengagement
- Low working age to retired ratio, with needs around ageing well, dementia care, and isolation and loneliness
- Inclusion and exclusion of some, socially and economically
- Higher than average numbers of looked-after children, and people with special or additional needs
- Areas of oversupply or underuse of assets, some unsuitable assets, and others needing reconfiguration to meet need and market demands
- Opportunities in support tourism, both for general and special interest groups such as dementia sufferers and their carers, or those with autism
- Opportunities to meet health and social needs with the Leisure and cultural assets

1.5 Those analyses of needs demand a model for delivery from Leisure, Culture and other services that is both universal and targeted. The model must ensure that:

- Every Wirral resident has affordable access to:
 - i. Sports and fitness facilities
 - ii. Information, books and ICT facilities
 - iii. Cultural facilities (theatres, galleries and events)
 - iv. Safe Community space – outdoor and indoor
- It maximises the opportunities to reach out to those in need.

1.6 Looking at the **operational and governance model** highlights some key areas where delivering these services in-house at the Council appears to be making them less economically and socially effective. Specific areas highlighted fall into three headings:

- **Financial aspects and access to finance**
 - i. A disadvantage in VAT treatment currently estimated at £1m p.a. looking forward
 - ii. Lack of access to grants from foundations and other sources that could support additional services in future
 - iii. Social and community investment being hard or impossible to engage for a Council service, meaning that capital investment only comes from Council resources
 - iv. Negotiation with other potential funders for services such as health or police commissioners, or private sector supporters, are very hard to develop when the funder looks at the total budget and remit of the Council, rather than just at the service under discussion



Section 1

Executive Summary

Delivering these services in-house appears to be making them less economically and socially effective

- **Decision-making and responsiveness** given the need to be flexible, responsive and competitive. In this area, decision-making is geared to the wider democratic purposes of a Local Authority and not the flexible and swift decision-making needed in a competitive, market-facing service. Good ideas from staff and management get lost, or fail to get approved for actioning in a timely fashion. Necessary steps such as website development cannot get beyond Council policies and into reality. Support facilities such as financial accounting, similarly structured to the needs of a Local Authority, are also not suitable to meeting the needs of a business operation containing leisure, theatre and parks.
- **Community involvement** is there in the volunteering in a few areas, but this is related to smaller localised programmes, and not a widespread co-development of delivery with leisure and other facilities. It is harder to achieve a widespread engagement when these services are seen as a part of the Council's obligation to provide, notwithstanding they are not, in the main, statutory provisions. Staff involvement is similarly hard to achieve, with Council systems and democracy not designed to embrace it, yet the business' development needs it.

1.7 Some other models which would otherwise be possible alternatives do not deliver the freedom and flexibility that the businesses need to deliver the economic results and social impact they can:

- A **Local Authority Trading Company (LATCo)** is a wholly-Local Authority owned company. It is a form generally used for incubating and aligning businesses prior to a spin-out, for pure LA-owned joint ventures (such as some of the emerging Regional Adoption Agencies), and for simple shared service companies. It is still subject to Council processes and systems, has limited or no community involvement, is ineligible for the other forms of finance mentioned above, is still likely to be seen as public sector, with the disadvantages that brings. It does not gain the VAT advantage that an independent social business would.
- A **private sector outsourcing** does not deliver the required benefits and profile required here either. It does not have a regulator-controlled focus on social delivery balanced with economic sustainability, but, even if socially-sensitive, this is driven by the profit incentive rather than a higher obligation to seek public benefit. With the Council likely to want to stipulate restrictions on the businesses' ability to dispose of assets, and over their future use in some cases, this is likely to make the contract less desirable to a profit-making entity. It is also harder to given the ongoing financial support from the Council for the parks and other facilities if they are being delivered by an entity which aims to deliver a financial return to private owners.



Section 1

Executive Summary

There is also likely to be more limited community and staff involvement.

- A **Co-operative or BenCom as a legal form for a staff mutual**. It requires an active ownership involvement by a large number of staff. In our experience, while staff tend to be keen on having a voice in governance they are often, but reluctant to embrace legal ownership. Co-operatives are often associated with a rigid form of democratic decision making of one person one vote that is hard to navigate for quick, market-facing decisions, and cuts against modern social investment profiles in which an outside investor wants rather more say. As legal forms they are not usually asset- or mission-locked, and they carry a real risk of demutualisation, as happened with the Building Societies, which would result in assets and value potentially being lost to public service. We do however contemplate staff involvement through other legal forms.

1.8 We are therefore **recommending an alternative delivery model and not continued in-house provision**. It would be in a social vehicle with the following key qualities:

- An independent vehicle
- Free of Council constraints
- ..but at the heart of the Community
- With Council involvement,
- Socially-focused and governed
- Which combines coordinated and market-responsive delivery, and
- Engaged and empowered staff
- To secure and ensure financial sustainability

Our vision is for a model:

- Which is both universal and targeted to those people who need specific things from it
- Which recognises that what the public want and need has changed and will continue to change
- Which is financially sustainable, albeit with some ongoing Council support at a reduced level against the current budget
- Which is locked into serving the community and in which the community and staff has an involvement and a clear voice.



Section 1

Executive Summary

The new operational model will embrace

- *Co-ordinated delivery across the four areas*
- *Market and customer development, whilst retaining accessibility for those of limited means*
- *Management and culture change to support this*

- 1.9 Further work is being undertaken during Phase 2 to confirm the detail of which of properties and equipment used in the delivery of the four operational areas will be transferred into the new vehicle. Associated staff will also transfer to it. The Council will provide ongoing financial support of aspects of the ongoing provision by the new vehicle.
- 1.10 In terms of **operational model**, there is much that is right with what is there now, but at the same time opportunities for more effectiveness and needs-focus in delivery are being missed, or are not able to be pursued in the current structure. Areas for opportunity fall into three headings:
- **Co-ordinated delivery** and joined-up working across the four areas, including coordinating front-facing and supporting services, getting the best out of specialist management, using space well, and eliminating in-house competition, then improving customer experience, adding new services and so generating additional income;
 - **Market and customer development**, with developing customer journey in single visits, in days out, and in longer stays, and pricing to market – not pricing out those that cannot easily afford it, but pricing to the universal market and allowing support for those of less means
 - **Management and culture change**: in terms of approach, with strategic management as a whole, having fit-for-purpose management and financial information; fast, effective communication rooted in and working with community engagement; and with an empowered, trained and engaged workforce.
- 1.11 Early indications are for **savings in Council support of £4m upwards**. So far there are areas of pricing changes and customer management approaches in some areas, VAT aspects and structural improvements that can be expected to deliver this. Further areas for improvement include the generation of additional income from other public commissioners, tourism, and new services: areas that require further research and quantification. These figures do not assume staff reductions, and continue with current terms and conditions.
- 1.12 The **legal form** of the new entity should be:
- Mission-locked: the public-benefit focus must be paramount and cannot be altered
 - Asset-locked: value cannot bleed out of it and must be retained and reinvested for community benefit.
- 1.13 Two **possible structures** look most likely to fit this profile:
- A charitable company limited by guarantee with a trading subsidiary, or
 - A Community Interest Company limited by shares



Section 1

Executive Summary

There are advantages and disadvantages one against the other, and the distinction will be further developed over the next three months.

1.14 In addition:

The Council will retain a significant influence...

- Windfall gains on property (if they arise) should be available to the Council for wider area development and support
- Community engagement and involvement, and staff voice, should be embedded in the constitution and operational policies of the new body.

1.15 **Maintaining a focus on social needs of the people of the Wirral**, and on supporting the development of the local economy for them must remain at the heart of the new organisation. This is achieved through three means:

- Through the organisation's **constitution**, which includes the mission lock and asset lock, has a strong foundation of public accountability, and adds the oversight of a regulator (the Charity Commission or the CIC Regulator as applicable);
- Through ongoing **Council influence**, which will remain clear and effective, whilst not compromising the organisation with being inside the Council as described above. In practice that influence will be through the terms of the original allocation of assets, through the governance of the organisation including a right to nominate (some) board members, and through the terms of the ongoing support funding agreement.
- Through **other key influences**:
 - i. Community involvement and voice
 - ii. Staff involvement and voice

These will be established to be active and effective, and will require the organisation to engage with both groups, as well as with third party agencies and providers.



Section 2

Context and Objectives

An ambition for enhanced and more focused services, whilst addressing the savings that are necessary...

- 2.1 The Council is a coming together of five separate Borough Councils. Each has its own history, and a full range of facilities focused on its traditional communities and demographics. This means that, in a relatively small geographical area of 60 square miles with just over 320,000 people, there is a wide range of public facilities, giving one of the largest areas of green belt in any area of the North West.
- 2.2 The Council has published a 2020 Vision and plan with its aim “simply to be the best Council in the country.” It demands that “...understanding of residents’ needs is embedded within... business planning” and that they will be able to be resilient and independent. Its ambition is for enhanced and more focused services, whilst addressing the savings that are necessary.
- 2.3 The 2020 plan sets objectives at people, business and environmental levels, and these should be at the core of the transition plans and restructuring proposed.
- 2.4 The Council’s objectives in pursuing the possibilities beyond cost savings and efficiencies from within are:
 - To maintain existing facilities and services wherever possible
 - To reduce significantly, and ideally to eliminate over three to five years the current level of subsidy to leisure and cultural services
 - To reform services around leisure, culture and parks and gardens assets such that they are more widely used
 - To be creative and innovative but not to take unreasonable risks
 - To improve the responsiveness, resilience, flexibility and agility of services and the public assets in these portfolios
 - To maintain the highest standards of accountability and transparency throughout
 - Not to put public assets into the private sector if possible, although putting them into asset-locked bodies is possible
 - To deliver any changes with pace, but not so quickly that community engagement is lost, or accountability and proper risk management are compromised.
- 2.5 The outline being considered, then is:
 - To what extent can these assets and the businesses within them be re-imagined to make them more effective in delivering against community and area needs and carry a lower cost burden for the council whilst maintaining their focus on public needs and outcomes?
 - Could more be achieved by moving the four portfolios into a different ownership or governance structure?



Section 3

Approach

...by focusing on area needs, and then looking at how the four areas can most effectively deliver those together, the necessary drive for savings can move beyond a cost-cutting debate and deliver more, not less

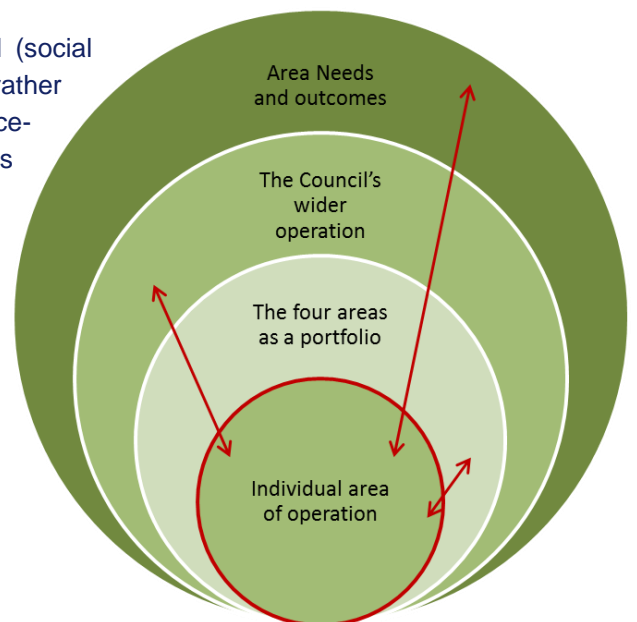
- 3.1 What the project aims to do is to consider how services can be re-imagined across four areas of operation of the Council:
- Leisure
 - Culture and the Arts
 - Parks and gardens
 - Library services
- 3.2 By considering them as a portfolio, the four can be used holistically to deliver the Council's vision, to engage and motivate communities (including harder to reach or harder to engage and benefit groups), and to achieve financial and operational sustainability more easily.
- 3.3 Each of these four areas will be looked-at separately, and set in the three contexts of:
- The four areas as a portfolio
 - The council's wider plans, financial and operational obligations, commitments and infrastructure
 - The wider area needs and targeted outcomes

This is shown in the green diagram, with the comparisons shown in red.

- 3.4 The four areas have been examined already for cost savings, and have responded to various changes in their markets. Inevitably this has been done to differing degrees and with differing degrees of success.
- 3.5 This project, aligned with similar approaches in other areas of public service, is focused upon reframing services to look at how
- Co-ordination
 - Community engagement
 - Needs led approaches
 - Commercial approaches

can be used to deliver more effectively for less on both a targeted and universal basis.

- 3.6 This demands a needs-based (social or market needs) analysis, rather than a more traditional service-defined one. It also asks whether operation as a portfolio, co-ordinated, can deliver more, for more parts of the community, and duplicate less.





Section 3

Approach

- 3.7 Phase 1 work has been completed and comprised:
- Information gathering – including looking at previous reports
 - Workshops
 - Site visits
 - Needs analysis
 - Mapping
 - Financial review and modelling
 - Service Provision/Partner calls
 - Meetings with other agencies (inside and outside Council)
 - Meetings with Unions
 - Market/Competitor Analysis
 - Benchmarking

Section 4

If we continue as is...

- 4.1 The table below shows the income and expenditure accounts for the four service areas as currently operated, and is based on the 2016-17 budgets. The income is from a range of external sources, and relates to use of the facilities by the public, and by other organisations.

Original 2016/17 Budget Income and Expenditure

	Libraries	Leisure	Culture	Parks	Total
All figures in £'000s					
Income	175	7,013	2,559	3,708	13,456
Expenditure					
Staff Costs	2,423	6,755	1,292	6,101	16,572
Premises Costs	845	2,419	358	1,523	5,144
Transport	25	16	901	774	816
Office Expenses	478	625	1,740	447	3,290
Other	9	5	75	99	187
Recharges	356	1,376	219	(151)	1,801
Total Expenditure	4,136	11,196	3,685	8,793	27,810
Depreciation	367	1,819	465	823	3,475
Surplus / (Deficit)	(4,328)	(6,002)	(1,591)	(5,908)	(17,829)

- 4.2 The overall view is that these areas require financial support from the Council in the amount of £17.8m p.a. after depreciation: £14.3m before capital costs, major repairs and refurbishments (but after scheduled regular maintenance). These figures can also be analysed by individual sites. Within this is the payment of £1.26m a year of rates to the Council, so the effective net subsidy is £16.6m, or £13.1m before capital costs.



Section 4

If we continue as is...

4.3 There are three possible future scenarios to be considered:

1. **Keep going as it is, doing what you can to improve elements** The Council will be faced with supporting at £14.3m per annum, which will rise at least the rate of inflation. It will be vulnerable to competing provisions, so may increase as it loses income. In addition the Council will have to fund renovation to bring sites up to scratch and modernise (between £50k and £2m+ per site) and regular major repairs and renewals of sites and equipment of around £3.5m per annum.
2. **Make cuts** This will require reduced services, possibly to the point on site closures:
 - Of leisure facilities and libraries, probably on a substantial scale, given it is harder to stop maintaining parks in order to achieve cuts, so the parks bill of £5.9m p.a. will stand unless...
 - ...some of the parks are closed and sold for redevelopment, in such a way that maintenance costs (and personnel) can be reduced

It is probably possible to halve the support costs by cutting a number of sites, and attempting to focus on the remainder, but there is a real risk of reduction in service to the Wirral community as a result.
3. **Something else** The alternative is to look at how the income can be grown, the assets used for delivery of a wider range of services to meet local demand and needs, and operational efficiencies achieved which don't necessarily mean cuts, but do involve managing and working the portfolio as a whole. This is what this project is focussed-upon



Section 5

In house or not?

Alternative delivery model provides the fast and responsive decision making necessary in a changing environment, the lever to re-energise staff and the opportunity to draw income from other sources

- 5.1 In-house provision brings disadvantages when focusing on creating an operational model that is needs-focused, responsive, economically competitive, and which enables and empowers management and staff to meet local community needs. These disadvantages fall in three main areas:
- Direct financial aspects and access to finance
 - Decision-making, and
 - Community (including staff involvement).

Each is described further below, highlighting several areas of disadvantage within each.

5.2 **Direct financial aspects and access to finance**

Whilst there are financial positives in the other two areas, there are some factors that have a direct financial impact. Further evaluation of these is to follow in phase 2, but, as is shown below in sections 11 and 12, at this early stage there are clear points emerging. In particular four headings stand out:

- **VAT:** with services provided in the leisure and theatre fields being VAT exempt, even taking into account the loss of the recovery of VAT inputs related to these areas, there is a net gain achievable of just over £1m a year. A public authority does not have a similar right to VAT exemption. Further enquiry is ongoing about any difference in VAT treatment on capital works to renovate the premises.
- **Foundation and other non-public sector grants:** with a focus on generating additional income, these can be available to support additional social provisions such as youth outreach, services for the elderly, or these with additional needs. Whilst there are grants available to both social sector companies and public authorities (e.g. F.A. grants for 3G football pitches), those from charitable foundations are generally only available to charities and social enterprises.
- **Social Investment:** this is capital available for investment in assets and businesses with a social or community focus, and comes from foundations, socially focused funds, and private individuals and companies seeking to achieve something social. It is very rare indeed for this to be available to a local authority: in all practical senses it would not happen.
- **Co-commissioner and other income from social agencies:** whilst one commissioner (health, or community safety, for example) may commission services from another, in practice it is a very tough negotiation. Counters to this are that councils have assets and don't need cross-subsidy, whereas for a social vehicle there are no such distractions from the core discussion about the services to be provided and the value of them.



Section 5

In house or not?

5.3 Decision-making

For a Council, its decision-making is part of a democratic process designed for a whole area representational engagement far wider than the operation and management of selected market-facing assets. It takes time, has a multi-layered process, and is set in the wider framework of the totality of Council services and representation. In setting market-facing operations in that context, several consequences arise which compromise their being effective in delivery and responsive in action:

- **Decisions**, even when they need to be, **cannot be made quickly**, so responsiveness and commercial competitiveness are compromised;
- **Practical and useful ideas**, often from the staff and management seeking to be more effective, and meeting under community needs, **get lost** or fail to be progressed to actions;
- The democratic **framework for decisions is focused on the wider Council remit**, rather than evaluating decisions in a simple framework relating to meeting needs in the relevant business areas;
- **The need to be appealing and stimulate customer football** is not a prime focus, where it could and should be, so this competition can get lost;
- **Accounting and management information** is focused on proper Local Government approaches, and does not provide the information needed to manage these areas effectively. They must either prepare their own information, ignoring the Council's, or work without and be insufficiently sighted.

5.4 Community (including staff) involvement

The historical backdrop is one of Council provision, and a relationship with a community that expects this, with the Council deciding through its democratic processes what will be provided and where. The incentive for community to get involved, beyond some very helpful but localised volunteering (for example in parks the Williamson), is minimal, perhaps notably when they see this as something for which they have already paid through their taxes.

The consequence of this is disadvantageous in three senses:

- **Community effort and engagement**, and indeed **community investment** as part of a social investment programme if sought, are much harder to achieve than for an independent, community-focused social vehicle.
- Individuals who might come forward as **trustees, directors or community advocates** may be less inclined to get involved in a Local Authority.
- **Staff engagement, and voice** is harder to achieve.

5.5 Even if these areas are not operated as in-house provision, so that advantages can be gained economically, and in social delivery, the Council can still, and should, maintain a strong influence over service provision.



Section 5

In house or not?

Section 13 below, and section 1.15 in the Executive Summary explain how this is achieved.

5.6 Other models may be considered as alternatives to in-house provision. In the section below we explain why three most obvious alternatives are not appropriate solutions here, leaving transfer to a social vehicle for discussion in the rest of the report as our proposed solution.

5.7 **A separate company, wholly Council owned (a LATCo, or local authority trading company)?**

These are most frequently used for:

- Incubating Council services as businesses prior to a formal transfer to an independent vehicle
- Joint ventures between two or more Local Authorities
- Simple shared service provision between several Local Authorities

None of these fit to the current circumstances and the business' needs.

In addition, a LATCo. exhibits a number of the disadvantages outlined in sections 5.1 and 5.5 above for in-house provision. In particular:

- It is still subject to Council processes and systems and so is slow and uncompetitive
- There is limited or no direct community involvement
- It is ineligible for other forms of finance
- It is still likely to suffer, in terms of recruitment of board and engagement of the community more generally, from image as a Council organisation
- It is similarly hard to get the culture change and the freedom of ideas and creativity necessary for effectiveness and competitiveness
- It is still "part of the Council" for other income arguments

5.8 **Private sector outsourcing?**

The need is for solid and reliable socially-focused provision, with accountability, and Council influence, married with the optimum economic sustainability. With this outline, a traditional outsourcing to the private sector does not seem appropriate for five reasons in particular:

- It doesn't have a regulator-controlled focus on social delivery with economic sustainability
- The restrictions on asset transfer and operation the Council is likely to want make the model unlikely to be investible to a private sector provider

Section 5

In house or not?

- It is hard to balance Council funding (which is likely to be necessary in future, albeit at a lower level than currently) with paying yield to private sector owners
- It is hard to justify paying a return to a private sector owner when you could retain it and invest for the community
- There is no or limited community or staff involvement

5.9 ...or a BenCom or Coop as a legal form for a staff mutual?

Whilst staff mutuals are an interesting option in terms of staff involvement, the BenCom and Co-operative models for them, which have been raised as options in the review (see also 13.2.3 below) do not seem to deliver the objectives here. Four specific reasons are:

- Generally in our experience staff want voice, not co-ownership
- Rigid democratic structure leads to paralysis in decision making
- “one person one vote” blocks modern investment profiles with votes based on amount invested
- They are not mission locked or asset locked (of fundamental importance as explained in 13.1.2 and 3 below) and so face the danger of demutualisation like the building societies did.





Section 6

Vision of a new service

In response to changing public needs and wants we are recommending

- *An independent vehicle*
- *Free of Council constraint but*
- *At the heart of the Community,*
- *With Council involvement,*
- *Socially-focused and governed,*
- *Which combines co-ordinated and market-responsive delivery, and*
- *Engaged and empowered staff*
- *To ensure financial sustainability*

6.1 Having considered models that do not appear to work here, we turn to our vision of a model that can deliver both short- and long-term social impact and value, and improvements in economic sustainability. This has emerged with clarity from our work on community needs (section 7) and operational effectiveness (section 8). There are four key aspects to that vision, which are explained below.

6.2 **“A model which is both universal and targeted”**

The intended future model is one which operates at two levels to deliver universal and targeted provision. The model must ensure that:

- Every Wirral resident has affordable access to:
 - a. Sports and fitness facilities
 - b. Information, books and ICT facilities
 - c. Cultural facilities (theatres, galleries and events)
 - d. Safe community space – outdoor and indoor
- It is proactive in reaching out to those in need.

6.3 **“A model which recognises that what the public want and need has changed and will continue to change”**

Each of the services currently provides more than is assumed by outsiders. For example, the services libraries provide include space for community groups, information, ICT facilities, outreach to those suffering from social isolation as well as lending books. The future model must preserve what is effective about what is currently provided while also recognising that what the public want and need from this portfolio of services has changed. It must also adapt to future changes, the model must be both flexible and agile responding to both short term immediate issues and longer term factors.

6.4 **“A model which is financially sustainable”**

In the future model with a reduced level of Council support the portfolio of services will place greater reliance on self-generated income through;

- better, more attuned pricing which is also inclusive; and
- improving the “customer journey” – increasing revenue from customers by giving them more of what they want. The model also looks to other public service commissioners, delivering services where these are highly effective, and those agencies pay for them because it is also cost-effective for them.



Section 6

Vision of a new service

The model must be an integral part of the tourist development of the area, which offers both well-signposted and cohesive holiday experiences, with cultural options, and specialised holiday provision where there is market demand (for example dementia sufferers and their carers and other special needs groups).

In summary the model is creative and through that it is commercially viable.

6.5 “A model which is locked into serving the community and in which the community has a clear voice”

The legal form of the model must ensure that it is locked into a focus on public benefit, not private profit. Its governance must ensure the community has a clear and effective voice ensuring that the model continues to be effective at meeting the needs of local people as the context in which it operates changes over time.

Why keep all four areas together...?

As against the possibility of transferring some, and keeping others as in-house provision the emerging preference is to keep them together for the following reasons:

- Efficiency and avoiding duplication (of support)
- Flexibility with which assets to use to deliver which services against which needs
- Give all areas the benefit of independent, dedicated management and leadership, and enables it more easily to afford excellent quality in this
- Engage more widely with the local Community
- Allow reasonable cross-subsidy from high income generating areas to less independently sustainable ones
- Remove unhelpful competition
- Benefit to the maximum from central supply and management in frontline and back office
- Gives an overall size and resilience to the organisation that helps its sustainability



Section 7

Needs of the community

There are real opportunities to use assets more effectively, delivering both economic gain and social benefits...

- 7.1 There are two main analyses that underpin our development of this area:
- The needs and outcomes analysis, which looks area-wide at the population's needs, embracing the needs of visitors through work or tourism (relevant to enhancing economic growth), the drivers behind the 2020 pledges, and how they might be delivered
 - Geographical maps of access to facilities ward by ward, and a comparison to actual utilisation of the various facilities in their current configuration
- 7.2 These also feed into the suggested transformations in the operational and other sections. The vision (section 6) outlined the core services and facilities to which we suggest every Wirral resident should have access.
- 7.3 Key themes emerging from our needs analysis (which is further detailed in the Appendix) are as follows:
- **Multi-generational unemployment in some families;** low educational attainment; some with poorer behavioural norms which further isolate them socially and economically; lower health outcomes.
 - **Low working age to retired ratios;** which is further compounded as regards needs as it links to higher diabetes, dementia, and ageing well aspects, as well as isolation and lack of involvement leading to health and mental health concerns, which tends to be an issue for the more affluent families, perhaps more than for the less affluent. An appropriate response to this might be two-fold:
 - To encourage an influx of younger families with better facilities, more tailored and with better signposting and variety
 - To support older residents with more flexible, and tailored, community-based provision some very close by and some on an area basis.
 - **Higher than average levels of Looked-after children,** with particular focuses on LAC Transition, Learning and other disabilities, and special educational needs (including autism and ADHD specifically). This entails needs for support not just for the children and young people, but also for their carers, whose commitment may lead to social isolation, and health or mental health problems.
 - There is a **wealth of natural and historical assets and a fierce civic pride,** countered with a lack of investment, coordination and focus
 - Inclusion and exclusion of some people; economically and socially



Section 7

Needs of the community

- Possible areas of oversupply or poor reach suggested by low utilisation; other areas with assets that are not suitable or could be better configured to meet needs
- **Low engagement of community in social care**
- There are areas in which **tourism could be enhanced** and contribute significantly to economic benefits across the area, and for the Wirral population as a whole.

7.4 The needs analysis begs a range of solutions, which can be split between those conferring economic gains, and those conferring social gains (albeit many are interrelated). Key amongst those are as follows:

Economic

- Bring (more) people into the area and into the facilities
- Bring trade into the area
- Bring more effective service delivery (of existing services, and taking over alternative delivery of others' needs)
- Price services to market more effectively
- Create new jobs that sell services to visitors or other non-Wirral resident people and businesses

Social

- Economic gains can generate social benefit and vice versa
- Use of community as a resource
- Refocus services on need and enabling community-based care and effective socialisation : meaning new services, delivered differently, with a focus on developing community
- Co-commissioning of services with other agencies, including corporate commissioners for outcomes
- Tourism development using these assets: thinking about drawing people to the area, and about improving their customer journey whilst they are here (events, daily and weekly visits)

7.5 The overall response to these needs is a vision of a model that is embedded in the Community and universal and targeted, as outlined in what may be seen as a commitment to the Wirral, at 6.2 above.



Section 8

Operational model (1): coordinated delivery

...operating as a coordinated whole, breaking down silos, will give savings, and better access to additional income

8.1 From the review of operations, in the context of the needs analysis, there are opportunities for improved working that are evident. These fall into three headings: coordinated operation and joined up working (discussed on this page, and flagged as some of the reasons for keeping the portfolio together on page 8); market and customers, and management and culture, on pages 20 to 22, and 23 to 24 respectively.

8.2 Coordinated operation

There are some areas where operating the four areas as a unit should confer benefits, at least enabling more to be achieved than by applying these measures separately. Each is potentially income-generating or cost saving, and running them together makes specialist management cost effective, removes competition, and gives customers a better experience. They are:

- **Catering:** providing a better variety of food and drink, meeting the needs and preferences of a wider group of people, and encouraging them to stop and eat, or refuel between activities, and encouraging them to move and engage more widely with provision
- **Community engagement:** linking groups together, learning and replicating across the geographical area and across the different services
- **Grounds maintenance:** providing grounds maintenance services across the property portfolio
- **Signposting and marketing:** this includes a social media strategy and a clear, easy to use website (and a Wirral App which links to it) that encourages and enhances the use of facilities, services and amenities across the Wirral
- **Excess space management:** priced to market (not undersold as presently), and configured flexibly to allow for lets, with easy to navigate online booking; also actively managed block rental or shared use, to optimise use and income, whilst avoiding pointless competition
- **Events:** offering a range of cultural and sports events using the full range of facilities and available; delivering both to residents and visitors, encouraging extended stays. Expert management and co-ordination to avoid conflict give this a real prospect of success.
- **Customer journey:** underpinning all of these is the concept fundamental to all entertainment and leisure venues of customer journey. The customer should be encouraged to stay, and do and spend more. This applies within a single site visit (add food, or an extra experience, or buy tickets for next time), for a longer travel over the course of a day or part of one, or a stay over several days or a week

Section 8

Operational model (1): coordinated delivery

8.3 Joined-up working

This goes more into the practical side of operations, in which having a wider range of assets, of very different types, can enable services to be delivered more flexibly, and with less resource and duplication. It also stretches to an easier linking-up with other, third party facilities, such as schools' sports and leisure facilities, so, for example, two schools, a leisure facility and a park could offer much as a joined up package. Specific areas here are:

- Making new commissioner and other partnerships as a group (so not trying to compete pointlessly). Opportunities for improving these exists with Liverpool City and encouraging theatre and leisure tourism, and others;
- Operating together in designing "journeys" through a variety of facilities;
- Thinking creatively about how to house key community services, not just in libraries, but in sections of leisure or arts facilities if that makes for better use of space and ease of access;
- An holistic approach to tackling engagement with young people.



Section 9

Operational model (2): Market and customer development

...new services, revised pricing to align with the market, and new customers, individual and organisational, offer real opportunities... Managing customer journey is the first...

Market and customer development entails four elements:

1. Developing customer journeys
2. Pricing to market of existing services
3. Future specialist needs groups and other commissioners
4. Developing the service offering

9.1 Developing customer journeys

Increasingly visitors to a leisure facility, an area, or an event don't just want to visit that one thing and go. They want to, or are willing to, enhance that visit: with a drink and a snack, a meal, an add-on experience, a souvenir or related purchase, or an upgrade or enhancement of the one they originally intended. They are also at an optimal point for re-booking, when they have just enjoyed the last time: a point not lost on fitness instructors to name but one. The leisure, culture, or services provider needs to think how to manage these "customer journeys" to satisfy the customer and meet their needs, whilst optimising income for the provider. This operates at three levels, each of which offers specific opportunities:

Level	Opportunities
During a single visit – to a leisure centre, the Floral Pavilion, or a Park, for example	<p>In the Floral Centre, by enhancing the hospitality offering and structuring it so that people stay and enjoy it, allowing that they will buy souvenirs and tickets for other events, and by looking at customer journey in conjunction with Liverpool theatres .</p> <p>In the Leisure Centres by encouraging staying for a drink or food, or the adding of extra sport experiences in visit (paid). This can also come in the form of bringing a friend or a carer to participate in something whilst you are there, something that has worked well in Manchester and Glasgow, for example. Some of this may also apply in the Parks.</p>
During a day trip – in which the visitor may travel between several locations, events or experiences	<p>This is not just for the tourist, or leisure-seeker, but can also apply to those coming to the Wirral for work or shopping. This needs to be developed in conjunction with the Birkenhead plans amongst others.</p> <p>A less guided visit can be developed to enhance the original purpose itself (e.g. by developing the archive facilities to support history research trips), but also to introduce new opportunities and interests.</p>



Section 9

Operational model (2): Market and customer development

During a longer trip – as a part of the development of tourism, recognising that this demands development of a greater variety of accommodation (hotels and camping, for example)	Encouraging the development of tourism by designing possible “trails” (not just in the essence of walking or cycling) offering sequences of experiences. This mainly requires elements of experience design, and information, guidance and pre-booking possibilities. It would mean that more people come to the area, and that they visit more whilst they are there.
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9.2 Pricing to market existing services

Any considering of pricing in this arena must not preclude access to socially important facilities to those who have a limited ability to pay. That being said, the pricing approach being used is leading to losses through pricing below comparable services, and structuring the pricing in a way that offers incentives at the wrong points, or encourages the wrong behaviours. Detailed comparisons to market pricing have been provided to, and are being discussed with, Council officers on area management.

9.3 Future specialist needs groups and other commissioners

9.3.1 Public service commissioners elsewhere purchase programmes of services from leisure centres. These may be service-defined, or based on the delivery of outcomes and there is some indication of these services being provided in the Wirral. Examples include work to engage young people otherwise setting fire to wheelie bins (North Lanarkshire Leisure), Stroke Rehabilitation (North Lanarkshire Leisure), COPD (Manchester Sport & Leisure), young people with additional needs and their carers (Manchester, Fusion Leisure). In each case the commissioner buys because it is cheaper than in-house provision and more effective because of the social peer-group setting.

9.3.2 Early indications are positive from Police and Crime/CSP, and from Health.

9.3.3 In addition to public service commissioners, private sector companies may be (and have been in other areas) encouraged in as customers:

- Paying for outcomes achieved for disadvantaged groups not provided for by statutory services, and engaged with through sport and leisure settings, or
- In buying services for their staff, focused on staff wellbeing.

Section 9

Operational model (2): Market and customer development

9.3.4 A key area on which to focus here, perhaps in conjunction with Tranmere Rovers, and other local organisations and providers would be 16-19 y.o. white males and other groups with long-term unemployment and low prospects, ideally catching them earlier as well.

9.3.5 Other health commissioning areas could include ageing well, diabetes (including those expected to develop type 2 diabetes due to obesity and lifestyle), and dementia care.

9.4 Developing the service offering

9.4.1 In addition to new customers, and social (wellbeing, behavioural and health) services, the joined up services should look at new sports offerings, including:

- Using social engagement with older players and organised engagement programmes to encourage young people into golf and others with ample provision and an ageing following
- Bringing in a “tour” of new sports to try
- Link this to events, through such as enhancing the facilities on the water frontage to enable the world windsurfing to come back

9.4.2 **Tourism** is an area of development for the Wirral as a whole. This can usefully be supported under two headings:

- **General:** through a co-ordinated events offering, better web-based signposting of facilities, development of an App to help and plan engagement and customer journey, and focusing on enhancing the experiences during visits
- **Special groups:** through developing tailored offerings for special needs groups with relatively high spending power, but who find it hard to locate and engage with leisure activities safely. Specific areas for potential provision are being discussed further with Council officers and area management.





Section 10

Operational model (3): Management and culture

...a freer environment with a management structure and organisational culture aligned to business and social needs will lead to a responsive and effective, flexible and agile, and more sustainable, organisation...

These service areas are predominantly market-facing ones that compete for customer footfall and their money. They are not services like bin collection which the public have no option but to 'purchase' and which they perceive as being paid for by council tax. They are parts of industries with their own approaches, accounting and business models, and models for service development and customer management: models that work. The four areas, and the portfolio as a whole, need to embrace those good and efficient management practices, and the culture that goes with them.

10.1 Co-management

Each of the four areas needs its own leadership, as currently, but it also needs overall leadership that will manage the four strategically as a group.

10.2 Financial and Management Information

Accounting needs to be aligned to the business' needs. There are KPIs for theatre and leisure centres that are not measured in the Council-format accounts, and on several areas income is not shown, being taken to a separate, central cost centre. These compensate by keeping their own records, wasting time and energy in duplication. Accounting drives accountability. The accounting needs to look at the whole business, with all of its income and costs.

10.3 Decision-making

10.3.1 In Council services, decision making is inextricably linked to, and a part of, the multi-layered and at times complex systems of elected member and officer involvement and accountability. This means that it is hard for services like leisure centres to react quickly, flexibly and with agility to the market, and to changes in it.

10.3.2 Management needs to be efficient, sector-experienced and focused. It needs to embrace:

- Co-management of the four areas as a strategic whole
- A focus on sustainability developing both income to support it, and the social returns needed by local people and agencies
- An ability to make decisions quickly, and to develop new ideas within a framework of accountability, but without having to clear detail through multiple layers.

Section 10

Operational model (3): Management and culture

10.3.3 This demands a decision-making structure of a small board of directors including non-executives or trustees, a CEO and CFO, and group of experienced service heads. That group needs complete control (with accountability) for the whole achievement and financial sustainability of the business, and needs to have the remit to make the decisions necessary to deliver and compete.

10.4 Change to culture, custom and practice

The culture and working practices are currently traditional, and not focused on running business operations in a competitive environment. Taking one example, market development and promotion increasingly is web-based, and needs to embrace social media. All the areas have found it impossible to do this. The culture needs to be focused on income generation, delivery of service and engagement of customers on multiple levels, and meeting their needs: for entertainment and leisure, but also for increased wellbeing and other social benefits. That needs to run right through the businesses, and will demand changes in focus not just from management, but staff as well. Working practices do need some change, with staff likely to need to be more flexible in role boundaries, and embracing the training needed to develop their roles and offer new support to customers.





Section 11

Financial and funding (1): Operating budget

addressing these operations as businesses, and focusing on income generation and social effectiveness can reduce significantly the level of Council financial support by at least £4m and possibly rather more per annum...

- 11.1 This is not a cost-saving exercise in traditional form. It focuses on three areas: developing additional income, introducing different management and operational practices aligned to industry norms to improve efficiency and resilience, and coordinating a wider range of resources including community support on the social challenges and opportunities in the Wirral.
- 11.2 In each area, and collectively, this has been addressed in this project top-down, and bottom-up. These areas have been described in summary in the previous sections. The base figures from which these have been developed have been agreed by the Council's finance team. In each area we have split the financial effect of improvements into three:
- **Short term: very likely to be achievable**, and to take effect during the latter part of 2017-18 or early 2018-19; analysed and built up in detail, with a strong evidential underpinning or rationale
 - **Longer term: still very likely to be achievable**, but likely to take effect later (probably in between two and four years), and in stages
 - **Potential development: other areas** which show through this review as likely to deliver value, but which **need further work to clarify how much, when, and how**. These tend to understate the possibilities.
- 11.3 The overall picture is shown in the table on the next page. This only brings in the Short Term and Longer Term identified and likely achievable elements, but not the Potential ones. These areas are still being worked upon, and are likely to show change, clarification, and perhaps further improvement during Phase 2.
- 11.4 In addition to the changes in each of the areas (which include some initial elements of co-working), overall management cost is likely to see a saving against the current Council provision. This is highlighted in the summary table on the next page, which is based on the 2016/17 actual budget figures. All other periods' figures are our projections from that base based on our analysis.

Section 11

Financial and funding (1): Operating budget

WIRRAL LIBRARIES, LEISURE, CULTURE AND PARKS & COUNTRYSIDE
Income and Expenditure
Account

£'000													
	2016/17		Revised										
	Budget	Changes	Budget	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2026/27	2027/28
Income													
Services	13,456	2,886	16,342	14,950	17,000	17,338	17,683	18,035	18,394	18,761	19,134	19,515	19,904
Grant Funding				17,415	12,611	12,570	12,342	12,290	12,236	12,181	12,124	12,021	11,956
	13,456	2,886	16,342	32,365	29,611	29,908	30,025	30,325	30,630	30,941	31,258	31,537	31,860
Expenditure													
Libraries	3,806	(169)	3,637	3,792	3,724	3,781	3,830	3,879	3,930	3,981	4,033	4,042	4,090
Leisure	10,511	(1,300)	9,211	10,135	9,420	9,512	9,606	9,702	9,799	9,898	10,000	10,103	10,208
Culture	3,482	(254)	3,228	3,434	3,334	3,386	3,439	3,493	3,548	3,604	3,661	3,720	3,779
Parks & Countryside	8,333	238	8,571	8,555	8,771	8,859	8,949	9,041	9,134	9,230	9,327	9,426	9,527
	26,132	(1,485)	24,647	25,917	25,249	25,538	25,823	26,114	26,411	26,713	27,021	27,290	27,604
Central Cost Recharge	1,679	(1,679)	0	1,745	0	0	0	0	0	0	0	0	0
New Management Team	0	849	849	497	866	875	884	893	901	910	920	929	938
Depreciation	3,475	(177)	3,298	3,401	3,298	3,298	3,298	3,298	3,298	3,298	3,298	3,298	3,298
Total Expenditure	31,285	(2,491)	28,794	31,561	29,413	29,711	30,005	30,305	30,610	30,921	31,238	31,517	31,840
Net Surplus / Deficit	(17,829)	5,377	(12,452)	804	197	197	20	20	20	20	20	20	20
Reserves Brought Forward				0	804	1,001	1,199	1,219	1,239	1,259	1,279	1,299	1,319
Reserves Carried Forward				804	1,001	1,199	1,219	1,239	1,259	1,279	1,299	1,319	1,339

- 11.5 Staff costs based on their current terms and conditions remain unchanged in these workings.
- 11.6 Libraries shows modest short-term improvements pending further analysis. Long-term Council support in this area is likely.
- 11.7 Leisure shows a significant improvement, substantially due to increased utilisation, and pricing to market, as described in the operational section above together with the effect of VAT savings. Further improvements include wider use of available space, and in catering and incidental services.
- 11.8 Culture shows the effect of improvements in the operating model for the Floral Centre to bring it more into line with industry norms, and around repurposing the Williamson Gallery building and accommodating the collection differently.
- 11.9 Parks & Countryside is affected by price increases in the crematoria, with further gains from co-use and the catering gains across the portfolio. It also needs further work at Phase 2 on cost scales for grounds maintenance. As for Libraries, this area is likely to be appropriate for Long-term Council support.

Section 12

Financial and funding (2): Outline of Council Savings

All four areas can show improvement, with a prospect of getting to being self-sustaining for Leisure and the Floral Centre

Medium-term Council savings of at least £4m look achievable

12.1 The early indications from our review, focusing just on these improvements which are both identifiable and quantifiable (so excluding wider opportunities not yet quantified as explained at 11.2) are for savings against current annual subsidy of at least £4m. This has been derived from the table at 11.4 by adjusting for those elements which, whilst effecting the general annual subsidy to these four areas, has a knock-on effect in terms of other Council costs or cost sharing.

12.2 This Council view is shown in the following table, again based just on presently identified improvements as an early indication.

WIRRAL LIBRARIES, LEISURE, CULTURE AND PARKS & COUNTRYSIDE Council View

£'000	Total	Changes	Revised	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2026/27	2027/28
			Budget										
Income													
Capital Receipts from sale of Property Rates	1,260	(1,053)	207	88	215	220	224	229	233	238	243	248	252
	1,260	(1,053)	207	88	215	220	224	229	233	238	243	248	252
Expenditure													
Funding of Libraries, Leisure, Culture and Parks & Countryside	17,829	(5,377)	12,452	13,210	9,116	9,075	10,063	10,010	9,236	9,181	9,124	9,021	8,956
Capital Expenditure Grant	0	0	0	4,205	3,495	3,495	2,279	2,279	3,000	3,000	3,000	3,000	3,000
VAT	0	0	0	0	0	0	0	0	0	0	0	0	0
Admin Recharges	0	0	0	0	1,200	600	0	0	0	0	0	0	0
Ongoing Pension Costs	0	0	0	0	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410	1,410
Pension Fund Enhanced Contributions	0	0	0	0	(804)	(804)	(804)	(804)	(804)	(804)	(804)	(804)	(804)
Williamson Art Gallery	0	0	0	354	354	0	0	0	0	0	0	0	0
	17,829	(5,377)	12,452	17,769	14,771	13,776	12,948	12,896	12,842	12,787	12,730	12,627	12,562
Net Cost	(16,569)	4,324	(12,245)	(16,931)	(14,556)	(13,556)	(12,724)	(12,667)	(12,609)	(12,549)	(12,487)	(12,380)	(12,309)

Amongst the key assumptions at this table are the following, all of which are the subject of ongoing discussion with Council's finance team:

- **Funding** The council funding of the future services is based on the net expenditure of the new organisation excluding depreciation.
- **Capital Grant** The capital grant is to fund the capital expenditure throughout the period. The initial basis for capital expenditure is based on the asset condition surveys for fabric of the buildings, to be reviewed in discussion with the Asset Transformation Group. VAT on Capital Expenditure has not been included, and should there have been otherwise recoverable VAT on the capital spending (not all of which is necessarily VAT-able, or necessarily



Section 12

Financial and funding (2): Outline of Council Savings

recoverable by the Council) there may be an additional VAT element to be taken into account.

- **Rates** Currently the rates are a recharge from each cost centre to the council income. This results in a nil overall effect within the council. In transferring to a charity the new organisation will be eligible for mandatory rates relief. The forecast shows the cost based on an 80% rates relief. The remaining 20% cost is funded by the council but will be payable to the council and therefore is shown as income within the summary
- **VAT** The new organisation automatically qualifies for cultural and sporting exemption, as a non-profit organisation. While Ealing Borough Council have challenged HMRC on the VAT status of its Leisure services, showing VAT exemption is possible within a Public body, it is on a case by case basis, dependent on whether this will affect local competition. Given there are a number of private leisure centres and gyms in the area, the granting of an exemption in this case would be in some doubt, we believe.
Both Wirral and BWB are of the view that the transfer of Leisure and Culture will have a nil effect on the VAT partial exemption position of the Council, though this is to be confirmed by WBC's VAT specialist.
- **Admin Recharges** Wirral Council makes a recharge for its admin services for Finance, HR, Legal etc. It has been assumed that the full recharge will continue to be made until March 2018. Cost savings as a result of staff transferring or a reduction in the workload of the council will enable some savings to be made initially, with further work needs to be carried out to assess the overall long term savings. It is assumed that the council will be able to reduce costs over a 3 year period.
- **Ongoing Pension Costs** It has been assumed that the Pension Fund will be transferred fully funded. The current deficit will therefore remain with the council. This cost is the budgeted cost for the Pension deficit and early retirement cost as a result of prior reorganisations.
- **Williamson Art Gallery** The Williamson Art Gallery building will probably not be transferred and therefore these costs will remain with the Council. Staff and other operating costs are expected to transfer. Over a period of 2 years it is envisaged that this building will be repurposed with new income streams reducing this to a nil net cost beyond the initial period.



Section 13

Organisation, structure and governance: principles

A series of criteria point towards an independent, public interest vehicle

13.1 Factors to consider

The appropriate legal form depends on a number of factors, including:

13.1.1 Limited liability

The legal form must be incorporated, providing limited liability to its directors and members and legal personality to the new entity. This rules out charitable trusts or unincorporated organisations. Legal forms that provide limited liability are companies (share or guarantee), community benefit societies, co-operatives and the charitable incorporated organisation (CIO). Details of these legal forms are set out in section 13.2 and a detailed comparison of these legal forms with a summary of the advantages and disadvantages of each in the context of Wirral is set out in Annex 1.

13.1.2 Mission lock

The social mission of the new entity must be protected. The constitution of the new entity will have a statement of objects which set out the social mission of the new entity. Any changes to the objects of the new entity will require a 75% majority decision of the members of the new entity as well as the prior consent of any regulator (the CIC regulator if a community interest company, the Charity Commission if a charity). In this way the entity is locked into pursuing its social mission.

13.1.3 Asset lock

Both community interest companies and charities are asset locked bodies, meaning that:

- (a) In the case of community interest companies, there can be no transfer or distribution of assets except at full value to (a) a specified asset locked body or (b) to another asset locked body with consent of the CIC Regulator; or
- (b) In the case of charities, assets cannot be transferred to a non-charity except at full value.

With its tighter regulation and well established brand, a charity would likely be more attractive to key stakeholders than a community interest company, particularly one that is limited by shares, although the latter does offer flexibilities (see section 2 below) which also offer some benefits.

13.1.4 Opening up sources of income

The legal form must allow for investment and finance. A CIC limited by shares allows equity investment as well as loans. 'Equity investment' means a social investor could buy shares in the CIC and be paid a limited return. A charity can borrow but not pay dividends on shares and so equity investment is not permitted, although forms of debt in which the investor takes an equity-type



Section 13

Organisation, structure and governance: principles

risk are possible, albeit investment returns based on surpluses is harder to structure.

13.1.5 Allowing ‘super profit’ to be returned to the Council

We understand that a key issue for the Council is to ensure that if the new entity is successful and generates a significant surplus that some of that surplus could be returned to the public purse.

The traditional model which could provide such a return would be for the Council to be a shareholder in a share company (a company limited by shares or a community interest company limited by shares), thereby allowing for payment of dividends to the Council. A community interest company limited by shares can pay dividends subject to certain limitations (see section 13.2.5 below).

Although a charitable company limited by guarantee cannot pay dividends in this way, an alternative arrangement could be put in place through a revenue participation agreement allowing for a percentage of revenue to be paid to the Council when the revenue exceeds a certain threshold. The revenue in this case could be the annual gross turnover of traded income of the new entity.

Other alternatives would be specific agreements around, for example, the sale of land, so that if the new entity sold any land at significant profit, a share of that profit would be returned to the Council.

13.1.6 Identity

We recognise that it is important for the new entity to have a distinct not-for-profit identity which is instantly recognised and understood in the community. Both charities and community interest companies have established not-for-profit brands. Both are able to identify themselves as social enterprises.

13.1.7 Tax advantages

It is essential for the new entity to be sustainable and a key aspect of this will be the tax advantages it can enjoy which may have a significant impact on the financial model. Charities receive a range of tax reliefs, including corporation tax relief on profits generated from charitable trading, Gift Aid (UK tax payers can obtain tax relief and donations to the charity are increased by 20%), inheritance tax relief, stamp duty land tax relief and business rates relief on premises occupied (a mandatory 80% with the remaining 20% discretionary). Community interest companies do not benefit from any of these reliefs, the only tax benefit currently being social investment tax relief (which charities also attract) for inward investors.

13.1.8 Council influence

The Council will have a multi-faceted relationship with the new entity. It will exercise its influence as the transferor of the assets and services as landlord, funder and commissioner. It can also benefit from a role in the governance of



Section 13

Organisation, structure and governance: principles

the new entity as an 'owner' with the ability to appoint some individuals to the Board (see section 13.3 below).

13.1.9 Stakeholder involvement

The new entity must be established in such a way as to ensure that the community have a strong voice within the governance structure, as well as the ability to invest if appropriate, and to participate in an advisory capacity. This is covered in section 13.3 below.

13.2 Legal Form

The key legal forms available are set out below.

13.2.1 Companies

Companies can be either limited by shares or limited by guarantee. Either of these legal forms can also be community interest companies.

Companies limited by guarantee can also be charities. A company limited by shares is the traditional structure used by businesses, allowing for profit distribution and equity finance. However, as a for-profit model, this structure cannot be used for charities. CICs can be set up as companies limited by shares, although there are some limitations on dividend payments.

13.2.2 Community interest companies (CICs)

A CIC is a particular type of company that uses its assets and profits for the community benefit and is regulated by both Companies House and the CIC Regulator. CICs are not charities, although they can go through a conversion process.

The constitution of a CIC must also conform to the statutory requirements; in particular it must have an asset lock which means that the assets of the CIC can never be distributed privately to individuals or for non-community interest purposes unless they are sold at market value and the cash then used for community interest purposes. Therefore, the assets must be used solely for the community interest or transferred to another organisation which also has an asset lock such as a charity or another CIC.

In order to be registered as a CIC, a company must show that it is established in the interests of the community; and each year the directors must complete a form demonstrating how it has met the community interest.

CICs can be limited by shares (and therefore pay dividends, although these are limited for CICs) or be limited by guarantee. We note that there maybe a desire for the Council to have a share of any surpluses made by the new entity as well as allowing the community to benefit. A CIC limited by shares would provide the social enterprise brand whilst allowing for some surpluses generated by the CIC to be distributed to its shareholders.



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13.2.3 *Community benefit societies and co-operative societies*

Co-operative societies ('Co-ops') and community benefit societies ('Bencoms') are bodies corporate (i.e. they have their own separate legal personality) with limited liability that are regulated by the Financial Conduct Authority ("FCA"), rather than Companies House. They are not companies and are subject to the Cooperative and Community Benefit Societies Act 2014 rather than company law. Under that Act, a society may be registered if it exists "for carrying on any industry, business or trade" and if it satisfies the conditions for registration as either a Co-op or a Bencom.

Bencoms

A Bencom is set up to benefit the broader community, rather than just its members. It can be charity and, at present, has the advantage that it would only need to be registered with the FCA rather than the Charity Commission. If the Bencom has objects that are charitable in law, then it will be classed as an exempt charity and should be eligible for charitable tax breaks, if accepted as a charity by HMRC.

Typically, the rules of a Bencom include a one member one vote principle, regardless of shareholding. Members can buy shares in the Bencom up to £20,000. However, while Bencoms can pay limited interest on member share capital, they cannot distribute profits to members and therefore it is unlikely to attract investors wanting a good return on their shares.

Co-ops

In order to be registered as a Co-op under that Act, a Co-op must show to the satisfaction of the FCA that it is a bona fide Co-op. This includes a voluntary and open membership, democratic member control, member economic participation, autonomy and independence and concern for the community. As Co-ops exist for the benefit of their members, allowing the members to receive dividends it is a profit distributing model and therefore might be unacceptable to the Council and the community.

Advantages of Co-ops and Bencoms

The inherently democratic nature of registered societies could be attractive as a cultural fit. Members can buy shares in a Bencom, helping it raise funds, and limited interest can be paid out on shares, which could encourage members to apply.

The Financial Conduct Authority is a lighter touch regulator of Co-ops and Bencoms than the CIC Regulator or the Charity Commission.

Disadvantages of Co-ops and Bencoms

Co-ops and Bencoms are more costly to establish and administer than a company. In particular, there may be fewer professional advisers who will readily understand their legal and regulatory frameworks, which can make accessing professional support and funding more expensive.¹

¹ While there are around 20,000 co-operatives and community benefit societies there are over 4 million companies.



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The application process to register a charitable Bencom is often lengthier than the process to set up a charitable company limited by guarantee.

In terms of transparency, it is more difficult for third parties to carry out due diligence on a Co-ops or Bencoms as there is a cost attached to obtaining documents and it can take some time to obtain these.

The regulation for charitable companies is unlikely to change in the foreseeable future, whereas the future for charitable Bencoms is less certain as it is not clear when (if at all) the Charity Commission will require charitable Bencoms to register with the Commission or if a principal regulator will be appointed.

13.2.4 Charities

Being a charity is a status which attaches to a legal form, and is not a legal form itself. A company limited by guarantee can have charitable status.

Charitable companies limited by guarantee must only carry out activities which:

- (a) fall within recognised charitable purposes and
- (b) are for the public benefit.

Having considered the activities the new entity will be carrying out, these can, in most cases, be run through a charitable vehicle. There are many examples of charities which carry out library, leisure and cultural activities. Those activities which are non-charitable, such as running conferences and weddings, could be run through a trading subsidiary owned by the charity, which is a common model for charities. The charitable purposes which would cover these activities would include the advancement of arts and culture, advancement of health and the provision of recreational activities.

13.2.5 Charitable incorporated organisations (CIOs)

If the charity route is preferred, there is a further choice of legal form, the CIO. It was introduced because there was a perception that it was confusing for some individuals that charitable companies limited by guarantee were registered both with Companies House and with the Charity Commission and that the rules relating to both to companies and to charities applied. A CIO is regulated solely by the Charity Commission.

Like a company, a CIO has its own legal personality and ability to enter into legal relationships in its own name (for example, with staff, suppliers and the general public) and provides its directors limited liability status. It also has a two-tier structure of trustees and members.

Being solely regulated by the Charity Commission gives the CIO legal form the advantage of not requiring the filing of accounts, annual returns or other documentation with Companies House. However, as a fairly new legal form it is less familiar to third parties and the lack of a charges register means that some banks are unlikely to lend money to CIOs, so compromising them commercially.

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In practice, CIO's are useful for small operations, but not appropriate for those of the size and scope envisaged here.

13.2.6 *Separate entities for each service?*

One option would be to set up a legal entity for each service with the new entity, as the head organisation, being the sole member of each of these. This would have the benefit of ring-fencing liabilities and more easily retaining the identity of each service. It would also more easily allow for any surpluses generated by each service to be invested back into that service.

However, such a structure is more complicated to manage. For example, each entity would need a separate board and conflicts of interest managed appropriately. Each entity would need to complete its filing and reporting obligations, including preparing and filing accounts. It could also make it more difficult to achieve the co-ordination of the four services which is at the heart of this re-imagination of services.

A simpler way of retaining the identity of the various services within one legal entity (or, in the case of a charitable company limited by guarantee with a trading subsidiary, two legal entities) would be to set up advisory groups for each service within the new entity – see section 13.3.4 below.

13.2.7 Recommendation for legal form

We would recommend either of the following legal two options for the legal form of the new entity:

Option 1:

A charitable company limited by guarantee with a trading subsidiary to carry out non-charitable activities for the following reasons:

- (a) It is a tried and tested form for not-for-profit entities with the company structure being a familiar structure to stakeholders;
- (b) It maximises income from sources such as grants and donations and can access debt financing and social investment;
- (c) Charitable status is a recognised brand that will give stakeholders confidence that the assets will be protected for the community;
- (d) It will provide the new entity with a number of tax benefits, aiding to its financial sustainability.

However:

- a) It has an unpaid board which creates an arguably inefficient split between executive and non-executive, and meaning it is rarely possible to pay the latter.
- b) There are limits to Council involvement.

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Option 2:

A **community interest company limited by shares** for the following reasons:

- a) As a CIC, it has a recognised social enterprise identity and protection of its social mission and assets;
- b) As a share company, it is able to pay limited dividends to its shareholders (which could include the Council) on any surpluses;
- c) It can pay Board members;
- d) It can pay a return on inward investment as shares of surpluses more simply than can a charity.

However:

- a) It is taxable on its profits unless these are passed to a parallel charity to hold and apply for community benefit or other works. So surpluses its needs for re-investment are taxable.
- b) If a parallel charity is set up to be one of the members of the CIC, this adds an additional structure which will need to be resourced and maintained appropriately.

13.3 Governance

Companies have a two tier structure. The directors (trustees in a charity) manage the company and are responsible for the day to day running of the company. The owners of the company are its members (shareholders in companies limited by shares), who have ultimate control. Members have certain rights, such as the right to remove directors and to change the Articles of Association. In a CIC limited by shares the shareholders can also receive dividends.

When deciding on the governance structure, there are some key issues to consider:

13.3.1 *Number of trustees/directors of the new entity*

There should be a minimum of two directors or three for a charity. Generally we recommend six to eight as an optimal number of members of a Board and not more than ten.

13.3.2 *Composition of the Board*

In deciding on Board composition consideration should be given to the skills and expertise required for the Board and how key stakeholders will be involved. Key stakeholders for the new entity would include staff, friends' organisations, voluntary and community organisations, volunteers, residents,



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key commissioners such as the Clinical Commissioning Group, Police and Crime Commissioner, and the Council.

It should be borne in mind that Board members are not there to represent a particular group. Whilst they can help present the views of a particular stakeholder group and contribute their practical experience they must act in the best interests of the organisation when making decisions as members of the Board.

Note that if the new entity is a charity its board of trustees must be independent and to a large extent unpaid. Employees generally cannot also be trustees of the charity although in certain cases it is possible to obtain Charity Commission approval to a minority of trustees (for example the CEO and a staff representative) being employees. Each case would need to be justified to the Charity Commission so it would be much easier to argue for the CEO to be a trustee than, for example, to argue for both the finance manager and the CEO to be trustees. A number of charities which have spun out from local authorities have successfully obtained such consent.

13.3.3 Ownership of the new entity

There are a number of possible governance structures for the new entity, the key ones being

- a) ownership by a group of stakeholders (e.g. staff, the community, the Council); or
- b) a 'foundation' model where the trustees and members are the same with the Articles of Association set out the composition of the Board.

We would recommend the following governance structures:

Where the legal form is a charitable company limited by guarantee

The governance structure is **a foundation model with the trustees as the only members of the new entity.**

We would suggest the composition of the board be up to eight trustees with:

- a) Up to one trustee appointed by the Council;
- b) Up to seven trustees appointed by the trustees following an open recruitment process, the criteria including at least three resident in Wirral and taking into account the expertise required such as commissioning, financial, legal, business expertise and HR;

Where the new entity is a CIC limited by shares

The governance structure is a Board of up to eight directors with two shareholders being:

- a) The Council;
- b) A 'community charity' being a charitable company limited by guarantee whose trustees (who would also be the members of the charity) are members of the local community appointed by the trustees following an open recruitment process.



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We would suggest the composition of the board be up to eight directors with:

- a) Up to one director appointed by the Council;
- b) Up to seven directors appointed by the directors following an open recruitment process, the criteria including at least three resident in Wirral and taking into account the expertise required such as commissioning, financial, legal, business expertise and HR.

For both the charity and the CIC the Articles could provide for the Chief Executive to be a director/trustee but not make it a requirement.

We have limited the number of Council appointed trustees/ directors to a maximum of one for a number of reasons:

- a) For both a charity and a CIC, to ensure the new entity is not classified as a regulated influenced company as this would require the new entity to comply with certain requirements. There are also additional accounting requirements² for the Council.
- b) If a charity, the Charity Commission will require assurance that the new charity will be sufficiently independent of the Council. The greater number of trustees on the board of the charity who have Council connections, the less likely the Charity Commission are to be convinced the charity is independent of the Council.

The governance structures will be reviewed as part of the ongoing consultation with the Council and stakeholders.

13.3.4 Involving stakeholders

The potential stakeholders of the new entity include:

- a) The Council;
- b) Staff;
- c) Volunteers;
- d) Residents of Wirral and residents' organisations;
- e) Users of the services;
- f) 'Friends of' charities/ groups (for example, the Williamson, HMS Conway, libraries friends' groups, cemetery friends' groups);
- g) Other voluntary and community organisations including arts and cultural organisations;
- h) Love Wirral campaign;
- i) Funders and potential partner organisations such as Sport England, Heritage Lottery, Arts Council, Culture Liverpool, Liverpool Film Office;
- j) Tranmere Rovers;
- k) Organisations and businesses from the tourism sector;
- l) Senior level partner organisations including Clinical Commissioning Groups and local hospitals, Police and Crime Commissioner, Merseyside Fire & Rescue, Community Action Wirral, Wirral Metropolitan College, Wirral Chamber of Commerce;



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*Stakeholder,
notably
Community,
involvement is both
positive and
achievable...*

m) Local businesses and the LCR Local Enterprise Partnership.

Being on the Board of the new entity is not the only way that stakeholders can be involved. For example, stakeholders can be involved as:

Associate members

Different associate member categories could be established for stakeholders. This would not give these individuals or organisations the full legal rights of company law members but certain specific rights according to what is set out in the Articles of Association. The rights could include:

- a) nominating an individual to the Board of Directors (such as staff or a community representative) to attend the board in an observer capacity;
- b) invitation to an annual consultation meeting;
- c) receipt of a quarterly newsletter.

The Articles could also provide for different classes of associate members and provide different rights for each class, for example staff, community groups and volunteers.

Committees

An alternative to associate membership where the intention is to have a 'working party' or merely to consult or seek recommendations would be to establish a committee or committees, with terms of reference on their role and composition set out by the Board. The terms of reference should also consider how committee members will be appointed, for example by invitation of the Board. Committees can be given a variety of names such as 'advisory group'.

Provision to work with stakeholders set out in the funding agreement between the Council and the new entity

The funding agreement between the Council and the new entity could contain some requirements for the new entity to engage with stakeholders, such as holding an annual consultation meeting with stakeholders.

Consultation

A range of consultation approaches to reach beneficiaries could be adopted by the new entity.

As investors

If needed, it is likely to be possible to raise social investment from members of the community, as well as from wider socially-focused or social sector investors.

Advisory groups

To help provide continuing identity for the four service areas we would recommend *establishing four advisory groups*, one for each service area. Each advisory group could include a director or directors, the senior employee for that service area, individuals with particular skills in these service areas and representatives from the community, such as friends groups.



Section 14

Staff

Emergent findings flag culture change as the major issue...

- 14.1 The present assumption is that staff will transfer under existing terms and conditions. No staff reductions have been assumed in the figures.
- 14.2 Some flexibility from staff is assumed to enable income growth to happen from new commissioned and other services. Where these are likely to require training, this is also assumed. An example of the kind of services for which this might apply is the case of fitness trainers in the gym developing to support stroke rehabilitation programmes, or swimming coaches and guards supporting specific programmes with people with additional needs.



Section 15

Assets

Assets are being mapped based on utilisation, access, provision and need.

15.1 Community asset mapping

15.1.1 The mapping exercise underway is developing a picture of how the assets can be used to best effect has taken into account the following factors:

- Population size and demographics of the local community, including level of deprivation, unemployed, age profile
- Results of the needs analysis broken down by ward
- Proximity and ease of transport to alternative provision, whether public or private sector
- Potential for relocating services to alternative sites within the community that either already or could house drop-in centres, available rooms, PCs, cafes etc
- Whether existing services could be better served via outreach or mobile facilities to reach the population
- Cost of operation, including costs per number and opening hours
- Level of investment needed for the building, together with its potential repurposing or sale value
- Footfall and level of usage including book loans, unique borrowers, PC sessions provided,
- Staffing requirements for resource efficiency across the portfolio

15.1.2 Further work across these areas will be carried out to finalise the list of assets over the next few months.





Appendices

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Needs Analysis

1.1 Overview of Research, Analysis and Methodology

1.1.1 Needs, in this context, are improvements in health, wellbeing and other social factors sought by individuals, families, communities, or the State. The overall approach to the needs analysis is to consider the social and socio-economic needs of the area, taking the Wirral as a whole, and also looking Ward by Ward. It considers both the needs of the general population, and also groups that have particular needs not shared by the majority. Section 2 above explains this further and emphasises that those needs are viewed from the perspectives of firstly the people themselves and the activities they are undertaking in the Leisure and other facilities, secondly from other agencies (health, police, education, and others) seeking to meet aspects of those needs, and thirdly from the Council, both in overview, and at the level of providers of services within the facilities. We understand the needs of the people and the area, then match those against what is being delivered currently, and draw out what else Leisure and the other facilities might do, or what they might do differently.

1.1.2 This analysis of needs, drawing together those different perspectives, is explained below, and falls into three main parts:

Firstly an analysis of Wirral's needs and required outcomes, divided into two broad discussions:

- a) needs as viewed through the lens of service providers within the scope of our project:
what is being done currently, as against what identified needs?
- b) needs of specific demographic and beneficiary groups within the wider purview of the Council:
what wider needs are there for the people of the Wirral, and the area?

Secondly there is a discussion of how these could be met through an alternative operating model: **what could these services do about it ?**

Thirdly, we look at how our analysis sits against the 20 Pledges embedded in the Wirral Plan. This is an important test of completeness of the analysis, but also enables the strategy and planning for the operational response in these areas to link up with the other areas being developed to address the Wirral plan.

1.1.3 Following a period of desk research to provide context, we held 'Needs and Outcomes' workshops in December 2016 with each of the four service areas under review. The workshops helped us to understand the lives and needs of the people of Wirral, its visitors and investors, from the perspective of public service providers. In addition to building this comprehensive and useful insight we used the workshops to capture information in three more areas:

- ideas for improvement and innovation, including reference to strategies and initiatives already in place – for example under the 20 Pledges;

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- suggestions as to the root causes of challenges within current service provision;
- underlying strategic concerns within the Borough

1.1.4 We went on to undertake additional desk research and telephone conversations with a number of other experts and other agencies, such as commissioners, to gain a deeper understanding of some of the key needs areas. This has highlighted some which had not been mentioned in workshops, but which we nevertheless understand to be important.

1.1.5 The sections that follow consider the current provision and the viewpoint of service providers in 1.2, entitled “Needs Group One – Service Areas.” Each of the four areas is considered in turn. They then look, in 1.3, at Needs Group Two – Specific Beneficiary and Demographic Groups, which examines whole area need and draws out the particular groups on which the Service Areas should be focusing.

1.1.6 Section 4.4 draws out the implications of the needs analysis for the operating model, and comes to an initial conclusion about the model that it demands for the future. Section 4.5 then compares what has been learned to both the Pledges and the data that underpins them.

1.2 Needs Group One – Service Areas

Arts and Culture

1.2.1 The services delivered to meet needs under these areas fall into two types: **assets and events** provided or facilitated by the Council, and **access to spaces or venues** for individuals and groups to use in a range of different contexts.

1.2.2 The teams at the Floral Pavilion, Williamson Art Gallery and Birkenhead Priory have come to know certain groups very well and to become trusted providers of services and facilities that meet those groups’ needs – often as a result of working however closely with them to ‘make it possible’ for an activity or event to take place. There seems to be a tension in operational decision-making between dedicating resources (including time) to such needs-led provision, and focussing on generating additional income or behaving more commercially with redesign of services around those groups’ ability to pay. The two need not be mutually exclusive.

1.2.3 Activities and services intended to meet needs additional to the mainstream purposes of the venue include:

- Providing a space for weekly/regular meetings or drop-in sessions for groups such as carers, health advisors, financial advisors (e.g. Liverpool Metropolitan University maths department who run budget advice sessions). To date this provision is usually free of charge and the spaces used deemed to be community assets. Council-owned buildings seem to be a natural home for such activities, as they fulfil a social rather than a commercial need, but that is not to say that they could not be delivered in a more commercial (yet still affordable) way.

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- Commercial opportunities through renting space for local college graduations, weddings, and conferences. The perception is that this could be increased in volume, but this would need to be supported by more active and coordinated marketing effort. Staff believe there is an opportunity for Floral to partner with Liverpool hotels to serve larger conferences and events (many of the hotels do not have the conference space and the Floral's size – including free parking - is seen as key driver of business).
- Specifically designed events, visits and programmes for groups such schools, looked after children, under 5s, etc. The kind of events we have heard about include 'relaxed' performances for families with autistic children and dementia friendly offerings, to name but two.. These events are negotiated and planned directly with the venue in which they are held in an *ad hoc* 'as required' basis and are often time-consuming to plan and manage, but deemed to be very important to the beneficiary groups concerned and 'in tune' with a wider duty to the community. These would offer not just a more widely useable and marketable series of activities, but also a foundation for a wider specialist aspect for tourism, drawing in visitors to the area.

Leisure

- 1.2.4 Consultation with staff working in the Leisure services area centred on two distinct areas of activity, which in turn highlighted two main needs areas, namely recreational sport and leisure and therapeutic or needs-driven sports and leisure.
- 1.2.5 In the first category, we see a large portfolio of sports and leisure venues which are competing for business with private offerings, but which appear not fully to understand their core client base, nor the basis on which they compete. Improved technology to monitor and track customer usage should help in this regard, as should a systematic market and competitor analysis, and a greater focus on meeting needs and managing customer journey.
- 1.2.6 Our overall impression is that usage of leisure facilities is predominated by a core existing group and little is done systematically to encourage people in or to try new sports and activities. There is, for example, a clear opportunity to offer taster sessions, or more sessions for families and younger people at the sites which would encourage a wider usage group, making new users familiar and comfortable with the surroundings and more likely to increase their take-up of other classes and facilities.
- Golf is a prime example of a sport whose core player base is ageing and declining. If courses are to remain open, they will need to attract more players, perhaps through widening the game's appeal to younger age groups (e.g., through coaching on driving ranges) or to groups who are less able to play the traditional game (provision of a driving range and novel introductions to golf, such as footgolf).
 - A hobby which we are assured is very important to the people of Wirral, appealing to players of all ages and meeting an inter-generational social need, is Crown Green Bowling. The responsibility for maintenance of greens lies however, within the remit of

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Parks and Countryside, and is not linked into wider leisure discussions, risking a disjointed approach to service provision.

1.2.7 Leisure centres are increasingly being seen as an ideal venue for health and wellbeing lessons, sessions and advice (for example in diabetes prevention, mental health, stroke or cardio rehabilitation, amongst others). However where such third party commissioned or facilitated activities are found in Wirral, it is organised locally to a site and on an *ad hoc*, reactive basis. Coordinated effort across the estate could lead to a more sustainable programme of needs-led activities generating a more reliable income stream from a variety of commissioners.

- We were told, for example, that historically the leisure centres took referrals from Social Services for therapeutic classes, short breaks for carers, and the like, but that funding ceased several years ago, leaving the centres with a database of some 400+ families with a latent need for provision that is no longer being met.

1.2.8 One overarching interpretation of need within the Leisure portfolio was the need to create 'pathways' into traditional sports and leisure. These would serve to utilise sports and leisure in systemic solutions to fundamental challenges, such as ill health, disaffection or low aspirations. Such an ambition would rely on being able to secure funding and income streams in order to do this in a sustainable and reliable way.

- In particular we noted that the main external grant funding source for the Leisure portfolio was grants from bodies such as Sport England, which often fund only specific activities (i.e. those aligning to their current strategic priorities). Such pursuance of funding opportunities that come to light, puts the Council on a reactive footing and this has a significant influence over the shape of local provision, regardless of true demand. Even this is not being addressed systematically: FA funding for 3G pitches has not been secured because the football pitch strategy has not been finalised.
- An example of this is seen with regard to LTA funding for new tennis courts, for which there was not enough real demand. Following an initial period of low usage, some of the courts were later turned into football pitches (for which demand across the Borough currently outstrips supply – see point 4.2.11 below on playing pitch strategy).

Parks and Leisure

1.2.9 This area of the portfolio provided perhaps the most diverse discussion of needs and it is the area in which there is most potential for aligning with Borough- and Region-wide strategies in respect of 'place-making'. Perhaps more than purely cultural or purely leisure-based assets, the Wirral's parks and open spaces are considered to be amenities owned by the community, accessible by all and meeting many different needs – recreational, therapeutic, tourist, casual, opportunistic, and sometimes commercial.

1.2.10 For the recreational or casual user, for example, there is clearly a wealth of provision in terms of parks, countryside, beaches, and 'pocket parks'. However we understand that not

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wanting to share or wanting one for themselves rather than visiting others' could be factors in keeping this wealth a secret. People tend to use their local park by preference (local to work or home), and see little benefit in travelling further afield to go to a different one. At the same time we hear of successful initiatives in one park (eg the fairy village) being replicated in others and there was some discussion in our workshop as to whether a more creative strategy might not be to differentiate the parks and open spaces to encourage people to move around the Wirral in search of new experiences in different places.

- Assets are wide and varied, and generally high quality, but it was acknowledged that they are poorly advertised, that signposting and wayfinding is not always clear, and that in many cases 'only local people know about them'.

1.2.11 For residents, fitness-related activities such as park runs, urban gym equipment or informal exercise by groups (mums and buggies jogging groups) or individuals (dog walkers), are the key draw to parks, aside from the simple usage of spending time in a pleasant green and tranquil place.

- This latter need is probably most acute in more deprived areas of the Borough, where we understand that the challenge of entrenched deprivation leads to hopelessness and lack of motivation or wherewithal to get active and get out. Parks could play an important role as the setting for referred services here.
- Allotments are also seen as very important but there was concern that inflating price of these in order to bring in extra income might exclude those who most need the mental health and wellbeing benefit that tending an allotment provides, in favour of those who already have access to a garden but can afford to rent more.
- Playing pitches are also discussed under Parks and Countryside, somewhat incongruously, as the demand for sports provision is better understood in the context of Leisure. Demand currently outstrips supply and as a consequence, the pitches in many cases have become 'over-played' and their quality has deteriorated. FA funding for new 'top end' 3G pitches is available as noted above, which would enable proper play on an appropriate surface for all levels of use, but this external funding relies on adoption of a playing pitch strategy which has not yet made it through the Council's approval process.

1.2.12 For special interest (e.g. education or therapeutic groups) it is important that access remains accessible, safe, affordable and easy to navigate. In some cases, the beneficiary groups themselves help with maintenance, providing mutual benefit. For example local autism groups help with park maintenance projects; school groups use visitor centres but also make use of work experience and school placements.

- Parks are valued highly by residents and several have established Friends' groups to maintain and care for their local land. In one case, residents whose homes back onto the park have 'adopted' patches of the land to keep litter- and weed-free.

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- Income generated through Friends' groups is not for wider use within the Parks and Countryside estate, but usually earmarked for a specific campaign or purpose – this provides an opportunity to work more systematically with such groups in order to enhance and promote 'neglected' natural and historical assets – both to the people of Wirral and as a magnet for the visitor economy.
 - Alternatively, a Wirral-wide Friends' scheme which enabled donations (of time or money) to be put to use across the estate might be a feasible initiative.
- 1.2.13 SSSI sites attract specific interest as well as local ramblers, dog walkers, families, children, keep fit groups and so on. As a tourist 'draw' their current usage levels are probably limited by low levels of promotion and lack of web-based signposting. However some of these areas arguably rely on careful management of visitor levels to protect their status and integrity (e.g, Hilbre Island and its protected bird species).
- 1.2.14 Whilst there is much justifiable pride in the quality and historical importance of some of Wirral's parks and countryside assets (notably Birkenhead Park – the first of its kind, for example) there appears to be some indecision as to priorities across the estate. Should the Council, for example, strive to win green flag status for all of its managed parks (probably resulting in fewer of them) or manage different parks to different levels of 'quality'? A similar sentiment, incidentally, was aired in respect of golf courses, where it was felt that fewer golf courses, maintained to a higher quality would serve the population better. Indeed staff were clearly frustrated that the department's funds would no longer allow them to deliver the quality 'product' they wanted to provide.
- 1.2.15 Parks and other outside spaces could play an important role in developing an events-based visitor economy, requiring collaboration with activities organised by neighbouring regions (notably the Liverpool city region), to integrate events, festivals and thematic activities more closely and increase travel to and around the peninsula.
- Clearly, such an approach would also require collaboration with those responsible for transport, hospitality and the like, which lie outside the scope of this project.

Libraries

- 1.2.16 The extent of needs met by libraries ranges far beyond the traditional service of book lending (though interestingly, we understand that the library service's internal KPIs are limited to book loans and customer footfall – perhaps distorting true usage patterns). It is here that the multiple dimensions of service use motivations come through most clearly: libraries being places that people come to throughout their lives for different purposes – some needs-driven; some wants-driven; sometimes alone and sometimes with a group; sometimes with a purpose in mind; other times simply to spend time in pursuit of new knowledge.
- 1.2.17 Library staff provide access and signposting to information and advice in a multitude of different formats, and these differ in number and nature from site to site – driven partly by

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local needs profiles and partly by availability of expertise and facilitation (e.g. for expert-led sessions such as storytelling or Baby Bounce and Rhyme).

1.2.18 We heard in our needs and outcomes workshop that libraries enjoy a personal relationship with their customers that is perhaps unique amongst Council or community services. Library staff are seen as independent and impartial (often they are the ones that people will turn to for help with filling in forms needed by the Council or other official agency) and motivated to go the extra mile in hunting down the right information.

- Libraries are well placed to act as signposts to other services, particularly in deprived areas such as Seacombe, where the library may be the only place open or accessible when someone needs advice.
- They also act as a safety net in light of dwindling provision elsewhere (e.g. by printing off benefit claims forms for claimants to fill in who have no access to a printer elsewhere). Printers, incidentally, are seen as a key facility within the Borough, but lack of wifi in libraries means staff time is taken up with each user.
- Customers are routinely referred to libraries by other services for help in completing their own processes (e.g. DWP, YMCA, GPs, blue badge applications, job centres, etc). One-off funding enabling one stop shops to take DWP referrals was awarded several years ago, but we understand that this is reduced every year, in spite of continuing demand. A clear opportunity to formalise a chargeable referral route in such cases should be investigated.

1.2.19 Libraries are a natural venue for health and wellbeing courses and advice (e.g. smoking cessation, weight loss, etc,) but this is currently delivered on an *ad hoc* basis and agreed locally. This kind of service is ideal for formalisation and negotiation across the Borough and potentially for delivery in alternative venues in order to optimise reach and range (we mentioned this in our discussion of leisure centres too).

- The Clinical Commissioning Group, for example, recently asked for library staff to be trained as health champions providing informal education in harder to reach communities, and providing staff with skills to support schemes like Reading for Health.

1.2.20 In terms of local need, the library staff highlighted several groups who would not necessarily emerge from library usage analysis, but who nevertheless regularly rely on their library:

- Beechwood in particular has high levels of poor literacy locally, so the library is a key mechanism in breaking the cycle and improving standards (encouraging young people's literacy and familiarity with the written word – in whatever format) whilst providing support for those who are unable to navigate information easily by themselves.
- High levels of book loans in affluent areas masks issues of social isolation (property rich, cash poor) and users in these areas sometimes come to the library for social interaction or company rather than to borrow books.

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- People often come into libraries because they are one of the few remaining places where they can linger for free.

1.2.21 Some current usage patterns suggest additional income streams, however these need to be organised across the libraries estate (and potentially across the whole portfolio) if management and coordination is to be cost-effective:

- Libraries no longer include tourism services in their information provision and this is both a significant gap and a significant opportunity with regard to the future of Wirral as a whole. There is, we are told, 'nowhere to go' to find out about events and facilities.
- Tourist information functions such as accommodation and event booking facilities (augmented by web or app access outside of library opening hours) would provide benefits and drive additional footfall into whatever buildings were chosen as suitable, be they libraries or other Council assets.
- Bebington library has a number of collections in storage which are not yet digitised or catalogued so not available to the public or to visitors. This includes a Joseph Mayer collection which holds local historical interest. A collaboration with volunteers - perhaps through the Joseph Mayer Trust – might enable digitisation at low cost and generate a local 'buzz' around the project. Birkenhead has recently undertaken a successful digitisation project using volunteers so we know this model could work.

Portfolio-Wide Needs

1.2.22 A number of over-riding principles have been identified that hold true for needs across the portfolio. Currently these are being met from within each service area 'silo', however it is possible -and indeed preferable - for much closer co-ordination and collaboration, in order to optimise efficiencies of scale and scope. A joined-up approach would remove pressure from those services whose nature makes it difficult for them to assure access at all times needed. Key points are :

- Need for community spaces – people use them for coming together, but also for somewhere to go on their own. There is a need for a mix of free-to-use and private hire facilities in each locality (though the proportions will vary from place to place).
- Some groups (eg older women living alone, long term unemployed, those with mental health or anxiety issues) need places to go and things to do that feels local and safe, are affordable and not too intimidating – eg, Knit and Natter, Women's craft groups, Floral choir, allotments, etc).
- Others want a higher end offering (high quality coffee and catering, experts in art to talk to at galleries)

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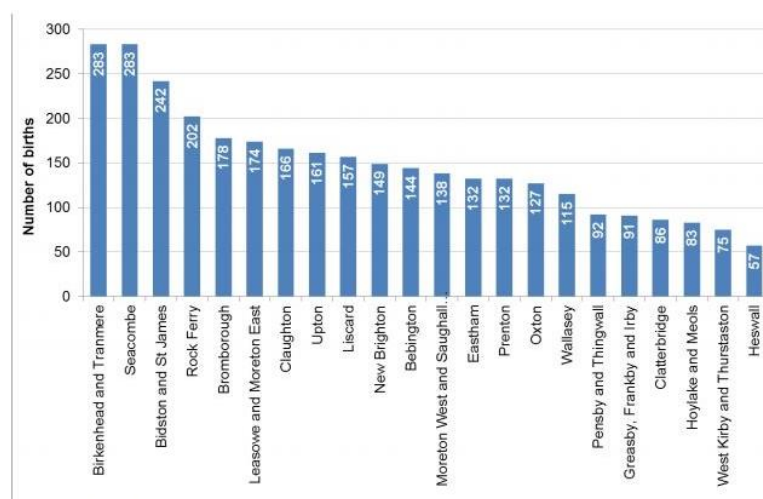
- It is widely acknowledged that thematic event programming across service areas would increase interest, engagement and offerings at little extra cost (but that this would require additional resource in administration, data capture and marketing).
- Properly co-ordinated volunteer opportunities would allow for additional services and longer opening hours in many cases, but volunteer resource is not sustainable as a means of service delivery unless professionally managed and co-ordinated.
- Wirral is a place that people are justifiably proud to live in, but there could be much better capitalisation on local assets and history. Many assets are hidden, not well enough publicised or are expected to remain viable as a discrete entity and not as part of a wider network. A strong and reinvigorated tourism and visitor strategy was seen as vital to keep services viable across the Borough for the benefit of both visitors and residents alike.

1.3 Needs Group Two – Specific Beneficiary and Demographic Groups

Age and Demographics

1.3.1 Birth rates in Wirral are declining and current demand for early years services should be expected to decrease slightly, especially in the under 5s (currently numbering around 19,000 in 2015 and forecast by ONS to be 17,700 by 2017)

- Unsurprisingly, given the density and nature of the areas, the highest numbers of births in 2014/15 were in Birkenhead & Tranmere (283), Seacombe (283); Bidston & St James (242) and Rock Ferry (202). ;
- Low birth weight is most prevalent in Liscard, Seacombe, Bidston/St James and Birkenhead/Tranmere which might suggest a need for parenting support services in those areas.
- Areas such as Heswall, West Kirby & Thurstaton, Hoylake and Clatterbridge have less latent demand for early years provision, and these could be areas where services are delivered on a peripatetic or 'as needed' basis.



Source: HES, 2016

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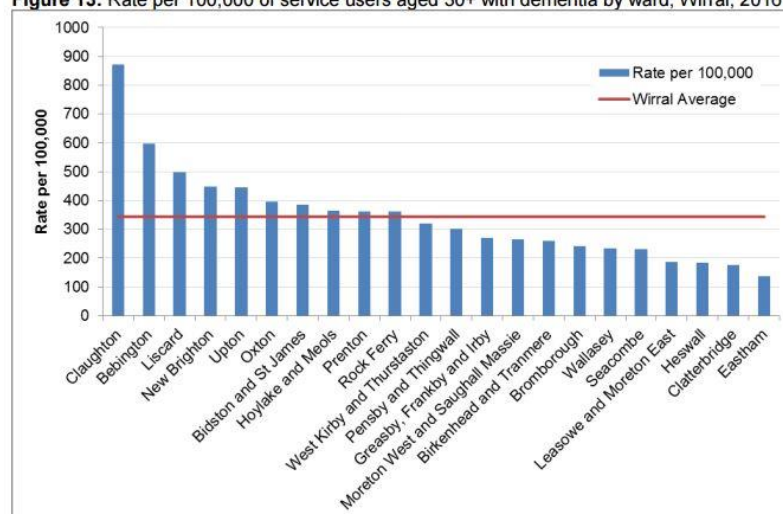
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1.3.2 By contrast, the population is ageing and demand for services for over 65s is growing. In particular, there is a need to focus on the increasing demand for services to address older age and associated ill health. People are living longer, but this often includes a significant period of ill health.

- In 2015, 4,767 people over 65 in Wirral had dementia. Dementia UK predicts this will rise by 12.1% to 5,345 by 2021 and that provision of services such as memory clinics should produce a cost saving by reducing the need for social care.
- The Council has invested in training staff to be dementia 'friendly'. Given the demographic profile of the area there is some argument for building on this investment and working towards making Wirral a dementia friendly borough. Heswall's Café Connect is a good example of such thinking, but Council services could take the lead by embedding dementia-friendly clauses into sub-contracting arrangements.
- A "Dementia Friendly Community" is defined by Dementia UK as one where people with Dementia are able to;
 - Find their way around and be safe
 - Access the local facilities that they are used to and where they are known (such as banks, shops, cafes, cinemas and post offices)
 - Maintain their social networks so they feel they continue to belong

1.3.3 One of the main consequences of both living longer (often outliving friends and partners) and developing dementia is that the individual becomes isolated. As such it is probably useful to consider isolation and ageing together.

Figure 13: Rate per 100,000 of service users aged 30+ with dementia by ward, Wirral, 2016

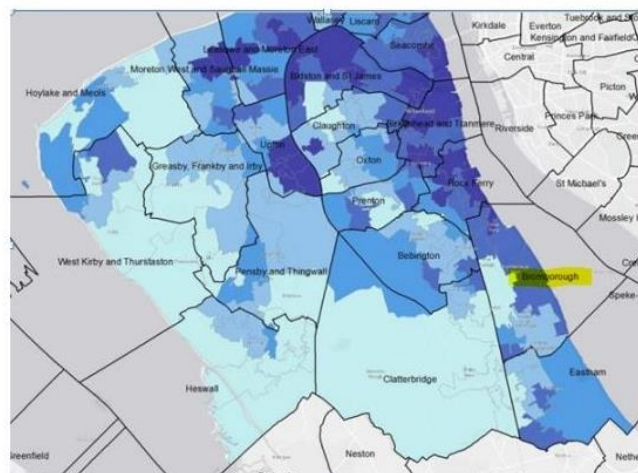


Source: Department of Adult Social Services, Wirral Council, August 2016

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- In 2011 every ward of Wirral had at least 780 people over 65 who were living alone. Bebington, Heswall, New Brighton, Pensby & Thingwall, Upton, Wallasey and West Kirby & Thurstaston each had between 1,000 and 1,200 residents over 65 living alone. These are potentially the most appropriate wards to target for memory clinics, and services designed to meet social needs in elderly people.
- Memory clinics require a quiet location with at least two rooms, in an accessible building with toilet facilities and parking or very good transport links.



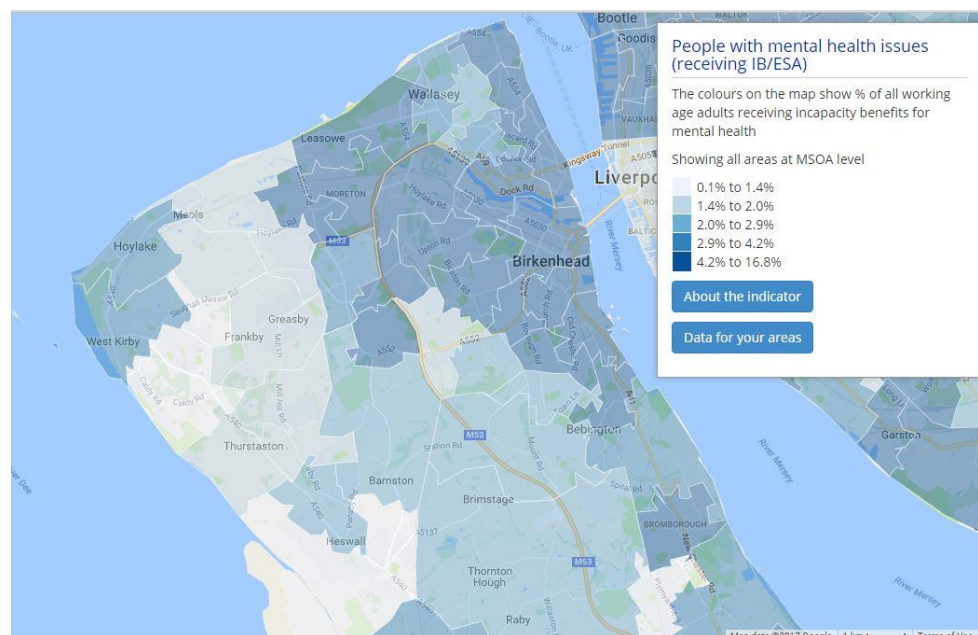
Children, Education and Families

- 1.3.4 Barriers to learning exist to varying degrees across the Borough, and can be complex, including: children's mental health, adult mental health, low aspirations in the family home, patchy access to early intervention services, ADHD, lack of parental support.
- An achievement 'gap' aligns with those on Free School Meals and this is most noticeable at GCSE level. Whilst not surprising as a pattern, this suggests a need to focus services and support that will provide help and good role models in wards where those patterns are strongest in order to prevent children who might thrive at school from going into decline once they leave formal support and guidance behind them. We have been shown examples of how this can work to great effect with Operation Banger and the Sportsmobile projects.
 - Youth volunteering and citizenship opportunities within the Council could be targeted predominately at areas with lowest performing schools (eg Leasowe)
- 1.3.5 Outside of the scope of this project, but contributing to the needs base of Wirral residents is school performance and potentially unequal opportunities arising from the school system.
- Schools are competing for good pupils, with the result that some state high schools are being left with predominately low achieving boys (Bebington High has 80% boys; Mosslands in Wallasey) which limits educational outcomes.
- 1.3.6 Wirral has a higher rate of child admissions for mental health than the England average – and has seen a significant rise in recent years.

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- Higher levels of children in care than similar boroughs (738) with the highest prevalence in Rock Ferry, Bidston/St James and Birkenhead, and support and respite services for them and their carers could usefully be targeted in these areas.
- In 2015/16, Barnardos identified 142 young carers in Wirral. 100 of these were children caring for parents supported by primary health care or secondary mental health services; 60 children were living in families with a history of domestic abuse. Leisure and arts facilities in areas where child carers live could provide respite opportunities



1.3.7 Poverty is a very real issue in some areas of Wirral which has seven LSOAs where more than 50% of residents are income deprived. The five wards with the highest proportion of children under 15 are also the most deprived wards (Birkenhead & Tranmere (22.9%); Bidston & St James (23.4%); Seacombe (23.5%); Rock Ferry (22%) and Leasowe & Moreton East (21.1%).

- Wirral has a higher proportion of children assessed as being in need than the national average – with the primary causes listed as family dysfunction, neglect and physical abuse
- Wirral's head teachers have identified two distinct types of JAM (Just About Managing) families: those struggling to make ends meet through multi-generational poverty and long term unemployment (predominantly in the East of the Borough) and those struggling to maintain their commitments and lifestyle under straitened circumstances (mostly in the West). The needs of each type vary.
- Services in poorer areas need to be affordable and accessible – probably allowing for sporadic use and delivered where necessary with the support of peer mentors, volunteers and the like.

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- Bidston, Birkenhead & Tranmere, and Rock Ferry will likely be areas where unhealthy norms are entrenched. These are most suitable locations for modelling healthy eating, encouraging physical activity and outdoor activities and providing support for schoolchildren – both educational and diversionary. Leisure facilities here need to be culturally appropriate as well as appealing.

Adult Health, Disability and Wellbeing

- 1.3.8 Whilst not peculiar to Wirral, diabetes is a key health issue, and one that can be dramatically reduced by concerted and coordinated strategies to improve lifestyle choices, including using so-called 'nudge' techniques to make the healthiest option the most attractive.
- Public Health England's statistics on non-diabetic hyperglycaemia (those with HBA1c value of 6.0% - 6.4%), shows 30,197 pre-diabetics in Wirral, or 11.5% of population.
 - The Council's Public Health intelligence team estimates a rise in prevalence of diabetes from 19,759 in 2015 to 20,866 in 2020.
 - The NHS diabetes prevention programme has been rolled out to Birkenhead, however this national programme is widely considered unlikely to meet the scale of the demand on a national level. There could be an opportunity to provide facilities for diabetes prevention programmes and/or co-deliver these through leisure centres and other spaces (a typical programme combines nutrition and exercise advice) on a commissioned basis through the local CCG.
- 1.3.9 CCG Quality Outcome Framework prevalence registers show that key health issues in Wirral are Hypertension (14.7% of practice populations), Asthma (6.34), Obesity (10.45%), Diabetes (6.49%) and Depression (7.51%). Multi-generational poverty means lifestyles are entrenched in many cases and these specific conditions offer other areas in which the CCG or Public Health England may consider commissioning lifestyle-related services which fit well within the wider leisure portfolio.
- 1.3.10 4.3.10 Most areas of the portfolio offer some services specifically designed to cater for those living with autism, and this has been cited as an area in which Wirral could develop a reputation for tailored service provision, attracting people into the Borough, as well as informing minimum standards of inclusion for its general service provision (a similar argument to that on dementia in paragraph 4.3.2 above). According to PANSI data (2015) Wirral has around 2,400 adults living with autism. Of these, some 1,800 are adults aged 18-64 years - a figure expected to reduce to 1,700 by 2030. At the same time those aged over 75 with autism would rise from 615 in 2015 to around 800 in 2030 as the current population ages.
- Using Wirral's 2015 School Census data, around 1.40%, or 616 pupils of Wirral school population, has a primary or secondary diagnosis of autism, though estimates of exact numbers differ.

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- Any provision specifically designed for children with autism has a potential local audience of around 600; services for adults could reach around 1,800 people and for over 65s, around 600. Services requiring higher numbers to remain viable would need to attract people from out of Borough.
- 1.3.11 Disability-related services (as well as services designed to be inclusive to those living with a disability) are a specific needs area within any borough. In terms of the siting of those services, we know that Employment Support Allowance (ESA) and incapacity or severe disability allowance are highest in the following wards (2014 figures): Birkenhead & Tranmere (2,535), Rock Ferry (1,580), Seacombe (1,610), Upton (1,035), Leesowe & Moreton East (1,100), Liscard (1,050) and Bidston & St James (1,455).
- 1.3.12 A Mencap consultation in 2016 included recommendations of areas of improvement needed in order to 'Make Wirral a better place to live for people with a learning disability and their families'. Its key implications for providers of services include:
- Help in navigating information and services and in forward planning, including better matching in supported living, and support for families in accessing the correct benefits and entitlements. These are services which could be provided in a number of setting across the portfolio.
 - Greater employment support and opportunities for people with a learning disability and family carers, and access to volunteering for every person with a learning disability that would like it - which would fit well within a coordinated volunteering programme or agency.
 - More personal development opportunities for people with a learning disability to maximise independence and potential (including travel training). This also has implications in the delivery of sports and leisure opportunities.
 - More activities for adults during the daytime and holiday times (particularly for the over 25s), which may be particularly useful income opportunities when they coincide with traditional leisure centre 'slack' periods, for example.
- 1.3.13 Happy Time Activities, is an example of a Wirral-based social enterprise supporting adults with mental health conditions by delivering fun, interactive learning activities with uplifting stimulation and fun routines and games to help improve concentration, co-ordination and reflexes. It, and other organisations like it, could be useful commissioners of space, facilities or expertise.
- Crime Reduction and Community Safety*
- 1.3.14 Crime and ASB were the highest area of concern in 2015 residents' survey (60% listed it as highest), however the actual statistics for reported crime do not correspond with this, showing instead a year on year reduction in most categories, especially ASB. So it seems to be *perception* of crime that is the issue, and there is an opportunity for Council services to

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address this in some part – most likely in joint operations and initiatives with other agencies. Whilst these may not directly provide income streams, they could well act as a gateway to higher footfall through facilities leading to higher usage in the future.

- Areas with highest levels of crime are Birkenhead and Wallasey. Birkenhead town centre also has Wirral's only area of night-time economy (a handful of bars open till 5am) with associated violent crime fuelled by alcohol and drugs. Beechwood and Woodchurch Estates have high numbers of single parents, alcohol and drug abuse and early health issues – all of which suggest a need for preventative and diversionary activities. Wallasey too has dense populations with parochial families and low level ASB, but also some drug dealing.
- ASB is known to increase in line with calendar events (Halloween, Guy Fawkes, end of school terms, etc). Statistics show it is mainly found in a small cohort of individuals in Birkenhead who exhibit generational, parochial behaviours, and hold civil injunctions and the like.
- The biggest crime category is Domestic Violence. According to Public Health England, of the 39 constabularies in England, Merseyside Police reported the second highest incidence of domestic abuse for 2013/14, at a rate of 28.4 incidents per 1,000 population (Public Health Outcomes Framework, 2015).

Employment, Training and the Wider Economy

1.3.15 Declining industries and competition from neighbouring areas have led to high unemployment rates and low skills in some wards (notably in the East of the Borough, which was traditionally the industrial heartland of Wirral). Low aspirations and lack of role models are frequently cited in our consultations as being pivotal issues and cycles that need to be broken.

- Lowest qualification levels are in Bidston & St James, Birkenhead & Tranmere, Seacombe, Leesowe and Rock Ferry. Upton is the worst performing ward in West Wirral; Bromborough and Bebington in Wirral South. These areas are ideal locations for skills development services or entrepreneurial and start-up support.
- Households with no access to vehicles are most prevalent in Birkenhead & Tranmere (55%), Bidston & St James (51%) Rock Ferry (47%) and Seacombe (35%) and residents here are most likely to be reliant on public transport to access services. These are also the areas with highest levels of NEETS, so training and educational opportunities for younger people will need to be both local and affordable. The Council's property assets in such areas could provide valuable work experience and training opportunities.

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Tourism and Visitor Economy

1.3.16 Over recent years, and in the light of dwindling budgets, Wirral has suffered from a lack of focus on tourism. This has impacted footfall and visitor spend, as fewer people think of Wirral as a holiday or day trip destination, which in turn means services (public and private) are more reliant on the 'domestic pound' to remain viable, and compete harder over that pound.

- Wirral used to be known as the 'Leisure Peninsula'. Facilities and attractions remain but there is a distinct lack of places to stay, meaning Wirral has become a good place to visit, but visitors do not stay long.
- There is an opportunity to benefit from Liverpool's tourist trade by working with partners to extend popular tourism 'routes' across the water. Wirral boasts a wealth of sites and assets of historical significance – and a clear opportunity to market and co-ordinate events round these.
- The borough's ageing population could form a logical basis of re-branding of Wirral into a dementia friendly borough (or 'barrier free' if we consider other challenging conditions), however some areas difficult to navigate with poor signage, unclear routes etc which would run counter to this ambition.
- Wirral residents are said to give more per head to charity than anywhere else in the country (though we are yet to substantiate this). Targeting fundraising around local interest projects could direct some of this philanthropy inwards.

1.3.17 Creating expectation or 'permission' for Council staff to spend time on developing programmes in collaboration with other venues (including those outside the Council) would increase usage and footfall (enabling an increase in ancillary spending). For example, it is evident that there are high levels of local pride for notable 'sons and daughters of Wirral' but it stays very local – a coordinated effort between services could lead to revenue-raising events and higher footfall. We have encountered an unease amongst staff as to how this 'additional' work is perceived alongside more traditional ways of public sector working.

1.4 **Implications of the Needs Analysis for an Alternative Operating Model**

1.4.1 Through the analysis process, a number of key issues are emerging. These create challenges in their own right, but also act as the causes of needs within the Borough which manifest at very local levels. These key themes include, for example, multi-generation unemployment in the same families, leading to low incomes, lack of

Emergent Key Themes

1. Multi generational poverty and disengagement
2. Low working age to retired ratio:
 - Ageing well
 - Dementia
 - Isolation and loneliness
3. Demand for coordinated services
4. Inclusion and exclusion of some, socially and economically
5. Higher than average LACs
6. Areas of oversupply; unsuitable assets; needing reconfiguration and joining up
7. Opportunities to meet health and social needs with these

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role models within families, lower educational attainment, poorer behavioural norms and lower health outcomes, anti-social behaviour. Whilst the Council needs to be provide some services which are universal in design, other services, like those that address the themes cited here, need to be targeted with some flexibility in design of delivery or accessibility to accommodate specific or changing needs.

The box to the previous page notes eight key themes arising from the needs analysis that affect operational response.

1.4.2 **Multi-generational poverty and disengagement**

Of the population, 4.3% are long-term unemployed, and we were told that many come from multi-generational unemployed families. 16 to 19 year old white males are a particularly prevalent needs group in this area. The provision of facilities needs to focus on them, noting that the challenge here is not one of availability but of willingness to engage.

1.4.3 **Low Working age to retired ratio**

Wirral has a high retired to working age ratio, 18.8% of economically active as against 13.4% nationally (ONS), with increasing numbers of unhealthy elderly and very limited employment prospects for those of working age. There appears to be a lack of consensus as to what industries and strengths Wirral wants to develop to replace the industries it lost and little effort to drive up revenue (e.g. from tourism, including specialist groups) or to develop exports (e.g. by collaborating with local research institutions to develop specialist or innovative solutions to the Borough's challenges which can be exported elsewhere – ageing well; inclusivity in older age; etc). The Council needs to be agile enough to play its part in delivering solutions to unemployment and to facilitate innovation and entrepreneurialism as part of a wider co-ordinated partner approach to economic regeneration.

1.4.4 **Demand for joined-up, coordinated services**

The Wirral boasts a wealth of latent natural and historical assets and a fierce civic pride but suffers from a lack of investment, co-ordination and invigoration. Place-making is a strong theme, but there is little overall direction as to what individual places within Wirral could contribute to the whole. In previous decades, Council services were well understood and discrete from private and third sector offerings, but with the advent of devolution, localism and the economic downturn, service provision needs to be understood, planned and delivered in a much more co-ordinated fashion across stakeholder groups.

- Service providers in public services need to be 'easy to do business with' at all levels. This includes working with a wider range of commissioners as well as responding to the needs of residents directly.
- It will be important to be able to provide services at the right time, in the most appropriate place and at the right cost. Other commissioners can be expected to contribute to costs of services delivery if it is the most cost-effective means of doing so.

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The ability to differentiate delivery parameters and models will enable the organisation to remain sustainable overall whilst retaining agility in how it responds to changing needs. In particular, some services are best delivered locally (at Ward level), either targeted at wards with the highest need incidence or tailored to meet needs in each ward. Others, such as specialist support (e.g. domestic violence) or strategic growth (e.g. the tourism agenda and visitor economy) could be more successful if a City Regional partnership is developed.

1.4.5 Inclusion and exclusion of some, socially and economically

Some sections of the community already face barriers to inclusion or experience negative impacts as a result of decisions made with regard to service delivery. A new model, less constrained by the historical conventions or expectations that go with traditional local authority operations, will enable services to be delivered with more a more flexible approach. It could, for example, allow for:

- Robust and commercial consideration of the impact of raising fees or charges for previously free services. Who would it deter? How could the Council subsidise or ease the burden for those most in need, whilst generating income from those who can afford to pay?
- Consideration of a Wirral-wide discount card for those meeting certain needs criteria, or a Wirral Residents' multi-service discount card? Such a scheme would work as a tourist or visitor 'levy' as full price would be incrementally inflated to non-residents, and would allow for those who need to pay less to do so without being overtly 'marked out'.
- Inclusion to be achieved through removing barriers to certain groups, for example by offering work experience or supported work placements to those with a long term history of unemployment or with special needs. Parks maintenance, gallery staff, catering, front of house, would all seem appropriate, but Council contracts are likely to prohibit the flexibility that such engagements might need.

1.4.6 High Looked-after child population

This background creates specific needs for the children themselves, tending to be somewhat isolated, and finding it hard to develop stable friendships, requiring additional support to engage with sport, but also a deep need for recreation and the opportunity to develop attachments with suitable adults and peers in a safe environment. Some services may be focused on specific needs, and others on more general needs, but tailored to make them accessible. There are significant economic as well as social gains deliverable here. An offering that is well integrated with fostering and post-adoption support is needed.

In addition, carers can find themselves isolated from social networks, and not taking care of their own health and mental health. There is scope for developing support services which embrace the carers as well, and integrate them with appropriate friendship groups.

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1.4.7 **Need for reconfiguration of certain assets, but looking at it as a single portfolio**

With the real possibility of meeting needs through services delivered in part from leisure and in part from parks, or community engagement and access to information through libraries and leisure centres for example, it is appropriate to approach the leisure, arts and culture portfolio as a single unit (albeit with separate management focus areas as appropriate). This will also allow for cross-subsidies where appropriate (accepting that needs and levels of service demand will change over time and will have to be balanced across the portfolio).

1.4.8 In a similar vein, best use of the property portfolio would be enabled by a single portfolio mindset. Appointment of event programming and fundraising staff would ensure best use of all types of assets through:

- Thematic coordination of activities and where they happen – for example ensuring that summer outdoor activities provide pathways or ‘hooks’ into winter indoor activities in other service areas.
- Stronger celebration of (and capitalisation on) local historical figures, assets and collections – linking into tourism and visitor economy as well as reinvigorating local pride where needed.
- Optimum use of assets when delivering commissioned services, such that bookings are seamlessly referred to other sites if the chosen site is unavailable full and the removal of bureaucracy in ‘using someone else’s building’.
- The ability to operate purely commercial activities to make best use of its portfolio of assets. For example, to charge higher rates for the hire of private rooms in libraries and other assets.
- Dedicated resource to seek and secure external funding and grants and reverse the ‘tail wagging dog’ influence that grants have on service provision strategies.

1.4.9 There are other areas in which assets need reconfiguration, which fall into three broad headings:

- Where assets are not fit for purpose: some are inappropriately laid out (e.g. the Williamson, where the glass roof means that sunlight precludes the use of certain gallery space), and some have tired facilities in need of major overhaul
- Where local competition has supplanted them: this is picked up in the mapping analysis that is following from this phase 1 report
- Where need has changed, or where configuration does not meet the needs of the current population (e.g. the need to engage with 16-19 y.o. males; the libraries really used in the east of the peninsula for community space and ICT, rather than book lending)

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1.4.10 Opportunities to meet Health and Social Needs with these assets

New sources of funds, including grants and social investment, and new commissioning models are changing the landscape of provision, enabling more joined-up responses to social challenges and the Council will need to re-evaluate its role in this response. Through the Council's leisure and other assets, services for other agencies such as health and police can be delivered more cost-effectively than they could themselves. In some cases it may be playing multiple roles – perhaps as commissioner, partial funder and co-provider of a single service – and the operating model must allow for this without necessitating time-consuming and costly administrative hurdles.

- An example already in place is the integration project under Pledge 19 (Safe Neighbourhoods) which has seen development of the 'Safer Wirral' model currently being piloted on community patrols and estate wardens and which has a logical synergy with open and public space management strategies as well as diversionary provision for disaffected youth.

1.4.11 Support for tourism: general and special groups

The leisure, parks & countryside and other portfolio assets are well placed to meet not just local social need, but also enhance the tourist experience in the area and so bring economic benefits too. As it can meet the needs of specific groups in the local population, so it can adapt itself not just to general tourism, but to the emerging field of special tourism. Particular needs groups and their carers also require leisure experiences and want to go on holiday, and this can usefully and cost-effectively be delivered by configuring assets in a way to allow that. Particular groups that can be addressed in this way could be:

- Dementia sufferers
- Children and adults with autism
- Those with special educational needs or physical additional needs
- Those interested in historical, or archive tourism

1.4.12 Overall use of the portfolio

The overall conclusion from the needs analysis is summarised in the box to the right, which suggests what may be seen as a commitment that needs to be met by the future model of operation and governance.

“A model which is both universal and targeted”

The intended future model is one which operates at two levels to deliver universal and targeted provision. The model must ensure that:

1. Every Wirral resident has affordable access to:
 - a) Sports and fitness facilities
 - b) Information, books and ICT facilities
 - c) Cultural facilities (theatres, galleries and events)
 - d) Community space – outdoor and indoor
2. It is proactive in reaching out to those in need

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Needs Analysis

1.5 Needs Analysis as Aligned to the 20 Pledges

1.5.1 The Wirral 2020 Plan is supported by a set of strategies designed to deliver against 20 pledges. The pledges focus on addressing priorities within the Borough and, in doing so, focus on a number of the needs areas we have discussed. Whilst each strategy has a specific focus, there is some overlap in outcome areas and the following themes are pertinent to the needs analysis. This list summarises the direction of travel under the 2020 pledges, and highlights alignment with our proposed alternative operational model.

Ageing Well, Isolation and Dementia

1.5.2 Wirral has pledged a partnership approach to identifying the isolated elderly. This includes a web platform to list opportunities to socialise; pre-retirement courses and a focus on digital inclusion and ways to access information.

- This fits well with our proposals around dementia and inclusion, as does the 2020 action to encourage businesses to be age friendly spaces, and to offer access to jobs and volunteering

Volunteering

1.5.3 A partnership approach has also been pledged with regard to a volunteering strategy, supported by a public sector volunteer workforce. This will be based on best practice research and include a 'buddy scheme' to support people to access leisure activities and explore opportunities to develop a coaching programme. The volunteering ethic will be espoused early, through increasing the number of places on National Citizens Service programme available to 16 and 17 year olds.

- Our proposed portfolio-wide operating model enables volunteer time to be deployed where most needed with a robust management and co-ordination effort sitting behind it.

Environment and Community Safety

1.5.4 The Pledges encompass both a diversionary strategy to reduce ASB in the short term and targeted awareness campaigns on hate crime and violent crime (including working with businesses), developing networks to break cycle of criminal behaviour. The Wirral has declared 'zero tolerance' to domestic abuse, and will deliver a coordinated training, education and public awareness in support of this working with colleagues across the Liverpool City Region to evaluate the effectiveness of perpetrator programmes currently on offer. It has pledged a working group to deliver an integrated plan for community safety.

- Here is clear evidence of cross-agency and partnership working. The pledges work in the short-, medium- and longer term and will need to integrate with service provision, shared objectives and priorities across multiple stakeholders.

Appendix A

Needs Analysis

Health, Disability and Wellbeing

- 1.5.5 The emphasis here is a dual one – working with partners to meet existing needs holistically, as well as focussing on prevention of long term conditions by changing societal needs – a good example of service provision which is at once universal but targeted. The pledges offer some targeted support to specific groups which are currently under-served, by:
- Implementing the Wirral Strategy for carers through supporting the Carer's Partnership Board
 - Exploring innovative ways to maintain provision of short breaks and respite placements for children and adults with disabilities
 - Working with local employers to consider innovative collaborative approaches to increase the local provision for training and work opportunities
 - Working as a partnership to explore innovative ways to remove barriers to people getting out and about in Wirral, particularly for people with mobility issues and sensory impairments
- 1.5.6 Prevention work also acts universally whilst targeting specific groups. Some of these actions will also provide data that will be useful in understanding the true size and shape of service demand in key areas, as well as preventing it wherever possible, for example, by:
- Reviewing the provision of pre-retirement courses for all local residents to plan for their retirement years
 - Working as a partnership to develop and agree a robust method of capturing data around the prevalence of disability in Wirral and implementing an All Age Integrated Disability Service
 - Increasing the uptake of maternity services delivered by integrated teams in locality-based settings;
 - Providing targeted drug and alcohol interventions so reducing misuse;
 - Developing links with children and young peoples services to investigate the development of an approach to risk taking behaviour to include drug and alcohol use.
 - Working with partners developing the growth strategy for the borough to ensure that the concept of a Healthy High Street is integral to the regeneration and economic development of the borough.
 - Developing, promoting and supporting good referral pathways between GPs and the network of sports, leisure, social and physical activities available in Wirral, particularly those activities provided by the extensive voluntary sector

Appendix A

Needs Analysis

Employment and Financial Independence

1.5.7 Pledges in this area will provide opportunities for commissioned services on Council premises (whether or not these serve to drive up real income, they will generate footfall). A key focus is on changing perceptions and expectations of young people, whilst actively engaging them in shaping the future of their borough. Key pledged activities that particularly align with our proposals include:

- To raise aspirations, engage local employers and improve vocational awareness develop opportunities for young people through the Young Chamber and Wirral Met College
- To develop programme/activities/training e.g. coding clubs / digital entrepreneurship skills training to support young people to improve and enhance their digital skills (including coding) to enable them to thrive and compete in a modern digital environment
- To implement Access Wirral programme to provide transactional services and information online enabling customers in Wirral to manage their business, through a single point of access
- To embed employability programmes and financial advice within primary health services and early years' intervention activities e.g. through Community Hubs
- To co-ordinate and raise awareness of accessible, flexible and affordable childcare to enable parents to return to and/or sustain employment.
- To provide advice and information on affordable transport schemes to enable parents to access training and employment
- To maximise work related opportunities to engage students of all ages in the leisure and tourism sectors, progress them into apprenticeships, jobs and ensure opportunities for continuous professional development.

Culture, Heritage and Arts

1.5.8 Perhaps the most relevant package of pledges is focussed specifically on those services and assets in the scope of our project. They include promises to:

- Establish a knowledge and funding hub for small arts and cultural organisations in Wirral;
- Develop a calendar of events and activities and publicise through a central website and explore the use of technology and social media campaigns to encourage resident and visitor participation in arts, culture and heritage;



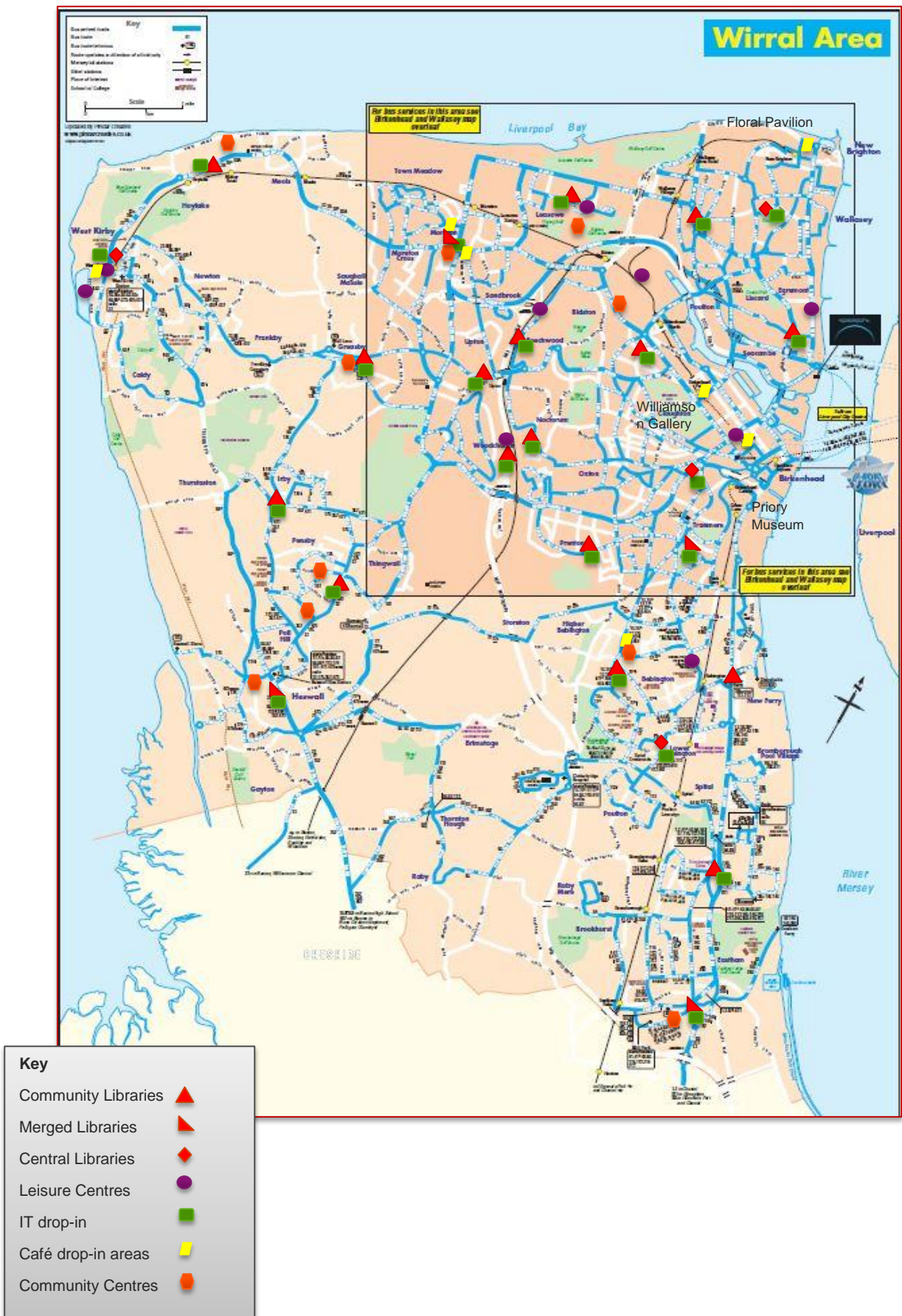
Appendix A

Needs Analysis

- Work with families, youth organisations and schools to increase participation in cultural education from an early age;
- Develop Wirral's unique marketing approach as a cultural destination including working with .Culture Liverpool to deliver major cultural events over the next five years, and with Liverpool Film Office to identify future potential filming opportunities in Wirral;
- Deliver tourism marketing which promotes Wirral's visitor offer including culture, Discover Wirral (shorts breaks) and Wonders of Wirral (day breaks);
- Develop plans with probation, youth offending services and the voluntary sector to provide opportunities for offenders to undertake environmental improvement opportunities in their communities;

Appendix B

Mapping Grid & Analysis



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