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Meeting	Cabinet Resources Committee
Date	18 October 2012
<b>Subject</b>	<b>Sport and Physical Activity Review – Strategic Outline Case</b>
Report of	Cabinet Member for Customer Access and Partnerships
Summary	This report sets out the strategic outline case for a review of sport and physical activity provision within the borough

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Officer Contributors	Craig Cooper, Director, Commercial Services Omar Villalba, Project Manager, Sport and Physical Activity Review
Status (public or exempt)	Public
Wards Affected	All
Key Decision	Yes
Reason for urgency / exemption from call-in	Not applicable
Function of	Executive
Enclosures	Appendix 1 – Sport and physical activity Review Strategic Outline Case
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## **1. RECOMMENDATIONS**

- 1.1 That the Committee approves the work to undertake an Outline Business Case including an Options Appraisal on the future of sport and physical activity provision across the borough.**
- 1.2 That the Outline Business Case on the future of sport and physical activity provision returns to Cabinet Resources Committee for approval prior to implementation.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Cabinet, 9 September 2002 (Decision 8) – agreed to award preferred Partner Status to Greenwich Leisure Ltd (GLL) to manage and operate the Council's leisure centre facilities; and approval to negotiate and finalise the contract.
- 2.2 The Leader of the Council approved by means of delegated powers report on 31 December 2002 that the partnership with GLL should commence on 1 January 2003 and that the necessary financial and budgetary provisions be made.
- 2.3 Cabinet, 6 May 2008 (Decision item 5) – approved the establishment of the Future Shape of the Organisation<sup>1</sup>.
- 2.4 Cabinet, 3 December 2008 (Decision item 5) – approved the programme structure for the next phase of the Future Shape programme and that a detailed assessment of the overall model for public service commissioning, design and delivery should be undertaken.
- 2.5 Cabinet, 6 July 2009 (Decision item 5) – approved that three principles would be adopted as the strategic basis for making future decisions:
  - a new relationship with citizens
  - a one public sector approach
  - a relentless drive for efficiency.

It also approved a phased approach to delivering the Future Shape Programme and immediate consolidation of activity in the areas of property, support and transact.

- 2.6 Cabinet, 21 October 2009 (Decision item 8) – approved plans to implement the Future Shape programme.
- 2.7 Cabinet, 21 June 2010 (Decision item 5) considered the medium-term strategic context for the Council and likely very substantial financial challenges. Cabinet endorsed the Future Shape programme as the response to the challenges set out. The report also noted that the full implementation costs of Future Shape were not budgeted at that time and would need to be factored into future financial planning and in reviewing earmarked reserves.

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<sup>1</sup> The Future Shape programme has been renamed One Barnet Programme. The relevant previous decisions shown refer to meetings held before this change.

- 2.8 The financial statements for 2009/10, agreed by the Audit Committee on 21 September 2010 (Decision item 9), established a Transformation Reserve to meet the costs of the Future Shape programme.
- 2.9 Cabinet, 29 November 2010 (Decision item 5) – approved the Sustainable Communities Strategy.
- 2.10 Cabinet, 29 November 2010 (Decision item 6) – approved the One Barnet Framework and the funding strategy for its implementation.
- 2.11 Cabinet, 22 February 2011 (Decision 6), Council 1 March 2011 (Decision 9)- agreed budget reductions to the leisure centres contract to facilitate a zero cost provision following contract review
- 2.12 Cabinet Resources Committee 28 July 2011 (Decision 5), Approval for the movement of £0.500m from Contingency to Environment & Operations for 2011/12 as a one off transfer to fund the Leisure budget pressure.
- 2.13 Cabinet, 20 February 2012 (Decision 6), recommended to Council the approval of the creation of five new ‘Strategic Reviews’ as part of Business Planning for 2012/13 to 2014/15.
- 2.14 Council, 6 March 2012 (Decision 9), approved the Cabinet’s recommendation of 20 February (cf paragraph 2.5, above).

### **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1 The three priority outcomes set out in the 2012/13 Corporate Plan are:
  - better services with less money;
  - sharing opportunities, sharing responsibilities;
  - a successful London suburb.

The three principles that underpin these priorities and the Corporate Transformation programme are:

- a new relationship with citizens;
- a one public sector approach; and
- a relentless drive for efficiency.

- 3.2 The Sport and Physical Activity Review project is being taken forward through the Corporate Transformation programme and the recommendations in this strategic outline case fit within the principles above. In line with these principles the project will involve the following:

#### **A new relationship with citizens**

- develop a new deal with citizens to increase community ownership of sport and physical activity provision;
- enable citizens to take an active role in managing their personal health and well-being;
- support and re-engage citizens to ensure they play a positive role in society.

#### **A one public sector approach**

- engage a wide range of stakeholders across the sport and physical activity sector to develop a sustainable strategy;
- provide strategic vision to enable commercial and third sector sport and physical activity providers to drive provision.

#### **A relentless drive for efficiency**

- develop opportunities through the health and well-being agenda to effectively target provision;
- ensure resources across the partnership are used efficiently to minimise duplication of effort;
- be innovative and take advantage of evolving technology, thinking and practice.

## **4. RISK MANAGEMENT ISSUES**

- 4.1 Risks associated with the delivery of this project are managed and reported in accordance with corporate risk and project management processes and will also be reported through existing democratic processes.
- 4.2 Key risks associated with the implementation and enhancements of the strategy are highlighted in the Strategic Outline Case (SOC) along with the respective mitigating actions. These risks will be updated in the options appraisal that will return to Cabinet Resources Committee later in the year.

## **5. EQUALITIES AND DIVERSITY ISSUES**

- 5.1 The Council and all other organisations exercising public functions on its behalf are required under the Equality Act 2010, to have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advance equality of opportunity between those with a protected characteristic and those without; promote good relations between those with a protected characteristic and those without. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. It also covers marriage and civil partnership with regard to eliminating discrimination.
- 5.2 Comprehensive user and employee equalities impact assessments will be carried out and revisited at each phase of the process and the results taken into account in arriving at a decision with respect to changes in the provision of sport and physical activity services within the borough. If the outcomes of the review have implications on staff then the findings of the council's Employee Equality Assessment will be presented to General Functions Committee.
- 5.3 The strategic review of sport and physical activity must incorporate a well-designed insight, consultation and engagement programme, to identify and understand the varied needs of the diverse communities and user groups within the borough. Officers will ensure that consultation events and activities are established as required. In addition, the appropriate equality impact assessments will be completed and included in the decision-making process.

- 5.4 The effects of the proposals upon all groups, protected by equalities legislation, including the disabled and those from minority ethnic groups, will be evaluated and taken into account in arriving at any decisions about the provision of sport and physical activity services. It is essential that a comprehensive equalities impact assessment is completed with respect to all options presented by the strategic review. The corporate plan sets out a commitment that major policies, functions and activities should be assessed for their equalities risks.
- 5.5 The strategic review will also need to link in with the Joint Strategic Needs Assessment (JSNA) for health in the borough. The JSNA identifies that there are differentials in health outcomes between various communities and therefore any equalities review will also need to take these impacts into account.

## **6. USE OF RESOURCES IMPLICATIONS**

- 6.1 The 2012/13 Leisure Service budget is £1.363m for the year. Most of this expenditure is in respect of the GLL contract which runs until December 2017 with a total commitment of £7.14m.
- 6.2 The Council's Medium Term Financial Strategy (MTFS) has an agreed saving for the Leisure Service of £967,000 from 2014/15 onwards. The SOC explores the options to deliver potential for savings in this area.
- 6.3 The 2012/13 Youth Service Positive Activities Programme budget is £134,000 for the year.
- 6.4 If the SOC is approved and an outline business case is developed, options within this document will identify costs and savings for the council in line with the budgets and agreed savings as set out above.
- 6.5 The up-front costs to deliver an outline business case and support the creation of a sport and physical activity strategy, estimated to be £198,000, will be funded from the council's transformation reserve. The project will seek to reduce costs as much as possible.
- 6.6 The Council will continue to meet all of its statutory and contractual obligations in regard to change and its impact upon our staff. In the context of Corporate Transformation Programme this means that all internal re-structures will be managed in compliance with the Council's Managing Organisational Change Procedure. Where the change results in a TUPE transfer the Council will meet all of its statutory obligations but it will not provide any enhancement over and above that provided by the Transfer of Undertakings (Protection of Employment) Regulations 2006, Code of Practice and Best Value Authorities Staff Transfers (Pensions) Direction. All matters relating to staffing and requiring a decision must be referred to the General Functions Committee for approval.

## **7. LEGAL ISSUES**

- 7.1 Data Protection Act 1998 considerations in relation to Information sharing. This will be relevant should the outline business case recommend a procurement phase.
- 7.2 The Council will also need to consider and comply with its Contract Procedure Rules.
- 7.3 Subject to legal advice, the renegotiation of the Leisure Centres Contract is likely to require the consent of the contractor, in absence of which the Council is likely to be bound by the terms and conditions contained within the existing contractual agreement.
- 7.4 The Strategic Outline Case identifies a potential option for the Council is to transfer or dispose of relevant assets. In the event that the Council elects to proceed to dispose or otherwise part with possession of an asset, it will be necessary for the Council to comply with any relevant legislation, including for example Local Government Act 1972 s123 (Disposal of Land by principal councils) and obtaining where necessary any consent or special consent to the disposal from the Secretary of State. In addition it will be necessary to follow the procedures set out within the Constitution including Part 4 – Management of Real Estate, Property and Land and obtaining the necessary authorisation.

## **8. CONSTITUTIONAL POWERS**

- 8.1 Council Constitution, Part 3, Responsibility for Functions, paragraph 3.6 states the terms of reference of the Cabinet Resources Committee including “approval of schemes not in performance management plans but not outside the Council’s budget or policy framework”.
- 8.2 Constitution Article 13 13.03 (Type of Decision) – a “key decision” means an executive decision which is likely: - a) to involve expenditure or savings in excess of £500,000 as well as otherwise being, significant having regard to the council’s budget for the service or function to which the decision relates; b) to be significant in terms of its effect on communities living or working in an area comprising two or more wards in the borough. In accordance with section 38 of the Local Government Act 2000, in determining the meaning of “significant” regard shall be had to any guidance for the time being issued by the Secretary of State.

## **9. BACKGROUND INFORMATION**

- 9.1 The SOC explores strategic options and outcomes required to support public health and well-being, and to inform a new ambition and strategy for sport and physical activity. This case looks at sport and physical activity opportunities and so extends far beyond the future of leisure centres in Barnet. It explores and articulates the opportunities for traditional sport and physical activity services, other parts of the council (such as Greenspaces), and partners to achieve a whole range of positive outcomes for citizens. This SOC develops potential options that justify further exploration and considers all cost implications, both capital and revenue. This will be covered in detail at the Outline Business Case (OBC) stage.

9.2 The desired project outcomes for the Sport and Physical Activity Review which have been developed during the SOC are highlighted below.

- Improving levels of physical activity within LB Barnet, particularly in targeted areas for both adults and children, leading to improvements in health outcomes and general well-being. These will be defined in consultation with the public health agenda.
- Improved opportunities and access to sport and physical activity activities for individuals of all ages and abilities seeking to take more responsibility for their health and well-being.
- Optimised opportunities to improve the sport and physical activity landscape through planning gain and improvements to public realm, to be achieved via better intelligence on identifying need, supply, and demand of facilities and provision.
- Ownership of a partnership-based sport and physical activity strategy by external partners, including schools; local businesses; major employers; community organisations; and commercial and amateur sports clubs, creating a network of organisations that promotes enablement, well-being and active lifestyles through a more coordinated approach to provision.
- Defining the most appropriate governance arrangements to support the council and key stakeholders delivering the sport and physical activity component of the health and well-being agenda.
- Reductions in direct expenditure by LB Barnet on provision and services that could be provided through alternative sport and physical activity provision, traditional and non-traditional approaches and partnerships.

9.3 There are a number of projects currently being considered as part of the Council's corporate change programme. They include Early Intervention, Community Safety, Health and Social Care Integration and the Sport and Physical Activity Review. These projects interlink with the corporate strategy through the focus on early intervention and community safety. The Sport and Physical Activity Review project has the potential to draw together a number of common threads found across these reviews, as the physical activity enabled by attractive sport and physical activity opportunities is both a key component of public health, can be used to promote community cohesion, and can act to divert people from anti-social behaviour and crime.

9.4 Physical activity levels within the borough are poor. Barnet is currently ranked 23rd out of 33 London boroughs for levels of adult physical activity according to the Sport England Active People Survey (5 Oct 2010). Physical activity levels of school children in Barnet are below the national average, with particular concerns relating to some faith schools and areas of deprivation.

9.5 Co-ordinated sport and physical activity has a constructive role to play in social cohesion. Whilst there is some targeted provision within the Youth Service, focused on activities which divert young people from negative behaviour and actions, there is an opportunity to review this in a more strategic way linking with our partners and the community safety agenda.

9.6 The Council's role is to provide a governance structure to support the contribution sport and physical activity can make and engage key sector partners to maximise the potential for partnership working. By articulating the



need and desired outcomes, the council provides leadership, support and facilitation. There is a need to ensure there is appropriate engagement of all groups to meet its objectives. This can be embodied in the partnership for health provision. The Health and Well-being Board provides the framework in which the Council can set, design and govern desired health outcomes. A thriving sport and physical activity community can maximise the potential impact on the health and well-being of the population.

9.7 Given this context, it is now appropriate to consider sport and physical activity as a key social outcome in the context of the extended health agenda and the changing council role. By understanding sport and physical activity in this way, we will enable community partnerships to provide and improved positive public health outcomes as well as increased community cohesion and safety within Barnet. Partners will be provided with a framework to work together to meet the key objectives of Barnet in shaping the sport and physical activity landscape.

9.8 There are a number of strategic options open to the council:

1. Divest and exit
2. Maintain spend but use resources differently
3. Cost reduction
4. Invest to save
5. Invest in new capital infrastructure

It is recommended that the fifth option above – Invest in new capital infrastructure – is not explored further due to the high levels of financial risk and lack of affordability. The remaining four strategic options are recommended to be taken forward for further exploration in the OBC stage.

9.9 The outline business case for the Sport and Physical Activity Review will engage with key stakeholders to establish with greater accuracy the costs and benefits, both financial and non-financial to the council, partners and residents.

## 10. LIST OF BACKGROUND PAPERS

10.1 None

<b>Cleared by Finance (Officer's initials)</b>	<b>MC/JH</b>
<b>Cleared by Legal (Officer's initials)</b>	<b>RP</b>