



Physical Recreation Services in Local Government.

To: All Chief Executives, Main Contacts and Email Contacts (Scotland)

CC: All Chief Executives, Main Contacts (England, Northern Ireland and Wales)

Briefing on Audit Scotland's Physical recreation services in local government

Key issues

- The current financial and future outlook and associated difficulties for Councils to find the investment needed to continue to fund local facilities and to sustain services over the longer term, will be challenging.
- Councils are encouraging more people to take enough exercise, but need to improve how they set targets and monitor progress.
- In 2008/09, Councils and arms-length and external organizations (ALEOs) spent around £656 million on physical recreation services.
- Attendance is increasing and satisfaction remains high, however Councils lack the necessary management information about users/non users.

Introduction

This briefing highlights some of the key points and issues from Audit Scotland's recent report on Physical Recreation Services in local government.

Scottish Councils have a legal duty to ensure adequate provision of facilities for recreation and sport. Councils are extensively involved in physical recreation through providing services and facilities themselves and/or through support for arms-length and external organisations (ALEOs), often in the form of Leisure Trusts. Council support for ALEOs ranges from payments to leisure trusts which Councils have set up to manage some or all of their leisure facilities, to funding for smaller community-led businesses which are often set up by volunteers in response to community need.

The arrangements for delivering services vary in terms of size and type of service provided, although each is expected to take into account local circumstances and the requirements of Best Value. As with other areas, physical recreation services face increasing financial pressures arising from the reduction in public sector expenditure. There is the prospect of significant reductions in budgets, reduced income from fees and charges given the economic downturn, plus increasing pressure to do more with less in order to make sure services are sustainable.

The Audit Scotland examined how Local Authorities organise recreation services overall, how much is spent and the performance and impact of the services. Local Authorities and ALEOs provide a range of sports development activities such as support to local sports clubs, coaching and developing talent or physical education in schools. Audit Scotland did not consider the different types of service in detail, however they did explore the links between Councils and ALEOs.

In general, the findings are that although Councils have broadened their emphasis from a traditional focus on sport and recreation, to the importance of physical activity and health outcomes, there were found to be weaknesses in strategic planning, measuring progress and collection of performance information that could demonstrate whether services are delivering value for money.

It was also highlighted that Councillors serving on the boards of ALEOs may face a potential conflict of interest under certain circumstances. This issue could arise as ALEOs are generally set up as companies, usually limited by guarantee. This means that they become subject to certain legislation. This legislation places personal responsibilities on members of the board of a company, including any Councillors. These responsibilities include always acting in the interests of the company and abiding by commercial confidentiality. There could be occasions where commercial confidentiality might compromise the security of Council funding, or a Councillor may feel torn between the interests of the ALEO and the needs of the communities that he/she has been elected to represent.

The key recommendations by Audit Scotland are:

- Councils should ensure physical recreation strategies contain specific measurable targets
- Outcomes should be monitored and reports provided on the impact services are having on policy and strategic objectives
- Arrangements should be reviewed in relation to supporting elected members on ALEO boards in order to ensure that any potential conflicts of interest are managed appropriately.
- Closely monitor the impact of reductions in spending on plans for investing in leisure facilities and that long-term capital investment strategies take account of 'whole-life costs'
- Ensure that pricing structures and concessionary schemes are reviewed regularly and that their affordability/impact on participation is considered
- Ensure that performance information is used to compare the cost and quality of physical recreation with other Council service areas in order to identify efficiency savings and the impact of reduced spending on services where this is required.
- Improve understanding of users/non-users

Planning and Management

Audit Scotland has highlighted a weakness in strategic planning.

Effective strategies should set out what Councils aim to achieve over the short, medium and longer term with regard to particular services. They should provide objectives and targets in order to measure progress. There should also be a clear framework for planning and budgeting. Strategic priorities need to be informed by an understanding of local needs, supported by robust action plans that set out how outcomes will be achieved.

Of 27 strategies in place across the 32 authorities, two thirds lacked baseline information about local levels of physical activity. Baselines establish a historical starting point from which to measure trends and progress as well as assisting in the setting of meaningful local targets. Around 60 per cent have no clearly defined short, medium or long term targets whilst just over 40 per cent do not identify specific target groups. Other issues include, action plans in some local authorities lack specific

timescales or performance indicators, making it difficult for Councils to measure progress/fully evaluate service performance.

Most Council's providing services directly lack good-quality management/marketing information about local physical recreation services. This includes the demand for current services, the potential demand for new types of services and how much people might be willing and able to pay for services. Better-quality data would help councils to understand the needs of their local communities, and to target the provision of suitable services more effectively. However, Audit Scotland did find that in general ALEOs were more likely to have a better understanding of the market in terms of customer needs.

A major criticism from Audit Scotland was the lack of robust information about progress against strategic objectives, or the cost and quality of services. The lack of such information means that Council Committees are unable to fully scrutinise the impact services are having or whether they are delivering value for money. Where ALEOs are responsible for delivering services, arrangements for reporting to Committee vary depending on local circumstances.

Audit Scotland recommends that Councils should:

- Ensure physical recreation strategies contain specific measurable targets. Performance management arrangements need to be arranged to incorporate outcomes and provide reports on the contribution services have on the delivery of strategic objectives
- Develop links with a wider range of partners
- Develop better links with the private sector where appropriate
- Improve their awareness of the local market/customer needs/demands

Use of Resources

Audit Scotland came to the conclusion that Councils must do more to demonstrate whether services are delivering value for money and achieving outcomes. Around 60 per cent of councils are not using baseline information about levels of physical activity.

Spending on physical recreation has increased at a lower rate than most other council services. As such, Local Authorities should perhaps take a more strategic approach to investing in facilities. A better understanding of how money spent on physical recreation services is helping to achieve their strategic aim of getting people more active if they are to ensure services are delivering value for money, underpinned by a fuller understanding of the links between activity, costs, quality and outcomes would be beneficial, as availability of information to Council committees would assist them in fulfilling their scrutiny role.

The total spend on physical recreation services was found to be influenced mainly by:

- The priority placed on physical recreation by the Council
- The type of facilities provided
- The development of commercial income streams
- Local pricing policy and the number of people using facilities

These are inter-related, however comparison across Scotland as a whole is difficult as not all Councils collect information about the costs of facilities, subsidies, attendance levels or outcomes.

Under Best Value, councils are required to review services regularly in order to ensure that there is proper balance between their cost and quality and achievement intentions, a process key to delivering continuous improvement. However, at the time of the research, over 40 per cent of Councils reported that they had not undertaken a comprehensive review of physical recreation services within the last three years.

An important issue is that some ALEOs will find it harder to manage any future reductions in Council funding. Both Councils and ALEOs may have to understand and manage their costs, monitor the impact their services are having and consider more cost effective ways of delivering services and encouraging people to be physically active.

Audit Scotland recommends that Councils should do the following:

- Closely monitor the impact of reductions in public spending on plans for leisure facilities and ensure that long term capital investment strategies take account of "whole-life costs"
- Develop a better understanding of the factors that influence income and monitor the links between spending, service design and the achievement of strategic objectives to ensure services are delivering value for money
- Ensure that pricing structures and concessionary schemes are regularly reviewed and their impact assessed
- Undertake Best Value service reviews on a regular basis plus hold ALEOs to account for ensuring they have robust financial plans in place

Performance and Impact

Although three quarters of councils delivering services collect a variety of information about how services are performing including, usage, membership scheme, financial information and customer information. Benchmarking is a process for making like-for-like comparisons between the cost and quality of services across councils. It helps

identify good practice and efficiency opportunities. Three quarters of councils report that they benchmark using a range of networks such as APSE (Performance Networks and Process Benchmarking), however a quarter do not. Around a quarter reported that they do not collect any information other than statutory performance indicators. Audit Scotland suggest that wider use of benchmarking would result in efficiency savings, as well as providing a way of better understanding the impact any reductions in spending may make within different service areas and on their strategic aim of getting people more active.

Audit Scotland suggest that Council's should ensure information about how services are performing includes financial information such as subsidy levels and information on the impact of services, for example on the number of people getting enough exercise. They should ensure performance information is used to compare the cost and quality of physical recreation services with other Council areas, to help understand the impact of reduced spending on services where this is required and Council's should aim to improve their understanding of which people do not use services and the reasons why. Councils should use this information to set priorities, help develop effective pricing policies and target priority groups.

APSE Comment

APSE welcomes Audit Scotland's report into physical recreation services in local authorities. Health and well-being is a major issue in today's society. Local authorities have a responsibility to the public to help ensure their fitness and health. General improvements across a number of health issues in Scotland and across the whole of the UK could generate thousands of pounds in savings for the public sector in both the short and long term, by reducing the dependency on other services such as social care and health.

APSE would also strongly agree with Audit Scotland that benchmarking should be a key area of focus for all local authority service areas including physical recreation services. APSE believes that across the UK, public sector performance management will form the basis of achieving efficiencies and value for money within local government. Performance management is about how the best use can be made of limited resources to maximise performance in terms of cost and outcomes. Performance measurement tools and technologies are increasingly being recognised as a means for improving services and as a result systems that have been developed and refined over the years by local authorities will be more valuable than ever. One such tool, open to Local Authorities is the APSE Performance Networks. For the past twelve years, APSE has been gathering performance indicators for sports and leisure facilities throughout the UK, many authorities have contributed on a yearly basis and no other database can currently provide such a rich vein of information to generate comparisons of performance across cost, income, usage and other management

information. Many of the measures highlighted in Audit Scotland's report are included within the APSE model.

About APSE performance networks

Sports and leisure facilities are grouped by the type of facility; wet and dry and whether the facility is dual use. In addition reports are produced for the following types of facilities: flumes only, indoor bowls centres, golf courses, gymnastics centres, ice rink facilities, major events facilities, ski centres, stadia, tennis centres, and water sports parks.

The model focuses on:

- Subsidy per visit/opening hour
- Total usage
- Customer spend
- Catchment area analysis
- Usage by target group

APSE member authorities also have access to a range of membership resources to assist in delivering council services. This includes our regular advisory groups, specifically designed to bring together elected members, directors, managers, heads of service and officers to discuss service specific issues, innovation and new ways of delivering continuous improvement. As well as being an excellent forum from other councils throughout the UK, the advisory groups can also allow for other activities, such as Process Benchmarking to take place on a progressive basis. The style of Process benchmarking being currently utilised through some APSE advisory groups delves deep into the reasons why comparisons such as costs, between councils can vary and looks to create a "true" comparison, like-for-like.

The basic advisory groups itself is a free service included as part of your authorities membership of APSE and allow for informal networking with colleagues and peers from within other councils. If you do not currently receive details of the APSE Scotland Sports Leisure and Culture advisory group, and would like too, please contact gmooney@apse.org.uk

The full Audit Scotland report on physical recreation services in local government can be found at www.audit-scotland.gov.uk

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