



ROSSENDALE BOROUGH COUNCIL LEISURE REVIEW

FINAL REPORT

NOVEMBER 2009

Integrity, Innovation, Inspiration

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PART 1 – FACILITY DEVELOPMENT STRATEGY

INTRODUCTION

This is the 2009 Leisure Review - Options Appraisal produced by Knight, Kavanagh & Page (KKP) for Rossendale Borough Council (RBC).

It considers the Council's existing leisure facilities, arts and sports development and the impact of the work being undertaken to develop a project plan for a new swimming pool. It also takes into account the options for development and improvement of Ski Rossendale and the decision related to development or closure of Bacup Leisure Hall. This report includes the following:

- ◀ Consideration of the range of facilities that should be included in the Council's leisure and culture portfolio in order to make it effective and sustainable.
- ◀ An assessment of the current Trust(s) arrangement(s) in terms of their impact, effectiveness and suitability as future delivery models.
- ◀ Benchmarking of the Council's current investment in leisure against similar authorities and/or facilities.
- ◀ Detail relating to the range of alternative management options available; including an assessment of the strengths, weaknesses and financial implications of each.
- ◀ Community and stakeholder engagement in the options for the future delivery of leisure in the Borough.

The approach undertaken to meet the requirements of the Council's brief was as follows:

- ◀ Detailed face to face consultation with key officers within the Council.
- ◀ Face to face consultation with Rossendale Leisure Trust (RLT) and Community Leisure Association of Whitworth (CLAW) senior staff and Boards.
- ◀ Site visits to all Council owned leisure facilities.
- ◀ Face to face consultation with a selection of front line staff (e.g. duty managers, receptionists, and leisure attendants).
- ◀ Face to face consultation with a selection of key sports clubs.
- ◀ A review of relevant documentation appertaining to the service.

Report structure

This report is set out as follows:

- ◀ Part 1 - highlights the options for facility provision across the Borough. This has its own clear conclusions and recommendations on the most appropriate way forward for RBC.
- ◀ Part 2 - follows on from this to indicate the most appropriate management model for the wider sport and leisure portfolio based upon the recommendations within Part 1.

CONTEXT

A range of national and regional strategies have to be contextualised when developing the vision for the future facility infrastructure for Rossendale. These include:

- ◀ Rural White Paper 2000 (reviewed 2004).
- ◀ The Department for Communities and Local Government report on the effectiveness of planning policy on sport and recreation.
- ◀ The Carter Report on Sport (2005).
- ◀ Every Child Matters.
- ◀ Physical Education (PE) and Sport Strategy for Young People - PESSYP (2008).
- ◀ Game Plan (2002).
- ◀ The Chief Medical Officer's Report: At least five a week (2004).
- ◀ Be Active, Be Healthy (Feb 2009).
- ◀ Regional Spatial Strategy (RSS) for the North West (2008).
- ◀ Lancashire Area Agreement 2008 – 2011.

These have been outlined in Appendix 1 to this report.

The local context

The following local strategies and plans are relevant to the development of the facilities infrastructure for Rossendale:

Corporate Plan 2009-2012: Incorporating Rossendale Council's Best Value Performance Plan 2008/9

The Corporate Plan outlines the vision for RBC, which is that "by 2018, Rossendale will have strong communities with an enhanced environment and heritage. It will be an attractive place to live, where tourists visit and employers invest". The Council's six externally focused priorities for 2009 – 2012 are:

- ◀ Delivering quality services to our customers.
- ◀ Delivering regeneration across the Borough.
- ◀ Keeping our Borough clean, green and safe.
- ◀ Promoting the Borough.
- ◀ Encouraging healthy and respectful communities.
- ◀ Providing value for money services.

The Council has pledged to increase the number of adults participating in 30 minutes of physical activity to 30% by 2015 from 21.6% in 2006. It is also aiming to increase resident satisfaction with sports and leisure facilities to at least 58% which is the average for all councils. Ensuring that leisure provision is of a high standard and is operated effectively is thus, tantamount to working toward the priorities and aims, such as increasing participation and satisfaction with sports provision, set out in the Corporate Plan.

Sustainable Community Strategy for Rossendale (2008 - 2018)

This sets out the Partnership's long-term vision for Rossendale and the challenging priorities it faces over the next 10 years. The key priorities to be addressed were identified through ongoing community consultation and by investigating various sources of evidence, such as what key health, education, crime, housing and economic statistics indicated as potential priority areas for Rossendale. The key outcomes for the strategy all relate to the health and wellbeing of residents of Rossendale either directly or indirectly. Specific outcomes relating to sport and physical activity and, therefore the Borough's leisure provision include:

- ◀ *Outcome 1* – people who live here will experience increased health and mental wellbeing.
- ◀ *Outcome 2* – measurable progress on reducing the gaps in health inequalities between the people of Rossendale and the rest of England.
- ◀ *Outcome 3* – by 2018 Rossendale will have one of the most physically active communities in the UK.
- ◀ *Outcome 9* – Residents will agree that Rossendale has clean and well maintained town centres providing the leisure, retail and cultural services they would expect to access locally.
- ◀ *Outcome 12* – Rossendale will have doubled the size of the visitor economy by transforming the activity-based leisure, cultural and retail offer.

Ensuring that provision for participation in sport and physical activity is of the highest possible standard will help enable local residents and communities to participate. This will, in turn, help reduce the health inequalities found throughout the Borough.

Health and Wellbeing Strategy 2008 – 2018

The vision is that *“Rossendale shall have plans and actions in place to achieve a reduction in health inequalities both between Rossendale and the rest of England and within Rossendale by 2010 and that by 2012 Rossendale shall have achieved its share of a million years saved.”* The following aims, relating to sport and physical activity, are laid out in the document:

- ◀ *Aim No. 1* – To increase the opportunities for Rossendale residents to have a healthy lifestyle – includes reference to tobacco use, alcohol abuse, physical activity, diet, sexual health and social behaviour.
- ◀ *Aim No. 4* – To increase the participation by key individuals and organisations in helping to deliver and reinforce the health messages and facilitate the pursuance of a healthy lifestyle – includes healthy workplace scheme, scheme to reduce mental ill-health, training, education, development and support of key individuals and professions to increase their capacity to facilitate health and wellbeing, accessible transport systems, tackling the ‘obesogenic environment’, promotion of Healthy Town initiative etc.
- ◀ *Aim No. 5* – To create and improve the built environment in order that it is conducive to the support of a healthy lifestyle.

Building Schools for the Future (BSF)

The BSF programme is a large strategic capital investment programme with the stated intent “to see every single state secondary school in England rebuilt or renewed over the next 15 – 20 years, creating schools that are ‘truly fit for the 21st century’”. It is hoped that BSF help deliver the Every Child Matters agenda, elements of the Children’s Plan, and provide an opportunity to transform education by delivering schools that young people, teachers and local communities deserve.

There is clearly a need to take full advantage of the opportunity to make greater use of schools and take advantage of the Private Finance Initiative (PFI) and BSF. Recommendations need not only to be based on sound evidence, but also to enable local agencies and stakeholders to open the door and influence the manner in which programmes such as BSF are planned and delivered.

It is intended that all secondary schools in Rossendale will be included in the next phase of the Lancashire BSF programme. The current model being developed in the County is to develop micro social enterprise trusts for each school. This may require Rossendale BC to take the lead in identifying the potential community use role that each school should have particularly in relation to sport and physical activity. There is also the opportunity to proactively investigate the options around the management of these facilities.

Community Leisure Association of Whitworth - CLAW

CLAW is a company limited by guarantee which was established in 2002 following the decision by RBC to close Whitworth Swimming Pool. The trust took over the management of the facility and has successfully fundraised and invested in the facility. Following the reconstruction of the Civic Hall in Whitworth, CLAW incorporated the management of this facility (the Riverside Civic Hall) within its structure; although its primary focus is the provision of swimming for local residents. The Trust’s mission is:

To provide a means of developing leisure facilities in Whitworth in an effective manner, whilst ensuring that the best interests of the community are maintained.

Its current objectives are identified within its Business Plan 2009.

- ◀ *To provide facilities in Whitworth that will secure the confidence of users, investors and the Local Authority.*
- ◀ *To provide a professional and effective management committee capable of managing the facilities.*
- ◀ *To work with Rossendale Council on behalf of the local community.*
- ◀ *To work with Whitworth Town Council in promoting the village to become the gateway to Rossendale Valley – attracting visitors not only to visit the Leisure Centre and the Riverside but also encourage walking, hiking, biking and other outdoor activities and to eventually bring new business to the area in the way of craft shops, art galleries, gift shops, restaurants, tea rooms, etc.*
- ◀ *To reduce the costs of the business by continual investigation into energy efficiency, by good practices and capital investment in energy saving equipment.*

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It is true to state that CLAW was born out of community action in order to represent the interests of the local community and to retain the swimming pool. As such, to date, it has been successful in galvanising the community and generating interest and commitment to its cause.

Rossendale Leisure Trust

In 2004 RBC established the Rossendale Leisure Trust (RLT) to manage five of the Council's leisure facilities and its sports and arts development function. It was established primarily as a means of achieving economies and efficiencies from the operation of the facilities through the relief on national non domestic rates (NDR) and the potential VAT benefits of operating as a Trust. The facilities transferred to it under the terms of a 25 year lease agreement in 2004 were:

- ◀ Haslingden Sports Centre.
- ◀ Haslingden Pool.
- ◀ Marl Pits Pool.
- ◀ Bacup Leisure Hall.
- ◀ Ski Rossendale.

In addition, and subsequent to the above, RLT has entered into an agreement to manage the community use of the following school sports facilities:

- ◀ Alder Grange (in partnership with Alder Grange Community and Technology School).
- ◀ Whitworth Community Sports Centre (in partnership with Whitworth Community High School).

The stated aim of the Trust is to provide a host of sporting and cultural activities for residents and visitors to enjoy. The work of the organisation is overseen by a Board of Trustees, drawn from the community, who work on a voluntary basis. Its vision is:

"To provide and develop affordable and equitable activities to improve the health and wellbeing of our community".

This vision is supported by the expressed values of the Trust:

- ◀ Ensure every resident can access our services.
- ◀ Help to bring our community together.
- ◀ Deliver better opportunities through partnership working.
- ◀ Use resources effectively at all times.
- ◀ Build on our achievements and learn from our mistakes.
- ◀ Develop knowledge and understanding in sport and arts.
- ◀ Provide a long term legacy for the community of Rossendale.

In 2006 the Council appointed consultants to conduct a review of leisure across the Borough including an assessment of the Trust. The *2006 Evaluation of Leisure in Rossendale* concluded that RLT continued to be an appropriate partner for the Council but that the next few years would be critical for the consolidation and long term sustainability of the organisation.

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The report identified a range of key recommendations and the Council has taken the decision to action the following:

- ◀ The use of the 2006 Evaluation and additional mapping and consultation to establish Rossendale's priorities for leisure and cultural provision, including an assessment of our current cultural offer to inform our future Cultural Strategy
- ◀ Completion of an options appraisal for the management of our leisure facilities, including market testing for private sector investment in certain facilities; to establish an affordable management option for the delivery of leisure and cultural services
- ◀ Establish and implement a project plan for the delivery of a new swimming pool including the development of a business case and planning/need justification.
- ◀ Establish and implement a project plan for the community takeover or closure of Bacup Leisure Hall.

Demographic Profile

The Borough's population (65,900¹) is distributed across urban and rural areas; it has a population density of 470 people per square kilometre - lower than neighbouring areas, which are two to three times greater. Of its 65,900 people, 3.5% are from a minority ethnic background with 2.9% people following the Muslim faith. The population is forecast to increase by 2.43% by 2018 (67,500). The table below illustrates that, in comparison to both England and the North West, a marginally higher proportion of the Borough's population is aged Under 16, and a slightly smaller proportion is aged 65+.

Table 1.1: age break down of the population

²	0-15	16-24	25-44	45-64	65+
Rossendale	22.3%	9.7%	28.7%	24.9%	14.4%
North West	20.7%	10.9%	28.3%	24.2%	16.0%
England	20.2%	10.9%	29.3%	23.8%	15.9%

Economic activity³ in Rossendale is nearly 20% lower than the national average (74.7%). This is, in part, due to its proximity to major employment centres; 14,020 people (46.9% of the working population) commute out of the Borough to work. There are discrepancies around access to transport; some areas are well connected through the road network, particularly in the west. Access to employment opportunities and local services is an issue for residents in the east of the Borough, especially those reliant on public transport.

Almost one fifth of households comprise retired people. This exacerbates the low level of economic activity in the Borough. Permanently sick or disabled households account for 4.8% of all households; lower than the national average of 5.5%. Although unemployment in Rossendale at 3.2% is significantly lower than the national figure of 4.7%, per capita income is held back by low wage rates in some jobs.

The Index of Multiple Deprivation combines a number of indicators, chosen to cover a range of economic, social and housing issues, into a single deprivation score for each small area in England. This allows areas to be ranked relative to one another according to their level of deprivation. The table below shows the proportion of the population in

¹ Source: ONS – Sub-national Population Projections, 2003; Lancashire County Council)

² Source: Census 2001, ONS

³ Source: Rossendale Borough Council Corporate Plan (2009 – 2012)

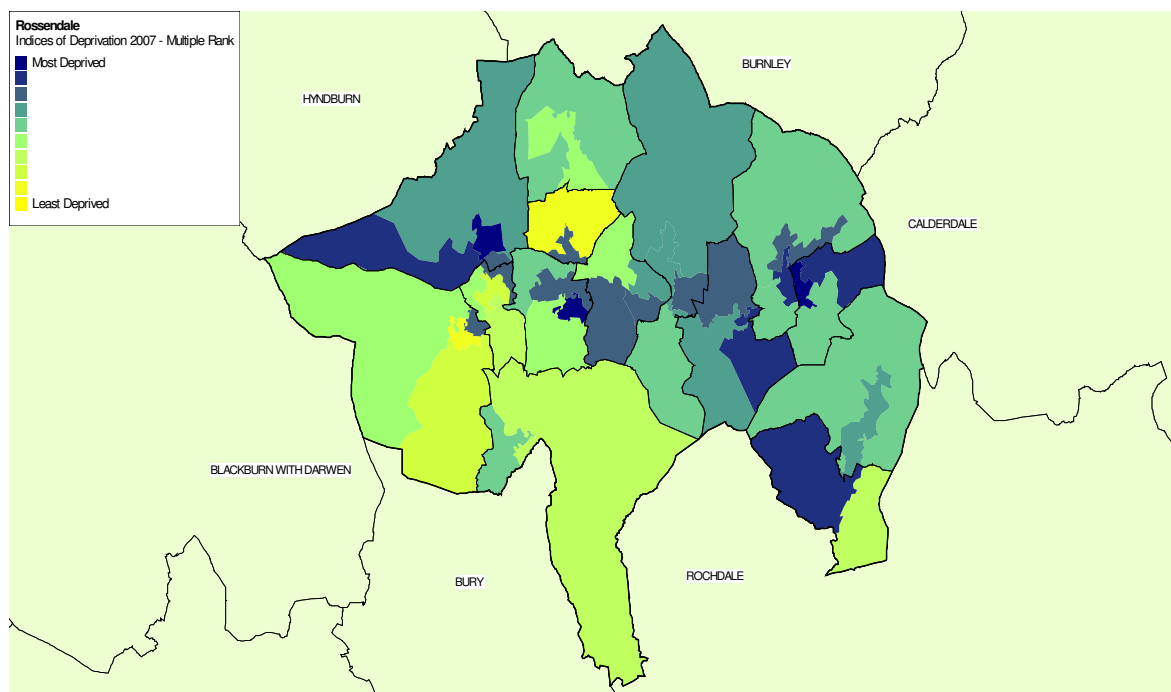
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Rossendale which fall into the various bands. As an example, over a third of Rossendale residents live in the top 30% most deprived areas in the country.

Indices of Multiple Deprivation (2008)	ROSSENDALE	
	Population (2008)	% Population
00 - 10%	4,152	6.2%
10 - 20%	7,607	11.4%
20 - 30%	13,527	20.2%
30 - 40%	9,238	13.8%
40 - 50%	12,747	19.0%
50 - 60%	7,702	11.5%
60 - 70%	5,338	8.0%
70 - 80%	2,732	4.1%
80 - 90%	3,963	5.9%
90 - 100%	0	0.0%
Total	67,006	100%

The following map identifies the location and spread of key pockets of deprivation in the Borough.

IMD 2007 – deprivation (multiple rank)

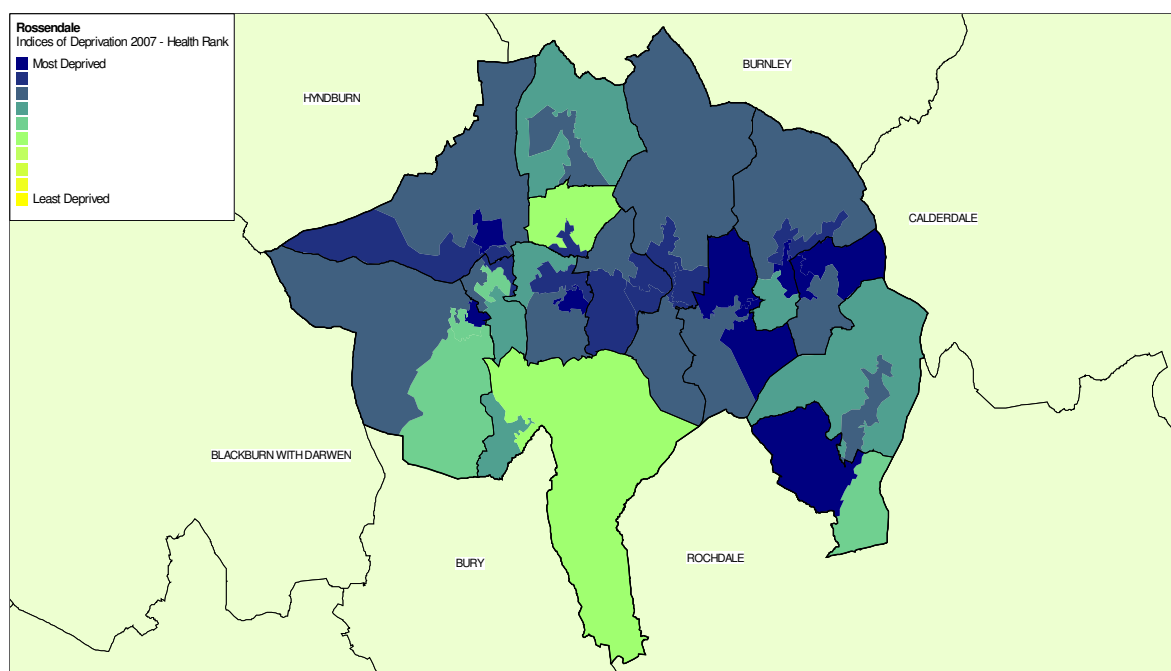


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There is a particularly high⁴ degree of health deprivation. Life expectancy is below the national average (2 years below for men and over one year below for women) and just over 20% of people suffer from a limiting long-term illness. As a result of these health inequalities Rossendale recently (in 2008) qualified for additional health funding as a 'spearhead authority'.

The following map identifies the intense nature of health deprivation across the Borough which is significantly different from the multiple deprivation profile.

IMD 2007 – deprivation (health rank)



Active People Survey

The Active People Survey is conducted across every local authority in England. Active People Survey 1 (APS1), ran between October 2005 and October 2006. A total of 363,724 adults living in England took part in this. Active People Survey 2 (APS2), the second survey, was conducted between October 2007 and October 2008 and a total of 191,325 adults living in England took part. It is now a continuous annual survey, with Active People Survey 3 which started in October 2008 and runs until Oct 2009, at which point Active People Survey 4 will commence.

Each survey round gathers data on the type, duration and intensity of people's participation in different types of sport and active recreation and now (as of APS2) cultural participation, as well as information about volunteering, club membership, tuition from an instructor or coach, participation in competitive sport and satisfaction with local sports provision.

⁴ Source: Rossendale Health Profile 2008. Department of Health.

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Nationally, AP2 results highlight:

- ◀ Over two million adults in England (age 16 and over) volunteer in sport for at least one hour per week. This increased by 125,000 between 2005/6 and 2007/8 (from 1.92 million adults to 2.04 million adults).
- ◀ There has been no change in the percentage of the adult population who receive tuition.
- ◀ There has been a statistically significant decrease in the percentage of the adult population that take part in organised competition, and the proportion that are members of a club where they play sport.
- ◀ Satisfaction with local sports provision has significantly declined.

Table 1.2 overleaf shows the Active People 1 and 2 survey results for Rossendale in comparison to England, the North West region; and its nearest neighbours.¹ The nearest neighbours are not geographic, but those closest to Rossendale in terms of socio-demographics. This type of comparison is used to aid local authorities in comparative and benchmarking exercises, the models use a wide range of socio-economic indicators upon which the specific family group (nearest neighbours) is calculated.

Key results which can be extracted from the table overleaf are as follows:

- ◀ Rossendale has seen a general improvement in its KPIs other than in the satisfaction with local sports provision (KPI 6) which is less than the national and regional averages and lower than all of its nearest neighbours. This could be reflective of the poor quality of some of the infrastructure in the area.
- ◀ Rossendale scores higher than national and regional averages for 3 x 30 moderate participation; volunteering and instruction (KPIs 1, 2 and 4); but slightly lower on the other KPI's.
- ◀ The good Active People performance reflects in some part the focus and effort that RLT has paid to achieving external funding for initiatives, especially those around health improvement, outreach programmes and sports specific initiatives.

¹ According to www.cipfastats.net Rossendale's top three nearest neighbours are Cannock Chase, and Nuneaton and Bedworth.

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Table 1.2: Active People Survey results

	KPI 1		KPI 2		KPI 3		KPI 4		KPI 5		KPI 6	
	APS1	APS2	APS1	APS2	APS1	APS2	APS1	APS2	APS1	APS2	APS1	APS2
	%		%		%		%		%		%	
National (NAT)	21.0	21.3	4.7	4.9	25.1	24.7	18.0	18.1	14.9	14.7	69.5	66.7
North West (REG)	20.6	21.3	4.6	5.0	24.9	24.2	16.4	16.5	14.5	14.5	70.1	66.5
Cannock Chase (LA)	21.2	20.1	4.4	5.0	23.2	20.2	14.7	16.8	10.7	11.5	63.5	61.2
Nuneaton and Bedworth (LA)	18.9	18.1	5.1	5.4	22.5	24.1	16.9	15.5	13.1	15.8	74.8	74.0
Tameside (LA)	17.51	18.78	4.63	4.16	24.27	20.49	18.19	13.62	13.91	10.55	67.90	65.00
Rossendale (LA)	21.4	22.2	4.4	6.1	19.8	23.6	16.9	21.1	14.5	14.4	63.8	58.0

KPI 1	At least 3 days a week x 30 minutes moderate participation
KPI 2	At least 1 hour a week volunteering to support sport
KPI 3	Club member
KPI 4	Received tuition from an instructor or coach in last 12 months
KPI 5	Taken part in organised competitive sport in last 12 months
KPI 6	Satisfied with local sports provision

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The Active People Diagnostic also illustrates an 'expected' participation rate. This takes a broad range of socio-demographic variables into account and is used to enable those developing and promoting sport locally to assess levels of participation relative to those that might be expected. By so doing it provides an opportunity to identify areas delivering "better than expected" levels of participation and to learn from their experience. Local authority areas can be assessed in three different ways, as shown in figure 1.1 below:

- ◆ According to the actual sport participation rates (blue and red bars).
- ◆ According to the expected sport participation rates (yellow bars). This is the rate a local authority area is expected to achieve, given its socio-economic profile, based on 2005/06 data. For example, high income areas (positive influence) might expect to have higher participation than low income areas.
- ◆ According to the variation between the actual and expected sport participation rates (pale blue bars).

Figure 1.1: expected versus actual participation

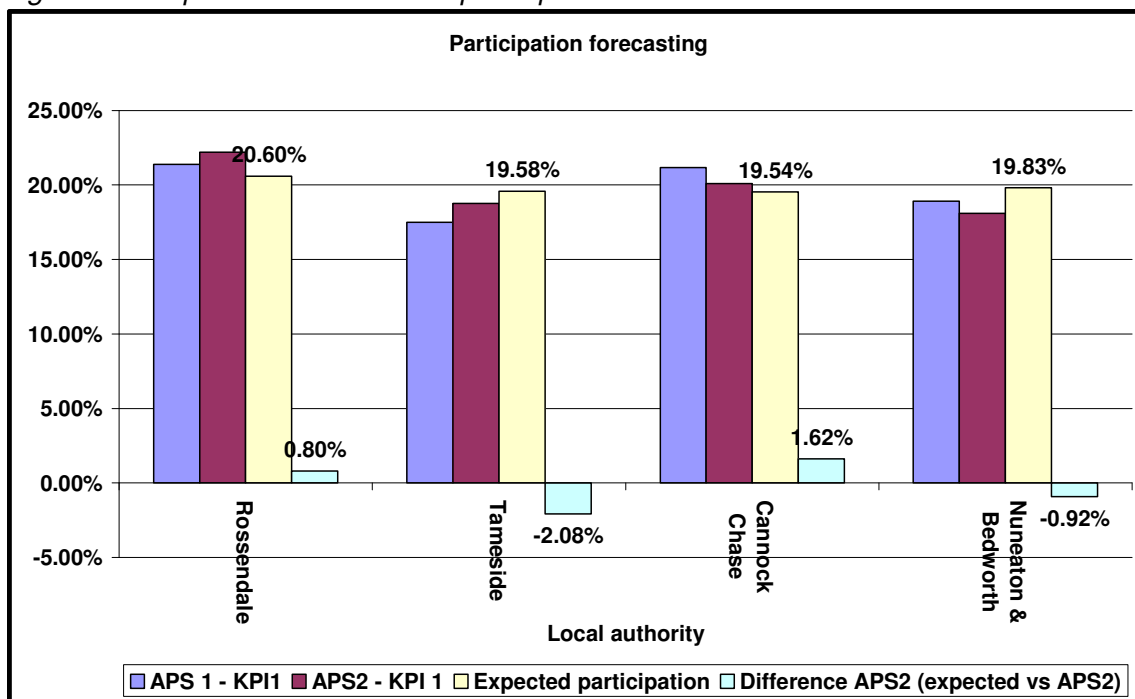


Figure 1.1 above shows that Rossendale has a participation level which is marginally above the expected level by just under 1% (APS1). This increases to 1.6% for APS2, which shows a level of improvement in participation. Cannock Chase is also meeting expected levels of participation, as found by both APS1 and 2. However, Tameside and Nuneaton and Bedworth do not meet expectations. This can be interpreted to suggest that Rossendale should not only continue with current initiatives/programmes but also build on current delivery to drive up participation.

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Market segmentation

Sport England has, in tandem with its Active People process, developed a segmentation model with 19 ‘sporting’ segments to help better understand attitudes, motivations and perceived barriers to participation.

Knowing which segment is most dominant in the local population is important as it can help direct provision and programming for sport. For example, whilst the needs of the smaller segments should not be ignored, it may be useful for RBC to be aware of the sports enjoyed by (and the likely needs and demand of) the largest proportion of the population. The segmentation is also suitable to assist partners to make tailored interventions, communicate more effectively with target market(s) and to better understand participation in the context of life stage and lifecycles. Those segments found to be most dominant in Rossendale are shown in table 1.3 below.

Table 1.3: Market segmentation results for Rossendale

Segment label	Segment description	% Borough	% National
Elsie and Arnold – retirement home singles	Generally have the lowest participation rates of the 19 segments. Poor health and disability are major inhibitors. Participation occurs mainly in low intensity activities. Safer neighbourhoods or people to go with would encourage participation. Organised, low-impact, low intensity events would be welcomed.	8.9	8.3
Philip – comfortable mid life male	Enjoys participating in a number of activities; likely to be a member of fitness/sports clubs. Motivated by meeting friends, taking the children, improving performance and enjoyment. Help with childcare may encourage this type to participate more although lack of time is a significant factor.	8.8	7.8
Jackie – Middle England Mum	Likely to have public rather than private gym membership, if any. May take children ice skating, bowling or roller skating. Main motivations are to take children or lose weight. For those who do no sport finding time is difficult, or they are just not interested. Help with childcare and cheaper admission would encourage more participation	7.8	6.9

The male market segment with the highest proportion (8.8%) of Rossendale’s population is “Philip”, a comfortable, mid-life male. The counterpart for the female market segment is “Jackie”, a typical middle England mum with 7.8%. “Norma”, a later life lady is the market segment with the lowest proportion (1.7%) of Rossendale’s population.

This means that whilst provision for residents like “Norma” should not be ignored, a greater proportion of residents would benefit from initiatives that appeal to the larger market segments, such as “Elsie and Arnold”: walking, bowls, dancing, and low-impact exercises, or “Jackie” and “Phillip”; sports such as netball, swimming, tennis, aqua aerobics, cricket, golf, cycling, squash, or football.

SUPPLY AND DEMAND

This section considers supply and demand issues for indoor sports facilities in Rossendale. It centres on provision of 'sports facilities' and the demand created for them by sports clubs' and, where possible, general public use. In summary it evaluates the following types of facilities:

- ◀ Sports halls.
- ◀ Swimming pools.
- ◀ Health and fitness facilities.

In order to consider the potential transport issues, as previously mentioned, the following maps have been produced using a 20 minute walk time catchment for each sports facility in Rossendale.

Leisure facilities are primarily located in the central belt of the Borough, in the areas of highest population density. Maps show that the areas of population density and deprivation where residents do not live within a 20 minute walk of sports facilities (e.g. the east and west borders of the authority and some gaps between Bacup and Rawtenstall).

Figure 1.2: Facilities with 20 minute walk catchments on mid-2007 population density

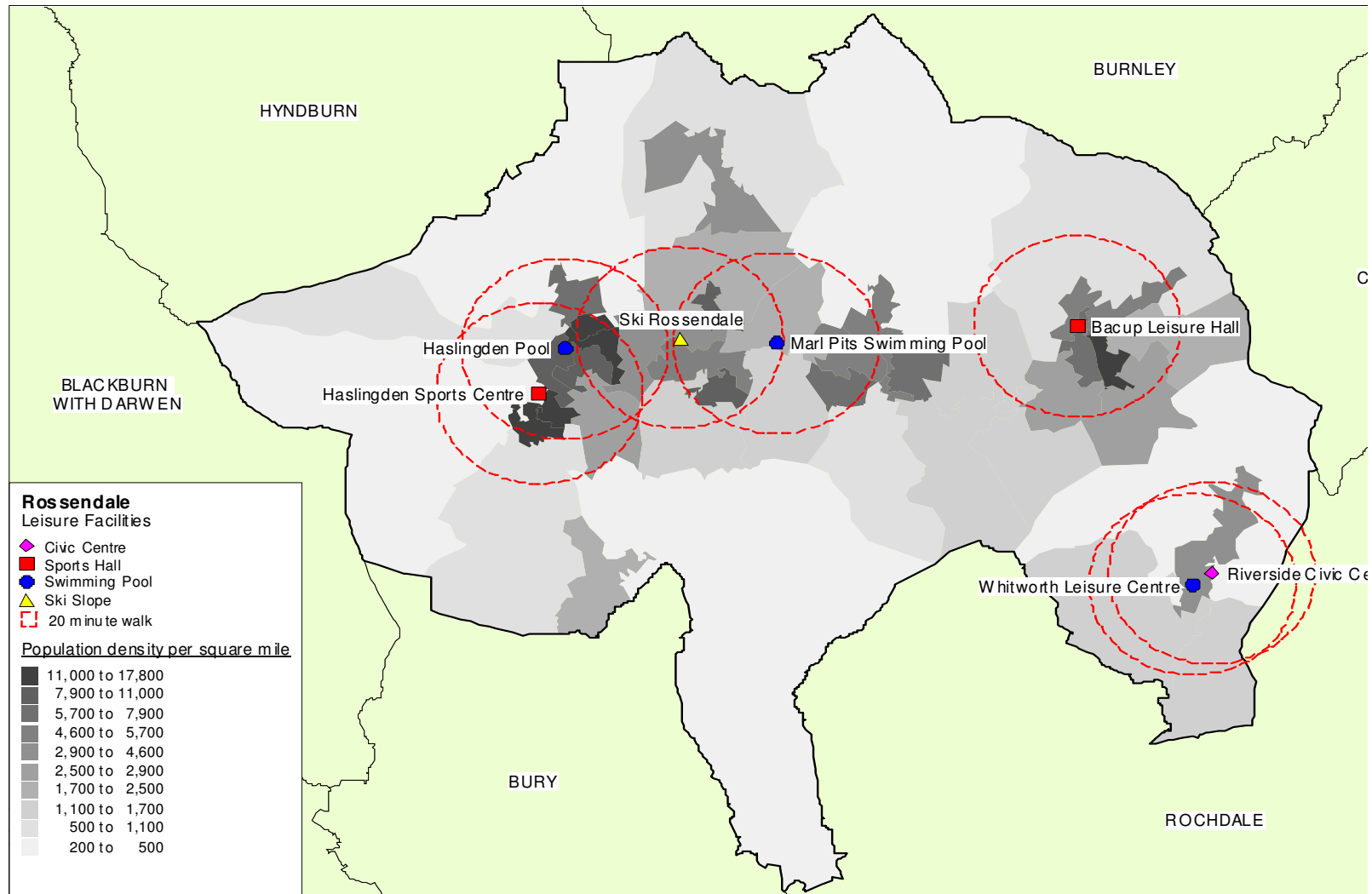
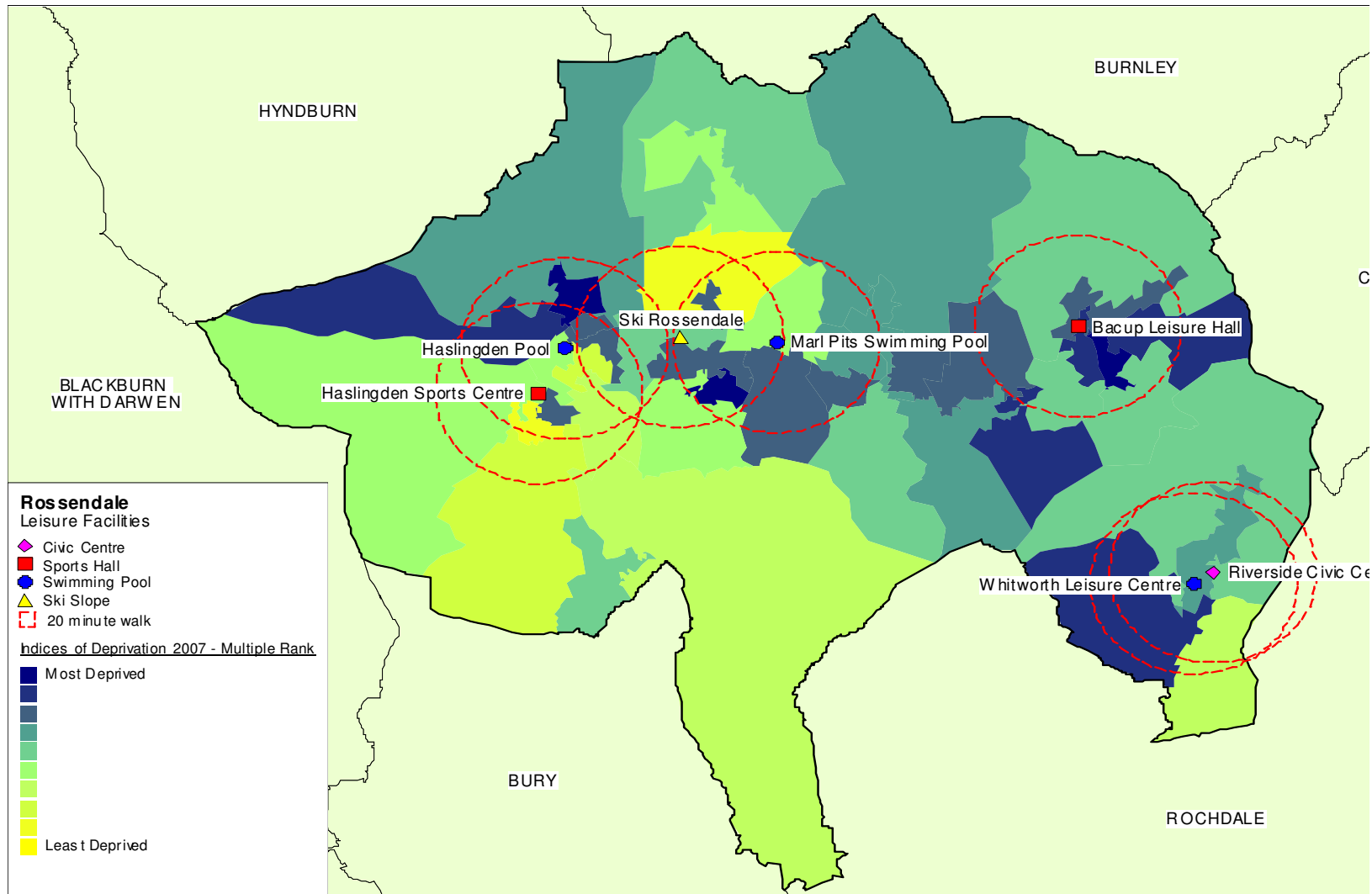


Figure 1.3: Facilities with 20 minute walk catchments on Indices of Deprivation 2007 (multiple rank)



Methodology

The assessment of indoor sports provision is presented by analysis of quality, quantity and accessibility for each of the major facility types i.e. sports halls, swimming pools and health and fitness provision. Each facility is considered on a 'like for like' basis within its own facility type, to assess provision adequacy. In addition, other facility types such as indoor tennis and bowls facilities are considered within the context of outdoor sports provision.

The distribution of, and interrelationship between, all indoor sports facilities in Rossendale and evaluation of demand has been considered. It provides a clear indication of areas of high demand.

Active Places Power Plus can be used as a planning tool for the provision of sports to identify demand for provision. It has been designed to assist in investment decisions across Government and to help local authorities to audit their sports provision and develop local strategies. It also assists national governing bodies of sport (NGBs) to identify areas in need of improvement in sports facility provision. This was used to initially identify the facilities and then used to evaluate demand for facilities specifically in Rossendale.

Analysis of demand for sports halls

Nine sports halls are identified as main halls. However, the size varies from a one (badminton) court hall (Alder Grange Community and Technology School) to a six court hall (Haslingden Sports Centre). A further four activity halls are also available in Rossendale. However, it should be noted that, reportedly, levels of community access vary considerably, particularly when considered facilities based on school sites.

To identify and evaluate shortfall in the quantity of indoor sports facilities provision, we utilise Sport England's Active Places Power supply and demand analysis. This compares the current capacity of provision across the Borough with potential demand (based on population and participation trends), to analyse whether current demand is being met by current capacity. This provides a clear indication of shortfalls. In addition, we model population and participation increases into the demand equation to calculate the extent to which current supply will also meet future demand.

Table 1.4: Active Places Power analysis of demand for sports halls

	Current	Future (2018)
Capacity	4095	4095
Demand	3,031	3,408 ⁵
Balance	1064	687
% Rossendale demand met	135.10%	120.16%
% England demand met	132.37%	-
% North West Region demand met	138.52%	-

⁵ Assumes population increase of 2.43% and participation increase of 1% across Rossendale until 2018.

Identification (through Active Places Power analysis) that 140% of demand for a particular type of facility is satisfied indicates that all need in an area is met (this takes quality of provision and the extent to which school facilities may be available into account)⁶. On this basis, Rossendale is currently slightly under-provided for in terms of sports halls. As shown, when predicted population growth and participation projections are taken into consideration, this situation is further exacerbated.

Prior supply and demand assessments calculated for the Council (February 2006) found that supply and demand was generally in balance across Rossendale. The only significant gap previously identified was in Bacup, which is provided for via access to other facilities. This is consistent with the findings of this review and mapping, as previously shown.

Analysis of demand for swimming pools

There are three swimming pools in Rossendale, of which two also have on-site learner pools. The Borough is pretty unique given that it has no private sector swimming pool provision, which would contribute to its supply. Therefore, the local population is totally reliant on the supply of public sector swimming provision. Furthermore, given the spread and relatively low population density of the area it is unlikely that a private sector fitness and pool provider would at this stage seek to develop a new facility in Rossendale. However, should the private sector locate an adequate size pool on Rossendale it would enable the Council to reconsider its supply of swimming pool provisions.

Table 1.5: Active Places Power analysis of demand for swimming pools

	Current	Future (2018)
Capacity	4,660	4,660
Demand	3,858	4,338
Balance	803	322
% Rossendale demand met	120.81%	107.4%
% England demand met	173.51%	-
% North West Region demand met	182.96%	-

Again identification that 140% of demand is satisfied indicates that need is met. Rossendale is currently slightly under-provided for in terms of swimming pools, a situation, which is again, further exacerbated when considering population increases and the related increases in demand.

The 2006 assessment found that supply and demand was generally in balance across Rossendale. However, considering each pool and its catchment in isolation, oversupply was identified in Whitworth (not considering Bacup).

⁶ Where supply equals demand the percentage figure will equal 100%. However, it is Sport England's opinion that it is ideal to build in a comfort factor of approximately 40% because at 100% space will be at a premium. Therefore, when analysing the figures it is useful to assume that 140% represents a figure where demand is comfortably met by supply. Any figure below 140% would suggest that supply does not meet identified demand.

The previous report highlighted that opportunities for rationalisation of the stock could arise given the condition of Haslingden Pool. In terms of access, two well located pools could provide borough-wide access. However, it is considered that the capacity of two pools to cope with demand may differ relative to existing occupancy levels and usage profiles.

Analysis of demand for health and fitness provision

Eleven sites, providing a total of 313 fitness stations are to be found in Rossendale. Of these, 271 stations are located in facilities with 20+ stations; the recommended minimum size.

Active Places Power does not provide analysis for fitness provision. Therefore, demand is calculated using the following analysis:

Table 1.6: Analysis of demand for health and fitness provision

	Current	Future (2018)
Total population	65,900	67,500
UK penetration rate	19.7%	19.7%
Number of potential members	12,982	13,297
Number of visits per week (1.5 per member)	19,473	19,946
% of visits in peak time	65	65
Number of visits in peak time (equivalent to no. of stations required)	324.5	332.4

Rossendale's 313 fitness stations form a supply which is marginally less than modelled demand (324). Anticipated demand in 2018 equates to the need for 332 stations. This indicates a need for additional provision in the future.

The 2006 report found that there was significant un-met demand across Rossendale. However, since it was produced, facilities at Haslingden Sports Centre have been expanded, refurbished and modernised.

Reach of the swimming pool provision

The key area of consideration and challenge for both the Council and residents is the provision of swimming. Pools represent a significant drain on resources given the energy, staffing and maintenance requirements to keep them operational. However, they are also very important (practically and symbolically) to local residents (e.g. CLAW) and are often fought for even when they are beyond their life expectancy and are no longer deemed to be fit for purpose.

We have, therefore, applied a 20 minute walk time to the current infrastructure of swimming pools in Rossendale to establish the reach of the service. This has been profiled based on Indices of Multiple Deprivation in order to identify not only the number of residents within the catchment, but also its profile.

Table 1.7: Reach of current swimming pool provision.

IMD 2008 10% bands	Popn. profile	Haslingden Pool		Marl Pits Swimming Pool		Whitworth Leisure Centre		Reach % Pop
		Pop	% Pop	Pop	% Pop	Pop	% Pop	
00 - 10%	6.2%	1,288	1.9%	1,237	1.8%	0	0.0%	3.8%
10 - 20%	11.4%	0	0.0%	0	0.0%	2,030	3.0%	3.0%
20 - 30%	20.2%	4,077	6.1%	5,257	7.8%	0	0.0%	13.9%
30 - 40%	13.8%	0	0.0%	2,933	4.4%	1,852	2.8%	7.1%
40 - 50%	19.0%	1,493	2.2%	0	0.0%	0	0.0%	2.2%
50 - 60%	11.5%	1,349	2.0%	1,533	2.3%	0	0.0%	4.3%
60 - 70%	8.0%	1,507	2.2%	0	0.0%	1,678	2.5%	4.8%
70 - 80%	4.1%	1,369	2.0%	0	0.0%	0	0.0%	2.0%
80 - 90%	5.9%	1,556	2.3%	2,407	3.6%	0	0.0%	5.9%
90 - 100%	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Total	100%	12,639	18.9%	13,367	19.9%	5,560	8.3%	47.1%

This illustrates that, currently the three pools in Rossendale reach 47% (circa 31, 500) of the Borough's population. Almost 21% of the Borough's overall deprived communities (that fall within the top 30% nationally) are within 20 minute walk of a swimming pool, compared to the Rossendale profile of 38%.

Scenario testing

A range of scenarios could be developed to assess the impact of closing, and potentially not replacing, some facilities within the current portfolio

- ◀ If the Council decided to close and not replace Haslingden pool the reach of service is reduced from 47% to 28% of the population. This also means that only 13% of the top 30% most deprived areas would be situated within 20 minutes walk of a swimming pool, compared to the Rossendale profile of 38%.
- ◀ If the Council decided to close Marl Pits Swimming Pool, service reach will reduce from 47% to 27% of the population. This means that only 11% of the top 30% most deprived areas would be within 20 minutes walk of a swimming pool, compared to the Rossendale profile of 38%. This would have a greater (negative) impact than the removal of Haslingden Pool.
- ◀ If the Council was to remove Whitworth Swimming Pool service reach reduces from 47% to 39% of the population and 18% of the top 30% most deprived areas would be within 20 minutes walk of a swimming pool (again compared to 38%).
- ◀ If the Council worked in partnership with a commercial fitness operator to take on the operation of Marl Pits (as a commercial facility) it would not reduce the overall reach of the service; however, it would reduce the reach into some of the most deprived communities in Rossendale. This is on the basis that it would be a membership based facility where the ability to pay determines access to it.

In summary a range of theoretical scenarios can be developed in order to demonstrate service reach and the profile of the customer base. However, it is clear from the local context analysis and the political dynamics of the area that developing a vision for facility

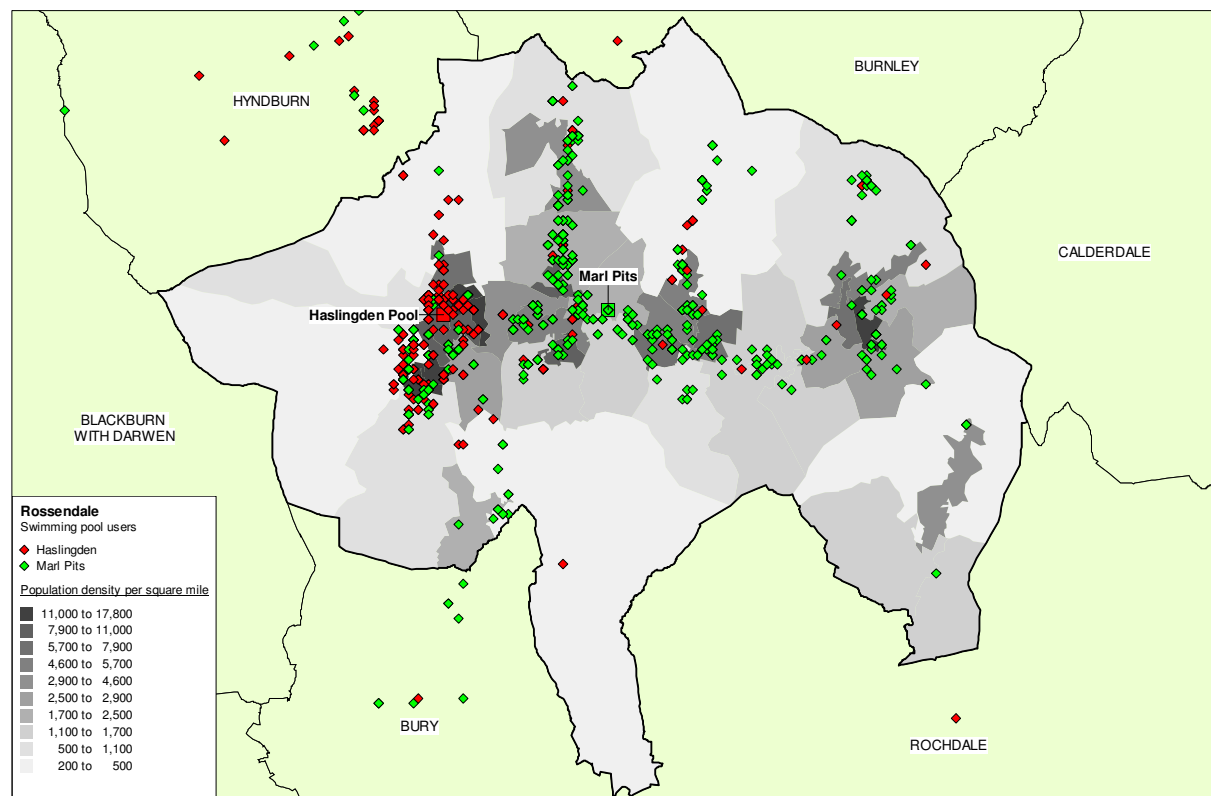
provision without taking such views into account is not appropriate. Cognisance has to be paid to the existing facility infrastructure and the organisational dynamics of the Borough to ensure that a realistic and achievable vision is developed.

Membership and user profiles

Analysis of RLT’s fitness membership at Haslingden SC and swimming lesson users at both Haslingden and Marl Pits pools has been undertaken. This clearly demonstrates that where better quality facilities are developed the reach of the service is extended.

The following map of the swimming lesson use shows clearly that the reach of Marl Pits is greater than that of Haslingden Pool. Although Marl Pits faces challenges with regard to provision quality, they are less significant than those facing Haslingden.

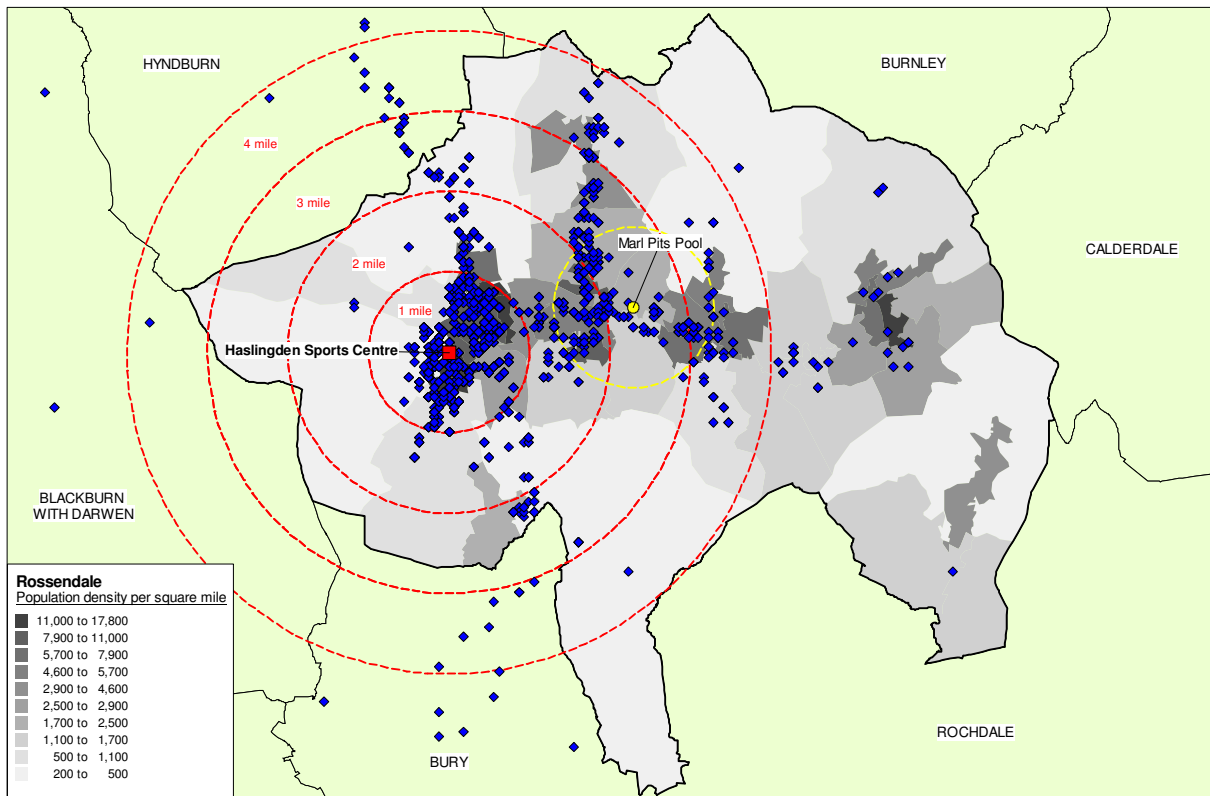
Haslingden & Marl Pits swimming pool users



Catchment (miles)	Haslingden Pool users		Marl Pits Pool users	
	#	%	#	%
0 to 1	171	55.2%	139	29.1%
1 to 2	67	21.6%	140	29.4%
2 to 3	27	8.7%	115	24.1%
3 to 4	23	7.4%	55	11.5%
Over 4	22	7.1%	28	5.9%
Total	310	100%	477	100%

Analysis of fitness membership also demonstrates that residents are willing to travel further to access better quality facilities.

Haslingden Sports Centre – Gym membership



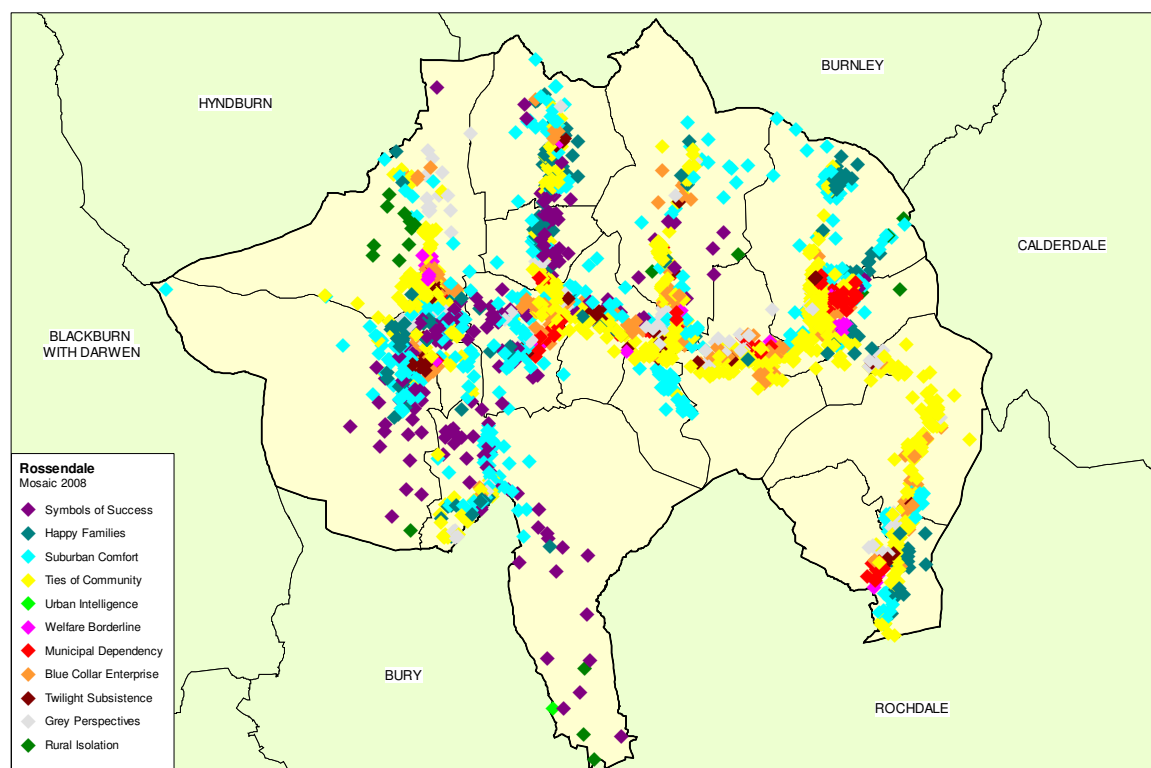
Gym membership data was provided for 1,382 people, of these 1,323 had complete postcodes and could be plotted on the map above. The table below shows how mapped members are distributed within the facility catchments.

Catchment	Individual catchments		Catchment	Cumulative catchments	
	# Gym members	%		# Gym members	%
0 to 1 mile	731	55%	0 to 1 mile	731	55%
1 to 2 mile	219	17%	0 to 2 mile	950	72%
2 to 3 mile	190	14%	0 to 3 mile	1140	86%
3 to 4 mile	108	8%	0 to 4 mile	1248	94%

6% of the membership is from outside 4 mile facility catchments; the main cluster comes from the Bacup area. Although the map indicates that the Haslingden fitness suite serves the Marl Pits community, only 13% (196) of members live within 1 mile catchment of Marl Pits Pool. This indicates the scope for fitness as part of the facility mix at this venue.

Fitness membership was also profiled against the Rossendale Mosaic and IMD analysis. This enables the Council and Trust to identify whether the service is reflective of the local community it serves. The following map identifies the Mosaic profile of Rossendale.

Rossendale – Mosaic 2008



The profile of the fitness membership against the profile of the Borough is as follows:

Mosaic group description	Haslingden SC gym members	Rossendale profile	IMD 2007 10% bands	Rossendale popn. %	Members
Symbols of Success	18.13%	8.54%	00 - 10%	6.2%	4.3%
Happy Families	16.28%	8.73%	10 - 20%	11.4%	6.0%
Suburban Comfort	24.12%	19.21%	20 - 30%	20.2%	17.4%
Ties of Community	23.35%	37.14%	30 - 40%	13.8%	7.3%
Urban Intelligence	0.00%	0.05%	40 - 50%	19.0%	8.0%
Welfare Borderline	0.69%	1.65%	50 - 60%	11.5%	19.4%
Municipal Dependency	2.38%	4.48%	60 - 70%	8.0%	9.3%
Blue Collar Enterprise	9.37%	8.59%	70 - 80%	4.1%	17.2%
Twilight Subsistence	1.31%	3.45%	80 - 90%	5.9%	10.8%
Grey Perspectives	4.15%	7.17%	90 - 100%	0.0%	0.2%
Rural Isolation	0.23%	0.99%			
TOTAL	100%	100%	Total		

Membership data illustrates that the profile for fitness does not (from an IMD or Mosaic profile perspective) reflect the profile of the Borough from either a Mosaic or IMD profile. However, this is not viewed as a significant issue given that it functions, in part, as a 'cash cow' offsetting the overall facility/service running costs.

KEY ISSUES

The consultation process has identified a number of key issues which are of significance to the development of a sustainable vision for sport and physical activity facilities across Rossendale; these include:

General

- ◀ Rossendale Borough Council, as with every other council in the country, is facing significant challenges with respect to its medium term financial plan; with anticipated reductions (of circa 25%) in public sector revenue spending.
- ◀ Throughout the country councils are finding it difficult to meet their planned capital programmes due to the current economic climate (i.e. cannot generate the anticipated capital receipt from specific assets); Rossendale Borough Council is no different in this respect.
- ◀ In order to achieve a sustainable vision for sport and physical activity facilities in the Borough it will have to make, and stick to, some difficult decisions.
- ◀ Of late the Council has been focused on service cost rather than its value to local communities.
- ◀ When the Council externalised its sport and leisure service it also externalised all of its expertise in this field. RLT has, as a consequence, been trying to undertake the joint role of strategic lead and operator of facilities.
- ◀ The Council has an affordability threshold for Leisure. This needs to be put into the context of it receiving as much as a 25% reduction in its funding settlement from central government.
- ◀ Changes in key personnel at RBC and RLT have resulted in a punctuated relationship between the Council and RLT.

Haslingden Swimming Pool

- ◀ The pool is beyond its useful life and needs to be replaced. The pool tank has concrete cancer and has been patched up for a number of years.
- ◀ The facility is not fully DDA accessible and is unlikely to achieve this given its current layout.
- ◀ The facility is unattractive for users. There is paint peeling off the walls and given the condition of the pool tank, the pool water will never attain an attractive blue colour.

Haslingden Sports Centre

- ◀ The facility has recently received a facelift as a result of a £1.3 million investment in partnership with Alliance Leisure. It now provides private sector quality facilities to the general public and affordable prices.
- ◀ The investment focused on the development of a new fitness suite and aerobics studio as well as addressing the quality of ancillary facilities. As a result the facility now faces pressures with car parking during peak times.
- ◀ The deal with Alliance Leisure was underwritten by RBC and the Trust will be required to pay back a total of £2.3 million over the next 15 years from increased income (i.e. from the fitness suite). It is clear that this option was less cost effective than prudential borrowing for both the Trust and Council; however circumstances at the time determined this route.

- ◀ Operation of the fitness suite is the key driver in enabling the Trust to repay the investment; however there is no provision to replace or update equipment throughout the next 15 years. As standard, most fitness operators would seek to replace their fitness equipment every 5 to 7 years, therefore the Trust and Council will face a significant challenge maintaining income at an appropriate level to repay the cost of the investment.
- ◀ The Council is considering replacing Haslingden Swimming Pool at the Sports Centre. This makes sense from a management and cost effectiveness perspective, however there is a need to carefully consider the location of the pool within the site and expansion of the parking facilities.

Bacup Leisure Hall

- ◀ The current condition of Bacup Leisure Hall is poor and a decision has been made to close it if there is no interest in taking it on as a community run facility with no cost to the Council.
- ◀ The Council is investigating the potential for a community organisation to take over the management of the facility, and to date three expressions of interest have been received in relation to this. The Council will be evaluating these options to assess their financial sustainability and suitability for the ongoing use of the site.

Marl Pits Swimming Pool

- ◀ It would appear that the original RLT vision for Marl Pits as a “sports village” was unachievable and is reflected by the lack of funding to realise it.
- ◀ The overall quality of the Marl Pits pool is reasonable; however a stand-alone swimming pool is always less cost effective than a pool with additional facilities to help underpin the cost of pool operation.
- ◀ RBC was considering closing Marl Pits Pool in order to invest in Haslingden Sports Centre (i.e. replacement pool). The consideration was then to invite proposals for the development and investment in the site, which could have included using the existing pool. However, this option was not progressed.
- ◀ If the above option was to ensure continued access to the facility for the most deprived members of the Rossendale community it is likely that RBC would have to provide an ongoing subsidy to the operator.
- ◀ Transfer of ownership of the pool may delimit the development flexibility of the Marl Pitts site for alternative (and lower subsidy-based) uses and, potentially, restrict both the Trust’s (and the on site clubs’) ongoing capacity to optimally ‘develop sport’ *per se* at the site.

Ski Rossendale

- ◀ Ski Rossendale has, over the years put Rossendale on the map and contributed to the Borough’s profile within the county and region.
- ◀ The facility does cater for Rossendale residents, but its viability is based upon the fact that it draws its custom from a wider catchment.
- ◀ In the past the facility has always contributed positively to the operation of the Trust (i.e. it operated at a surplus which was used to offset the net deficit). However, Ski Rossendale is now operating at a loss, in part due to the reducing relative and actual quality of the facility and the increase in competition from Chill Factor in Manchester and comparable operators.

- ◀ The estimated investment requirements for the facility are significant; in the region of £3 to £10 million, depending on the nature of the development. It is clear that neither the Council nor the Trust has the financial capability to raise the required sums.
- ◀ The Council has received some interest from the commercial sector to redevelop the facility in return for a long term management contract. However, this would require RLT to surrender its lease to enable a transfer to a commercial operator.
- ◀ RBC should be cognisant of the facts that there are inherent risks associated with entering into a partnership with a commercial operator: the nature of the market is such that there is no guarantee that a commercial operator can necessarily make the site work in the long-term given the propensity in the wider market to, for example, bring the outdoors indoors.
- ◀ It should be recognised that in seeking to transfer to a commercial partner it is unlikely to receive any ongoing income from retail outlets based on the site unless it builds in some element of profit share into the contract. In other words, it is possible that the best deal for this site may be revenue neutral.

Whitworth Leisure Centre

- ◀ The quality of Whitworth Leisure Centre is reasonable; and it is clear that the Trust has made some investment in facilities and is continuing to do so.
- ◀ Whitworth and Marl Pits facilities are virtually 'identical models' and are likely to face comparable major dilapidation issues (e.g. replacement roofs, rewiring, at the same time).

Riverside Civic Hall

- ◀ This is a new facility and can be described as the Council's jewel in the crown.
- ◀ The facility has a fully operational kitchen but CLAW chooses to use external caterers for functions rather than providing this service in-house.
- ◀ The original intention of RBC was to provide CLAW with a high quality facility to enable it to generate a surplus to cross subsidise the cost of operating the Whitworth Leisure Centre. To date this has not been achieved and the Council continues to subsidise both facilities.

VISION FOR FACILITIES IN ROSSENDALE

Vision

Rossendale will invest in its sport and physical activity facility stock to ensure it is sustainable, of a high quality and accessible to local residents these facilities will:

- ◀ *Support processes to increase levels of participation and improve health in the local population.*
- ◀ *Function cost effectively ensuring that the Council obtains optimum value for money from its ongoing investment.*

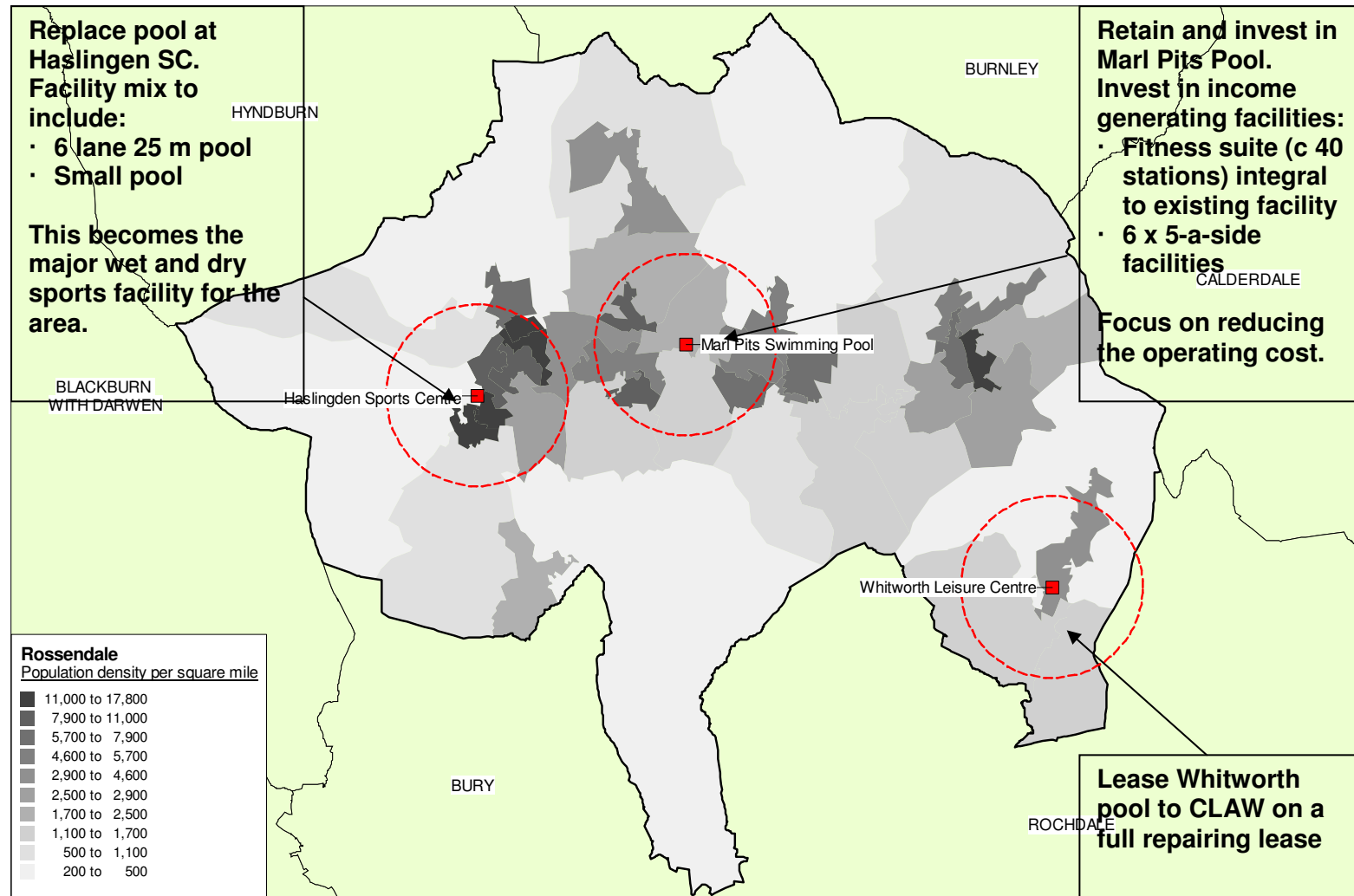
Key drivers

A number of key drivers will affect delivery of the vision for sport and leisure facilities in Rossendale. These are as follows:

- ◀ The desire for Ski Rossendale to be retained in something resembling its present form, as it provides profile for the Borough, contributes to its tourism offer and to economic development.
- ◀ Neither the Council nor the Trust has the ability to invest the required level of funds to upgrade the facilities at Ski Rossendale; therefore there will be a need to progress with a partnership with a commercial operator.
- ◀ Haslingden Pool should be closed and replaced with pool provision either at Haslingden Sports Centre or elsewhere in the Borough (see below).
- ◀ At the time this report was written the Council had three expressions of interest for the community management and alternative use of Bacup Leisure Hall. However, if these options are not financially sustainable and the site is re-used, any Section 106 return generated from development of the site should be earmarked to fund improvements to other community facilities in the town.
- ◀ Whitworth Leisure Centre is likely to remain operational for the foreseeable future given the drive and commitment of CLAW.
- ◀ It is unlikely in the current economic and external funding climate that Marl Pits can to be developed as a sports village (based on the original Robson-Lloyd concept).
- ◀ Retaining pool (and other) provision at Marl Pits is important to ensure that accessible provision is made in the heart of the Borough.
- ◀ There is a need to reduce the financial cost of operating the sport and leisure facilities in Rossendale.
- ◀ The Riverside Civic Hall in Whitworth remains, given its relative modernity, however consideration will have to be given to its future management arrangements.

In light of the above a number of options for development should be considered. These are highlighted in the following pages:

Option 1 – Close Haslingden pool and replace at Haslingden SC; invest in current infrastructure



Cost appraisal

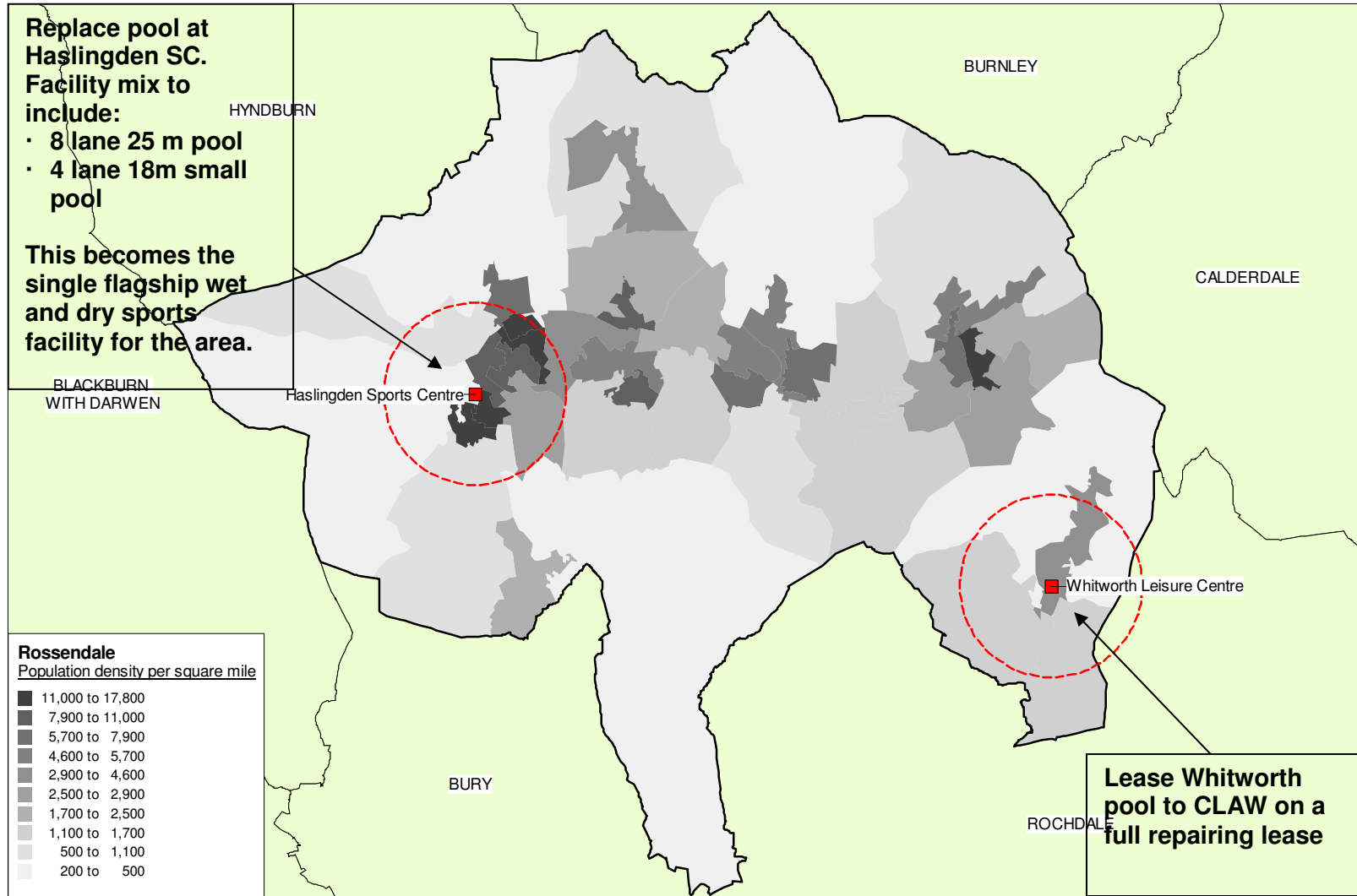
The potential cost of the above vision is being developed within an extension to this study.

SWOT analysis

The strengths, weaknesses, opportunities and threats (SWOT) analysis below highlights some of the key comparative benefits and pitfalls of option 1.

Strengths	Weaknesses
<ul style="list-style-type: none"> ◀ This is the optimum option in terms of: <ul style="list-style-type: none"> ◀ Resident servicing ◀ Accessibility ◀ Building on existing (strong) assets. ◀ It provides the Council with sufficient water space to satisfy the impact of population growth and increases in participation. ◀ It provides a reasonable spread of facilities across the Borough. ◀ It enables the Council to maintain the current reach of the service. ◀ It achieves financial savings from the closure of Bacup Leisure Hall and Haslingden Pool. ◀ It provides enhanced floodlit training facilities at Marl Pits for the football and rugby clubs who play at the site. ◀ It retains a swimming pool in Whitworth. ◀ It reduces the overall number of physical assets for the Council to maintain. 	<ul style="list-style-type: none"> ◀ It requires the Council to invest considerable capital to deliver the strategy. ◀ It requires development of a feasibility and robust business case which demonstrates the potential to repay capital.
Opportunities	Threats
<ul style="list-style-type: none"> ◀ It achieves financial benefits from the co-location of a pool on the Haslingden SC site as well as the savings from the upkeep of the former pool building. ◀ It improves the visitor experience by linking a new pool within an existing high quality facility. ◀ It enables the Council to generate either a capital receipt or ongoing income from the sale or use of the Haslingden Pool and Bacup Leisure Hall sites. 	<ul style="list-style-type: none"> ◀ It requires the Council to understand the community's concerns over the closure of two facilities and the expansion of another (i.e. community impact assessment). ◀ Ground conditions and any prospective planning restrictions appertaining to either of the sites to be developed.

Option 2 – Development of a single flagship facility based at Haslingden SC



Cost appraisal

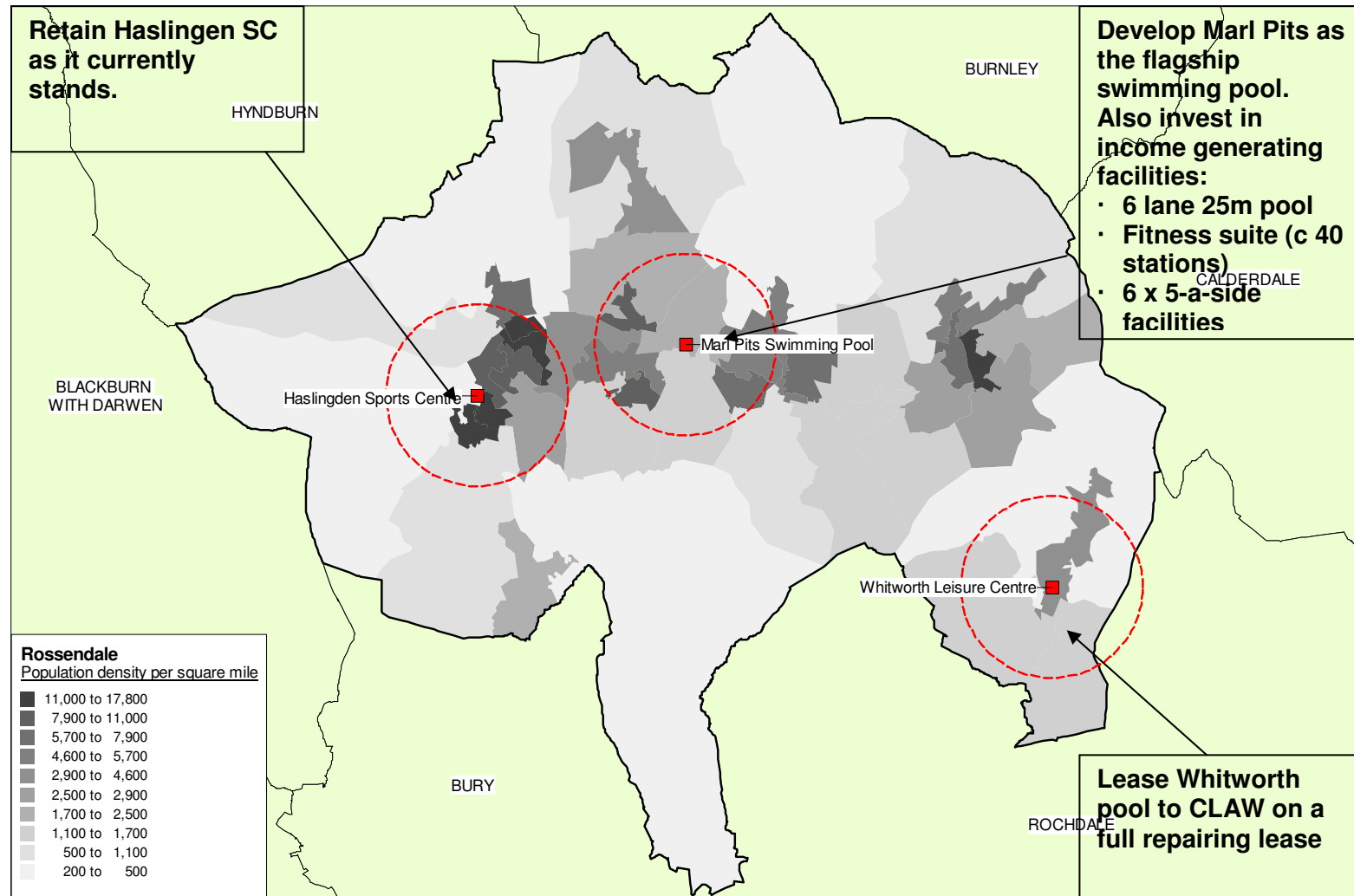
The potential cost of the above vision is being developed within an extension to this study.

SWOT analysis

The strengths, weaknesses, opportunities and threats (SWOT) analysis below highlights some of the key comparative benefits and pitfalls of option 2

Strengths	Weaknesses
<ul style="list-style-type: none"> ◀ It provides the Council with sufficient water space to satisfy the impact of population growth and increases in participation. ◀ It potentially achieves the greatest financial savings from the closure of Bacup Leisure Hall, Marl Pits and Haslingden Pool. ◀ It retains a swimming pool in Whitworth. ◀ It reduces the overall number of physical assets for the Council to maintain. ◀ It potentially provides the most robust business case to enable the Council to repay its capital investment (i.e. gained from the cessation of the operation of Marl Pits). 	<ul style="list-style-type: none"> ◀ It focuses all the Council's eggs in the two baskets of Haslingden SC and Whitworth. ◀ It leaves no pool (or fitness) provision in the central part of the Borough. ◀ It requires the Council to invest considerable capital to deliver the strategy. ◀ This option is only viable if RBC follows through on its decision to close Marl pits.
Opportunities	Threats
<ul style="list-style-type: none"> ◀ It potentially achieves the largest financial savings for the Council. ◀ It enables the Council to generate either a capital receipt or ongoing income from the sale or use of the Haslingden Pool, Marl Pits and Bacup Leisure Hall sites. 	<ul style="list-style-type: none"> ◀ It requires the Council to understand the community's concerns over the closure of three facilities and the expansion of one (i.e. community impact assessment). ◀ Ground conditions and any prospective planning restrictions appertaining to Haslingden Sports Centre. ◀ It would require the Council to demolish Marl Pits or transfer it to a commercial operator (at no cost to the Council). The latter option would present an ongoing threat to the financial performance of Haslingden SC.

Option 3 – development of a single flagship swimming pool at Marl Pits



Cost appraisal

The potential cost of the above vision is being developed within an extension to this study.

SWOT analysis

The strengths, weaknesses, opportunities and threats (SWOT) analysis below highlights some of the key comparative benefits and pitfalls of option 3.

Strengths	Weaknesses
<ul style="list-style-type: none"> ◀ It provides the Council with enough water space to satisfy the impact of population growth and increases in participation. ◀ It focuses Council swimming provision at Marl Pits; the most central location for the whole Borough. ◀ It achieves financial savings from the closure of Bacup Leisure Hall and Haslingden Pool. ◀ It retains a swimming pool in Whitworth. ◀ It spreads the investment in sports facilities more equitably across the Borough. ◀ It reduces the overall number of physical assets for the Council to maintain. 	<ul style="list-style-type: none"> ◀ It focuses the Council's swimming provision at Marl Pits and Whitworth; the former being in the centre of the Borough. ◀ It requires the Council to invest considerable capital to deliver the strategy. ◀ This option is only financially viable if RBC decides not to provide a swimming pool in Haslingden.
Opportunities	Threats
<ul style="list-style-type: none"> ◀ It enables the Council to generate either a capital receipt or ongoing income from the sale or use of the Haslingden Pool and Bacup Leisure Hall sites. ◀ It could potentially act as a catalyst for future investment in Marl Pits. 	<ul style="list-style-type: none"> ◀ It requires the Council to understand the community's concerns over the closure of two facilities and the expansion of one (i.e. community impact assessment). ◀ Ground conditions and any prospective planning restrictions appertaining to Marl Pits.

INITIAL CONCLUSIONS FOR CONSIDERATION

The key conclusions from this section of the study can be outlined as follows:

- ◀ The current facility infrastructure across Rossendale is unsustainable in the short and longer term.
- ◀ Given the condition of Bacup Leisure Hall, it appears unlikely (to KKP) that RBC will find a sustainable solution to ensure the Hall continues to operate as a community facility.
- ◀ CLAW's raison d'être is to ensure Whitworth is served by a swimming pool. The organisation is politically astute and is likely to fend off any attempt to close the pool.
- ◀ Although CLAW is managing the Riverside Civic Hall, this is not its primary focus and there have been soundings that it might be willing to step away from this arrangement given the range of skills required to manage the facility and the additional pressures it puts on the Board.
- ◀ The rationale for the future management arrangement for the Riverside Civic Hall will be dealt with in Part 2 of the report.
- ◀ RBC will need to make a decision on a potential replacement for Haslingden Swimming Pool which is beyond its life expectancy and is no longer fit for purpose.
- ◀ The future decision on the range of options identified above will require the Council to consider the full range of challenges and sensitivities around each and to identify a sustainable way forward for all residents in Rossendale.
- ◀ If the Council is to retain Marl Pits Pool it needs to invest in complementary income generating activity; otherwise it will continue on a downward cost spiral making a progressively greater loss. This will almost certainly be exacerbated by provision of a new pool at the Haslingden Sports Centre site.
- ◀ Spatially, option 3 provides the most cost effective option for focusing investment and providing a central swimming facility to serve Rawtenstall, Haslingden and Bacup.
- ◀ From KKP's perspective, option 1 appears to be the optimum, in the context of:
 - ◀ Maintaining what would be perceived to be an appropriate level of swimming provision in the Authority.
 - ◀ Developing two, operationally cost-effective, efficient sites to deliver against the Councils (interpreted) vision.
 - ◀ The potential negative impact of the main alternatives.

RECOMMENDATIONS

Given the above detail within the report, the following recommendation should be considered, subject to the Council investigating the affordability and ongoing financial sustainability of the preferred option.

- ◀ RBC should close Bacup Leisure Hall unless an alternative arrangement could be found to keep it open.
- ◀ RLT should commit to surrendering the lease on Ski Rossendale and work with RBC to procure a new partner to invest in and operate the facility.
- ◀ RBC should progress with advertising the opportunity at Ski Rossendale and set out its procurement process.
- ◀ RBC should seek to provide a swimming pool at Haslingden Sports Centre.
- ◀ RBC should seek to provide a fitness and 5-a-side offer and upgrade to the pool at Marl Pits in order to improve the financial viability of the facility moving forward.
- ◀ RBC should continue to facilitate the provision of a swimming pool in Whitworth by providing a revenue grant to CLAW.
- ◀ The Council's primary focus for capital investment should be aligned to the above recommendations and financial business case, therefore it will only be able to deal with the capital investment requirements at Whitworth Leisure Centre if a financially viable business case is made.

PART 2 – MANAGEMENT OPTIONS

INTRODUCTION

This part of the report considers the management options for RBC to consider. As detailed within the Council's brief it focuses on the following three key areas:

- ◀ An assessment of the current Trust arrangement in terms of impact, effectiveness and suitability as a future delivery model.
- ◀ Detail relating to the range of alternative management options available; including an assessment of the strengths, weaknesses and financial implications of each.
- ◀ Benchmarking of the Council's current investment in leisure against similar authorities and/or facilities.

Key facts about transferring sport and leisure services to external partners

The following represents a snap shot of the key facts about alternative management options. It also gives a flavour of some of the key decisions the Council will have to take in considering if it wishes to transfer its service to an alternative service provider:

- ◀ The Council will retain ownership of the assets (i.e. sports facilities etc.), regardless of which management option is chosen.
- ◀ The type of lease arrangement for facilities is dependent upon the age and quality of facilities being transferred. The private sector and trusts are only willing to take on new facilities on a full repairing lease basis.
- ◀ It is more cost effective for the Council to invest capital in the facilities than the partner, as the partner is unlikely to be able to reclaim the VAT on the investment.
- ◀ Any TUPE implications for staff need to be fully explored, however it is likely that TUPE will apply.
- ◀ The Council will have to consider if it will 'require' the partner to become an admitted body to the local government pension scheme, or determine if a broadly comparable pension scheme will be sufficient.
- ◀ If the Council chooses the admitted body route, it will have to advise on whether it is willing to pay for an open or closed scheme.
- ◀ Although the partner may wish to purchase support services from the Council in the initial stages, it may decide to purchase these services from the external market in future years. Therefore, the funding it receives for the provision of support services cannot have any 'ties' to it having to purchase these from the Council (i.e., a sole provider).
- ◀ If the Council provides financial support services to the partner it will have to ensure that all funds are paid directly into the partner's bank account and not the Council's.
- ◀ Where the partner does purchase services from the Council, the Council will have to perform against the SLA developed by the partner, rather than providing the partner with what it is prepared to provide.
- ◀ If the partner does not wish to purchase any support services from the Council it needs to be given the wherewithal (i.e., staff, budget, infrastructure) to access these support services from the open market. The Council will then have to deal with the residual costs associated with providing support services to the externalised service (e.g. absorb costs across other departments, restructure, redundancy, etc.).
- ◀ If the Council transfers to a Trust, it will have 20% representation on the Board of trustees.

- ◀ A trust can achieve up to 80% mandatory rate relief on its facilities.
- ◀ If the Council transfers to a private operator it will have to accept that this organisation will want an element of profit built into the contract. Depending on the partner, the competitiveness of the tendering process and the attractiveness of the contract, this profit margin could range from between 6 to 12% of income.
- ◀ If the Council transfers to a neighbouring trust it will have to accept that this organisation would expect a contribution to its overall reserves account.
- ◀ If the Council transfers to a neighbouring trust, the governance arrangements will be determined by the partner trust.

As identified previously, RBC has entered into a partnership with both Community Leisure Association of Whitworth (CLAW) and Rossendale Leisure Trust (RLT) to manage its community sports facilities. Although the two organisations are similar in that they are not for profit organisations (i.e. trusts) they are very different in nature. This stems from how the organisations were created to respond to different needs and issues.

Community Leisure Association of Whitworth - CLAW

CLAW was born from the Whitworth community's desire to protect its community swimming pool. The organisation is founded on community action and has an inherent drive to protect the interests of its community. CLAW also manages the Riverside Civic Hall on behalf of RBC. This is a new civic hall which was developed following a fire which destroyed the previous one. CLAW is a politically astute organisation and can bring influence to bear on a wider range of issues affecting the Authority.

Given how it was created CLAW has galvanised a significant number of residents within the local community and as such has generated a lot of community investment of time and energy into the management of its facilities. This is viewed as the key benefit of CLAW. However, it is also true to say that, as with all community organisations a lot of the burden for the management of the facilities and the decision making sits with a core of individuals. This then makes the organisation susceptible if these individuals decide that they can no longer commit to investing the same time and energy to the organisation.

Consultation with two members of CLAW indicated that there may be some vulnerability in this sense and that if the company was to find itself in a position where it had limited commitment from trustees, it would potentially seek to revert to its core function of ensuring Whitworth has a viable and sustainable community swimming pool.

Challenges facing CLAW

CLAW has a range of challenges to overcome over the short and longer term including:

- ◀ The need to recruit a new Operations Manager to lead the organisation and take on some of the responsibilities currently held by trustees.
- ◀ Demonstrating its ability to operate the Riverside Civic Hall at a surplus which can offset the operational loss at the Whitworth Leisure Centre.
- ◀ The need to reduce, where possible, the operating deficit at Whitworth Leisure Centre.
- ◀ Sustaining the interest and enthusiasm of trustees and to recruit additional trustees who will be able and willing to take on the responsibilities of the position and minimise the overreliance on key members of the Board.
- ◀ The need to deal with the backlog maintenance issues at the leisure centre (e.g. replacement windows, electrical wiring, etc).
- ◀ Asbestos is prevalent within the leisure centre which will impact on the cost of future maintenance.
- ◀ There is no air handling unit in the swimming pool hall which causes ongoing problems with condensation.
- ◀ The need to 'sign off' the lease with the Council (we understand this is currently with solicitors) and to ensure there is sufficient funds generated to re-invest in the facility.
- ◀ The need to tie in with the wider sport and physical activity networks which link across the Whitworth area.
- ◀ The need to decide on the Trust's *raison d'être* and whether or not it wants to continue to operate the Riverside Civic Hall.
- ◀ In partnership with the Trust, the Council needs to withdraw fully from the operation of the Trust. As an example, CLAW buys into the Council's bulk purchasing of utilities; however there have been billing difficulties, which the Council has paid then re-billed CLAW. However, CLAW has been unsure the extent of these bills and has carried forward funds, unsure if it was enough to cover the full cost.

CLAW performance

An assessment of CLAW's performance; gained through an analysis of the facilities, its financial position and consultation with Trustees, can be summarised as follows:

- ◀ CLAW represents as true a picture of community involvement and ownership as we have seen throughout the country.
- ◀ CLAW has raised funds and undertaken investment in Whitworth Leisure Centre which has seen an improvement in the quality of facilities for customers. This has equated to over £50,000 investment and considerable voluntary time by the community to assist in the refurbishment works at the facility.
- ◀ CLAW has seen steady growth in its income over the last four to five years, in part as a direct result of the small fitness suite developed at the facility.
- ◀ The organisation is rather parochial and has not engaged fully in the wider networks across Rossendale (e.g. Sport and Physical Activity Alliance (SPAA) working groups).
- ◀ There is no ongoing dialogue between CLAW and RLT, although there appears to be a willingness to engage.

- ◀ There is a potential issue over the leadership and responsibility for health and safety at the leisure centre which needs to be addressed.
- ◀ CLAW could improve its business focus for pricing (i.e. it offers 10 swims for the price of 8 – with no time limit for use).
- ◀ The organisation has not yet managed to generate sufficient income to operate the Riverside Civic hall at a profit. This has in part been due to the challenges of increased utilities costs at both facilities.
- ◀ Even though the Riverside Civic Hall has extensive kitchen facilities, CLAW chooses to use external caterers for many of their functions. This equates to over £87,000 of income which is passed on to a third party – a proportion of which will be profit. This has been recognised by the Board which is seeking to address this.
- ◀ CLAW does not appear to have fully developed its offer at the Riverside and is not maximising its income potential at the facility.
- ◀ CLAW is predicting that its annual subsidy requirement will increase from £69,000 to approximately £90,000.
- ◀ CLAW does not appear to be building up a reserve of funds to enable it to deal with any emergencies that may arise (e.g. filtration pump breakdown) and is over reliant on the Council for this.
- ◀ The Council's expectation is that CLAW should become self financing in the longer term (with the income from the Riverside); although this is clearly not the expectation of CLAW given the key statements in its 2009/10 business plan – *"The Leisure Centre will need extensive upgrading to the fabric of the building in the next five years. Plans need to be put in place during the current considerations by RBC, as to the long-term financial commitment to the Whitworth facilities"*.
- ◀ There is a need for clarity with respect to what the Council expects from CLAW from the operation of the Riverside; and what this means from an operational and programming perspective.

Rossendale Leisure Trust

In 2004 Rossendale Borough Council established the Rossendale Leisure Trust. This then sets the tone and culture of the Trust's current operation. That is not to say that either the Council or the Trust are performing poorly, it means that it was not born out of protectionism for facilities (in the same way as CLAW), but that it was created as a vehicle to operate facilities more cost effectively and efficiently.

Consultation identified that the original expectations of RBC in establishing the Trust centred on the transfer the risk and the potential of making financial savings. There was also an expectation that the Trust would be able to access additional funds that the Council was not able to.

The above statements are no different to those of other local authorities that have externalised their services to a trust. However, the level of expectation that was generated within the Council appears to have been significantly higher than other local authorities we have worked with. This appears to have driven the Council's focus on the cost of the service, while seemingly missing the potential value that it brings to Rossendale.

The recent relationship between RLT and RBC has been delicate and in many circumstances this has spilled over into both organisations publicly commenting on each other in the press. However, there is also recognition by both organisations that this cannot

continue and there is a need to “draw a line” under what has previously been said and reported, and to move on for the benefit of the local community.

Challenges facing RLT

RLT has a range of challenges to overcome over the short and longer term including:

- ◀ The need to agree to work in partnership with RBC to identify a suitable private sector operator to invest in and operate Ski Rossendale. This will require RLT to surrender its lease on the site in order that this can be progressed. It is clear that neither the Trust nor the Council has the capacity to fund the investment requirements at the site which are necessary to halt the decline in income.
- ◀ The potential of Ski Rossendale to be managed by a commercial operator will have a significant impact on RLT’s need for a support services structure to manage the affairs of the Trust.
- ◀ Since 2004/5 the Trust has continually operated beyond the budget set for it by the Council, with the accumulated overspend figure now at £420,000. This is being underwritten by the Council.
- ◀ The Trust has agreed to surrender the lease of Bacup Leisure Halls at the end of the current financial year, and the Council is in the process of evaluating alternative sustainable options for its continued use as a community facility.
- ◀ In general the Trust faces the challenge of working from (and trying to market and sell) facilities which have a wide range of backlog maintenance issues where there are insufficient funds available to maintain the assets and deal with issues that arise. A key example of this is the “cost effective” solution that the Council implemented to install a make up tap at Marl Pits Swimming Pool – the cold water falls from a pipe plumbed in on the ceiling.
- ◀ The Council is set to make a decision on the future of Haslingden Swimming Pool. The pool is currently beyond its original life expectancy and it is obviously a difficult facility to attract customers to.
- ◀ RLT has entered into an agreement with Alliance Leisure to invest £1.3 million to develop a new fitness suite and undertake some general improvements to Haslingden Sports Centre. The facility now provides private sector quality facilities to the general public and affordable prices. However the operation of the fitness suite is the key driver in enabling the Trust to repay the investment; however there is no provision to replace or update equipment throughout the next 15 years. As standard, most fitness operators would seek to replace their fitness equipment every 5 to 7 years, therefore the Trust and Council will face a significant challenge maintaining income at an appropriate level to repay the cost of the investment.
- ◀ Finally, the Trust has the immediate challenge of working through its relationship issues with RBC in an attempt to secure an appropriate way forward for developing a positive working relationship.

RLT performance

An assessment of RLT’s performance; gained through an analysis of the facilities, its financial position and consultation with officers and Trustees, can be summarised as follows:

- ◀ As stated previously, the Trust has continually not met the budget set for it by the Council, which has accumulated to a total overspend of £420,000 since 2004/5.

- ◀ It would appear that when the Trust was established neither party fully considered the longer term financial sustainability issues and as such the Trust was established with insufficient funds to enable it to be sustainable.
- ◀ In addition to its poor starting position it has had to deal with:
 - ◀ A reduction in income at Ski Rossendale, within both general ski passes and instructed sessions.
 - ◀ A general reduction in bar sales at its sites.
 - ◀ A significant increase in utilities costs.
 - ◀ An increase in general maintenance costs at the facilities; in order to keep them operational.
- ◀ In spite of the above financial challenges the Trust has had a number of achievements and successes, including:
 - ◀ It has managed to reduce its insurance costs back to what they were when the service was within the Council's overall policy (i.e. this represents a 50% reduction on the Trust's original premium).
 - ◀ The investment undertaken at Haslingden SC compares to the quality offered at private sector facilities.
 - ◀ It has managed to generate significant income from its fitness offer at Haslingden SC; generating circa 26 members per piece of static fitness equipment. This level of membership is comparable to other high performing trusts and private sector leisure operators within the public sector.
 - ◀ The Trust has been successful in generating in excess of £1.4 million from external sources (such as PCT, Lancashire Sport, Awards for All, Arts Council, Lancashire CC and RBC). This has potentially been a significant driver in the improvement in Rossendale's Active People results.
 - ◀ The Trust has been linked into the Association for Public Service Excellence (APSE) performance networks and has demonstrated average performance within its group for Haslingden Swimming Pool and above average (e.g. top quartile) performance within its group for Haslingden Sports Centre.
 - ◀ The Trust has developed a strong relationship with the PCT and its delivery of the GP referral scheme appears to be a key success.
 - ◀ The Trust has been instrumental in the development and success of the Sport and Physical Activity Alliance (SPAA) which has had a range of successes including the development of sports specific themed groups and the sports awards.
 - ◀ A successful partnership with Alder Grange and Whitworth High Schools to manage the community use of their school sports facilities.
- ◀ It would appear that the Trust has not addressed some fundamental sports and business development issues at its facilities. As an example, it allows swimming clubs to teach swimming at its facilities; the rationale being that the potential fallout from RBC officers and members may be significant – although we are unaware if this was tested with RBC. Furthermore, the Trust also teaches swimming in half of the pool while the public are in the other side; this goes against what the ASA and other swimming teaching bodies would regard as good practice.
- ◀ Over the years, the Trust has not been good at engaging with RBC Members; especially in relation to good news items such as external funding awards, facility improvements, etc. It is appreciated that this would have been difficult in latter months given the poor relationship; however it should have been included within its operating and business planning thought processes from the outset.

MANAGEMENT OPTIONS OVERVIEW

The following represents a snapshot of the key facts about alternative management options. It also provides a flavour of some of the key decisions the Council might have to take in the context of a decision to transfer the management and operation of its service to an alternative provider:

- ◀ The Council will retain ownership of the assets (i.e. sports facilities etc.), regardless of which management option is chosen. This will be no different from its current arrangement with RLT.
- ◀ The prospect of a full repairing lease is normally only relevant to new facilities and is unlikely to be an option for the Council's existing leisure stock.
- ◀ Under the terms of a part-repairing lease (as per the existing RLT lease) the Council is responsible for key areas of maintenance and investment (e.g. structural integrity, fabric and waterproofing of the buildings, and the provision of underground services (utilities etc) up until the point that they enter the buildings).
- ◀ It is more cost effective for the Council to invest capital in the facilities than the partner, as (under most of the arrangements adopted) the partner is unlikely to be able to reclaim the VAT on such investment.
- ◀ Staff currently employed by RLT would transfer to the new partner with protected terms and conditions of employment (i.e. TUPE will apply).
- ◀ Pensions are not within the TUPE regulations and the Council will have to consider whether it 'requires' the partner to become an admitted body to the local government pension scheme, or a broadly comparable pension scheme will be sufficient.
- ◀ If the Council chooses the admitted body route (which it has done with RLT), it will have to advise on whether it is willing to pay for an open or closed scheme.
- ◀ RLT currently provides its own support services. If it was deemed appropriate to purchase these from the Council or another trust; there would be an expectation that either of these organisations would have to perform against an SLA developed by it.
- ◀ The Council can have up to 20% 'full' membership on the Board of trustees. Within the current arrangement for RLT the Council adopts this approach; whereas for CLAW it has chosen to have these as non-voting positions.
- ◀ As is the case for RLT and CLAW, trusts can achieve up to 80% mandatory rate relief on its facilities.
- ◀ If the Council transfers to a private operator it will have to accept that this organisation will need to build a profit margin into the contract. Depending on the partner, the competitiveness of the tendering process and the attractiveness of the contract, this profit margin could range from between 6 to 12% of income.
- ◀ If the Council transfers to a neighbouring trust it will have to accept that this organisation would expect a contribution to its overall reserves account.
- ◀ If the Council transfers to a neighbouring trust, governance arrangements will be determined by the partner trust (i.e., it may wish to set up a local board or expand its current board to incorporate Rossendale's representatives).
- ◀ The Council is already achieving VAT and NNDR savings on its current arrangements with RLT and CLAW. Therefore, no additional 'standard' savings can be achieved from a particular model; the key question is the ability of the operator to maximise income from the facilities.
- ◀ It is probably true to say that there is no market waiting in the wings to compete to invest at a substantial level in the Council's facilities and take on their management.

TRUSTS – NOT FOR PROFIT DISTRIBUTION ORGANISATIONS (NPDO)

Types of trust – not-for profit distribution company (NPDO)

Two main types of trust vehicles have been developed to deliver sport and leisure services. These are currently employed in the management and operation of leisure services throughout the country and have a proven track record:

- ◀ Company Limited by Guarantee (CLG).
- ◀ Industrial Provident Society (IPS).

In addition to the above, a new company structure - the Charitable Incorporated Organisation (CIO) is in the process of being developed by the Charity Commission. It is, in effect, a simpler model of the CLG.

Company Limited by Guarantee (CLG)

A CLG is fairly quick and easy to establish. It is the most common type of company in the third sector. Member and trustee liability is limited to the amount they have promised to contribute to the company's assets if it is wound up; usually a nominal sum of £1. However, this does assume that said members and trustees have not acted unlawfully in carrying out their duties.

A CLG is governed by company law (i.e. Companies House) and where it achieves charitable status, is also required to operate within charity law and guidance (as identified by the Charity Commission). The CLG must, therefore, submit returns to both of these organisations. The nature and scope of responsibilities for both company directors and trustees are well established in law with clear guidelines to consult and follow.

One of the key advantages of a CLG is that it enables the company to attract "the great and the good" onto its management board (i.e. as company directors and trustees of the charity). However, such trustees are volunteers and their position is unpaid. As a result, the challenge is to obtain people with the right level of altruistic interest in sport and with the requisite level of skill and expertise to manage the company.

Furthermore, where the trust has been established by the local authority there are specific guidelines as to the proportion of trustees allowed to be elected members or employees of that local authority. The standard rule of thumb is that such representation cannot comprise more than 20% of board membership. However, some trusts and councils have taken the view that elected members do not necessarily make good trustees (i.e. expertise, conflict of interest, time commitments) and have sought to identify other individuals to represent the Council as a trustee.

Industrial Provident Society (IPS)

An IPS model is registered under the Industrial and Provident Societies Acts. They are currently governed by the Financial Services Authority (FSA), although there are moves to incorporate them within the jurisdiction of the Charity Commission. An IPS can be deemed to have charitable objects and can be viewed as an exempt charity and qualify for the same financial advantages as a charitable trust.

The key difference between and IPS and a CLG structure is the ability of the IPS to have staff involvement on the board. Some councils, when considering which type of management arrangement to install, have chosen to specify such staff involvement as a key principle underpinning how the trust should function. However (at present), the IPS cannot be registered as a charity and therefore only qualifies for discretionary rate relief. Where the IPS model has been opted for, they do not appear to face any major difficulties in achieving this level of rate relief.

RLT has been established as an IPS model; not for any desire to have staff represented on the Board, but it would appear as a replica of some of the more influential trusts at that time (i.e. Salford Community Leisure Ltd, Oldham Community Leisure, Greenwich Leisure).

Rate relief

As identified above, both models can achieve rate relief. RLT currently achieves 80% relief through discretionary relief awarded by RBC

Relationship between the Council and a trust/NPDO

The relationship between a council and a trust is enshrined within the lease of the facilities and land. The trust is required to demonstrate “independence from local authority control” and must occupy any premises as the principal in its own right, and not as the local authority’s agent. This relationship is already in place between RBC and RLT (with CLAW’s lease currently being negotiated). This is what enables both organisations to qualify for national-non-domestic rate (NNDR) relief from RBC.

Type of lease

Fundamentally there are two types of lease agreement: full or part repairing. The implications of both of these are outlined below:

Full repairing lease

This option requires the trust (or the Council’s chosen operator) to take on full liability for the repair and maintenance of the facility stock over the term of the lease. RBC would expect it to meet all agreed condition liabilities for the length of the lease period and return the facilities to the Council in what would, potentially, be an improved condition.

This would be a very costly solution for RBC as the Trust/operator would identify a cost for every aspect of repair and maintenance associated with the service as well as all other possible risks. It is likely that in this circumstance an investment schedule would be required as part of the lease, and would be required to be carried out even if the investment was not totally necessary.

In addition, if a trust is required to make significant capital investment over the term of the lease (e.g., improvements to tired facility stock, upgrade of accommodation etc.) it would be liable for VAT on this investment. As a result, a full repairing lease is rarely financially attractive. Furthermore, the risks associated with a full repairing lease are only minimised when a new facility is developed. Therefore, it is unlikely that any trust or private partner would take on a full repairing lease for RBC’s facilities.

Part repairing lease

A part repairing lease is where RBC and a trust share responsibility for the future repair and maintenance of the facilities. This is the basis of the current lease agreement with RLT. This requires RBC to maintain responsibility for specific parts of the buildings and to specify which aspects of the identified condition survey liabilities it will be responsible for and undertake to deliver. The Trust will be required to commit to undertaking its share of the condition survey items and the enhancements it identifies for the facilities. However, a trust can only undertake its requirements if it is furnished with the funds to deliver these. A number of key issues arise from this option, including:

- ◀ Where the division of responsibility lies.
- ◀ Whether there is an investment threshold applied to the split in responsibility.
- ◀ The potential cost of investment by each organisation.
- ◀ The ability/willingness of RBC to commit to responsibilities over the term of the lease.
- ◀ The ability of the Trust to demonstrate independence and to respond to customer needs and changes within the market.
- ◀ Current condition of facilities and likely investment requirements over the next 15-20 years.
- ◀ The likely replacement schedule for facilities, major equipment, plant and machinery.
- ◀ Recent investment in the facilities, or the expected life of the asset.
- ◀ The most efficient way of procuring the works.

Capital investment

As identified previously, if a trust is required to invest capital in the facilities (i.e. via borrowing) it will be liable for the VAT on any investment. Over recent years, the trend has been for the Council to borrow funds through prudential borrowing and in return for the funds to be repaid via a reduction in the grant. However, this arrangement only works where the investment results in increased use and income at the facility.

Monitoring and evaluation

Within either of the above options it is important for RBC to ensure that it continues to monitor the condition of its assets and that component elements of facilities are maintained and repaired to the highest possible standard. In general the main areas of dispute arise where it is perceived that the requirement to replace key items of plant and machinery or fixtures and fittings is a direct result of a lack of maintenance. This highlights the importance of detailed condition, suitability and sufficiency surveys and the need for an open, transparent relationship between the Council and partners with regard to the repair, maintenance and replacement of plant and machinery, fixtures and fittings.

Regardless of the type of lease, it is good practice for Council and the trust/operator to set out respective maintenance and improvement strategies on a five yearly and annual basis. This underpins development (and continuance) of a transparent relationship and provides a basis for both to monitor the extent to which they do what they say they are going to do and to assess the impact of not taking specific actions. It provides a solid foundation for ongoing monitoring and evaluation of the assets and enables key issues to be identified at the earliest possible stage. Furthermore, it enables the impact of emergency repairs to be assessed within the context of ongoing maintenance.

Governance

As identified above, ‘standard’ trust arrangements, often attract concern with regard to trust independence from the local authority and the requirement of elected members to have a place on the board ‘to protect their authority’s position’. It is important to note that a trustee should not be hamstrung by external interests or influences when performing his/her duties as a trustee. The principles of good corporate governance and the highest standards of probity should be employed at all times. This can affect the ability of RBC members to participate in key trust or Council decisions. The guiding principle is that all relevant interests in specific matters should be declared and where appropriate, and if necessary, trustees/members should step aside when key decisions are made.

It is also important for a trust to ensure that board recruitment is based on the skills and expertise needed (and appropriate) to manage the company’s affairs. A clear matrix should be developed which highlights such requirements at board level. Recruitment should be undertaken on this basis rather than the need to ensure representation of particular organisations. KKP has worked with a range of trusts with varying degrees of expertise at board level. The following represent the types of skill and expertise we would recommend that a board seeks to acquire (see also the examples table overleaf):

- ◀ Legal.
- ◀ Financial.
- ◀ ‘Business’.
- ◀ Human resources.
- ◀ Marketing.
- ◀ Sector knowledge (e.g. health, inclusion, education).
- ◀ Political/local government.

The other key governance aspect; one that there is a tendency to overlook, is the relationship between the Council and the trust. Some councils consider having an elected member on the board sufficient to ensure that full governance requirements are met. However, the communication and reporting function between the trust and RBC must be considered. A key consideration is that the trust/operator is not just ‘left to it’ and that there continues to be an advocate. The “partnership” role/function within the Council is critical. Furthermore, the CEO of the Trust must have access to key senior Council officers to ensure that communication channels are maintained. The limitations of this continued dialogue and advocacy role has been a key determinant of the quality of the business relationship between RBC and RLT and CLAW.

Examples: Trusts recruiting key people into board director positions

Core skills	Trustee experience
Legal	Salford Trust has a lawyer on its board from a specialist mental health law firm; he also has an active interest in hockey and cricket.
Financial	Tameside Trust has a prior head of finance from a neighbouring Greater Manchester authority.
Business acumen	Trafford, Salford and Tameside trusts have a range of trustees who either manage a small business or who have experience within larger companies (e.g. Proctor and Gamble, Kelloggs).

Core skills	Trustee experience
Human resources	Tameside Trust has the previous head of human resources at the Council as one of its nominated representatives.
Sector knowledge	Salford Trust has co-opted a senior regional development officer from Sport England onto its Board. Edinburgh Leisure has a well-known researcher in leisure as its chair. Trafford has the Chief Executive of Lancashire County Cricket club on its Board as well as the head teacher of a local specialist sports college.
Political/local government	All trusts have a range of councillors on the Board, but many keep this to a minimum to demonstrate independence.

Transferring staff

The Transfer of Undertakings (Protection of Employment) Regulations 1981 and the Acquired Rights Directive 77/187 ensure that staff wholly (i.e. 100%) or mainly (i.e. over 50%) employed by the service are transferred to the trust (or private sector partner) with all employment rights intact. Therefore, changes to terms and conditions of employment should be related to economic, technical or organisational issues and not for reasons relating to the transfer of staff from one organisation to another. In Rossendale, TUPE applied to the transfer of staff from the Council to the Trusts. The same would apply if an alternative partner was to manage the service on behalf of the Council. Therefore, staff terms and conditions would continue to be protected under any new arrangement.

Pensions

Pension provisions are not covered by the TUPE transfer process. Continuity of pension provision is a key concern of staff when they transfer from one organisation to another. A trust can either set up its own stakeholder scheme or apply to become an admitted body to the Local Government Pension Scheme. The key challenge for any trust or private sector contract is the decision on whether to have an open or closed scheme. This is determined by what the Council is prepared to fund and whether or not it perceives that it will contribute to a two-tier workforce for the host organisation.

Key advantages and disadvantages

Advantages	Disadvantages
VAT benefits.	Loss of RBC control. The relationship is one of influence.
Up to 85% NNDR relief.	Dependency upon RBC for reinvestment in assets.
Capital expenditure (ability to borrow/ secure capital outside of local authority regimes).	Success depends on attracting and retaining quality trustees - skills and expertise.
Fits with Best Value, CPA and CAA.	Trusts need support services infrastructure – cost.
Opportunity to engage the local community on the management board.	Potential impact on central services personnel.
	Difficult for RBC to make savings from support services.

PARTNERSHIP WITH AN EXISTING TRUST

A growing number of existing trusts are looking to expand their operational management domains outside and beyond the local authority in which they were originally established. At first this process may appear unusual, however it is similar to how the commercial leisure companies developed and expanded.

The rationale for a trust expanding into RBC's territory needs to be tested as there is no financial benefit to trustees (unlike the dividend paid to shareholders). Therefore, the key question to resolve is which organisation benefits from such an arrangement, the host or the new partner organisation. The motives of the 'predatory' trust need to be considered carefully. Is it about growing a business in a bid to improve service delivery through efficient operational and organisational practices (e.g. support services) or is it empire building for trustees and chief executives?

Varying degrees of trust partnership arrangements can apply ranging from one trust supplying support services to another, to a concession contract won in competition. Examples of trust partnerships include:

- ◀ Wigan Leisure and Culture Trust – which has recently won a contract to manage Abbey and Tadcaster Leisure Centres and Selby Park on behalf of Selby District Council.
- ◀ Carlisle Leisure – which operates facilities on behalf of Allerdale Borough Council.
- ◀ North Country Leisure Ltd - having started life in Tynedale, now operates contracts in Alnwick and Copeland.
- ◀ Fusion Leisure Ltd – which operates facilities on behalf of a range of local authorities including Oxford City Council, the London Boroughs of Lambeth, Croydon, and Hillingdon and Mole Valley District Council.
- ◀ Greenwich Leisure – this is the best known trust partner which now operates facilities on behalf of seventeen other London Boroughs;
- ◀ South Oxfordshire Leisure Limited – which also operates facilities on behalf of Daventry District Council

Representation on the board

It should be borne in mind that the decision on the type of board structure to be employed when partnering with a neighbouring trust, lies with the trust itself; RBC will only be able to influence this through negotiation. RBC will have to identify its ideal model and evaluate whether the partnering trust can achieve this. This will be one of many evaluation scores within an open procurement process. Where local authorities have previously partnered with a neighbouring trust a range of different relationship structures have developed including:

- ◀ The authority's facilities being subsumed within the Trust; this tends to have occurred where the Council is happy for this to happen.
- ◀ The development of a local consultation board for the contract, either with or without representation on the main ('central') trust board.
- ◀ The development of a local board (comprising trustees and local representatives) with an equal representation of trustees on the main board. However, this tends to become less sustainable as more contracts are won.

Key advantages and disadvantages

Advantages	Disadvantages
An existing trust already has its legal framework established.	The Board is already established so the Council would need to identify if it can either: <ul style="list-style-type: none"> · Gain representation on existing Board. · Establish a local Board.
It can achieve VAT and NNDR benefits.	Potential for conflict of interests between the original and “new” Boards.
An existing Trust has support services in place, so there should be economies of scale.	Potential for cross subsidy of Council Grant funding.
The option exists to test partner’s performance - KPIs, partnerships, relationships.	Loss of Council control. The relationship is one of contract management.
The Council can enter into a contractual relationship rather than a grant Agreement.	Partner trust would expect a contribution to its overall reserves.
Fits with Best Value, CPA and CAA.	Potential impact on RLT support structure (i.e. redundancy).
	Will involve a procurement process; which has a cost.
	Need to test the track record of managing full range of services.

PRIVATE SECTOR PARTNERSHIPS

The original private sector partnership was a straight concession based contract for usually 10 to 15 years, where the operator sometimes invested funds in the facility. Within such contracts there were no VAT or NNDR benefits and the key driver was that the Council did not want to directly provide the service. Such arrangements were normally underpinned by a belief that the private sector could do it more efficiently and cost effectively. A number still exist, although some have been renegotiated or retendered in such a way as to achieve VAT and NNDR benefits.

Within the Rossendale context, a concession based private sector contract is not considered to be worth progressing further as it does not achieve the financial savings that the Council currently gains and wants to continue to achieve.

Hybrid private sector partnerships

In an attempt to counteract the financial advantages (and competitive edge) of the trust approach, private sector companies developed the concept of the 'hybrid', or as is sometimes referred to, the 'sham', trust. Under this arrangement parties agree to structure the private sector company, or the relationship between the company and the local authority in such a way as to qualify for mandatory and/or discretionary rate relief and in some cases VAT concessions. This is done by using a not for profit company or subsidiary. Via this method, private operators can offer councils the benefit of tax savings, the ability to secure capital investment and a more 'commercial' approach.

Each private sector partner has its own variation of the hybrid model, some able to achieve charitable status and others not. It is open to legal challenge as it is in some circles viewed as a 'sham trust'. Until the Government clarifies the situation, it is for each council and its particular partner to assess the legality of each arrangement on its merit. RBC needs to be aware that it would have to deal with the impact of any future decision as and when it took place (e.g. back payment of NNDR and VAT benefits).

Key advantages and disadvantages

Advantages	Disadvantages
VAT and NNDR benefits.	Each contractor has its own hybrid model so the Council gets what it is given.
Potential savings are comparable with trusts.	Complex legal, administrative & organisational structure associated with all hybrid models.
Commercial sector expertise although in some circumstances this can be questioned.	Loss of council control. The relationship is one of contract management.
Private sector can access capital - although this is more normally more costly than the rates the Council can borrow at.	Potential impact on RLT support structure (i.e. redundancy).
Competitive tendering demonstrates that the best value (cheaper?) option is identified.	Potentially open to legal challenge.
Potential economies of scale (i.e. bulk purchasing).	Will involve a procurement process – which has a cost.
Fits with Best Value, CPA and CAA.	No track record managing sports development.

MANAGEMENT OPTIONS APPRAISAL

RLT facilities

The following table outlines the appraisal of each of the management options (i.e. RLT, hybrid private sector partnership, and neighbouring trust) for the Council's core sport and leisure facilities. That is, solely those that are currently managed by RLT. In addition to the identified options we have also considered the potential of the Council bringing the service back in-house. The appraisal considers the following key criteria and identifies the potential implications of each:

- ◀ Quality.
- ◀ Need for capital.
- ◀ Revenue implications.
- ◀ Risk assessment.
- ◀ Human resources.
- ◀ Property and maintenance.
- ◀ Council influence.
- ◀ Legal issues.

Criteria	Management options			
	Rossendale Leisure Trust	Neighbouring Trust	Hybrid private sector partnership	In-house (RBC)
Quality	<p>RLT appears to be doing a reasonable job based on its APSE returns.</p> <p>Haslingden SC offers private sector standard facilities to residents; RLT is achieving circa 25 members per piece of static fitness equipment, which is comparable, if not better than some other trusts and commercial operators.</p> <p>Condition of some facilities directly impacts on the quality of service.</p> <p>RLT has achieved good levels of external funding from a range of sources.</p>	<p>Several neighbouring trusts may be interested in managing RBC's facilities (Pendle, Trafford, Rochdale, Wigan).</p> <p>The quality of trusts individual facilities and services is varied. This will need to be tested via a competitive tendering process.</p> <p>RBC will need to scrutinise the quality of trusts' facilities and sources of investment.</p> <p>Comparisons will need to be made with regard to external funding etc.</p> <p>There are no guarantees that the quality of service will improve.</p>	<p>Serco is the main operator in the region with contracts in West Lancs, South Ribble, Bolton, Manchester, Stockport.</p> <p>The quality of private sector provision and services is as varied as trusts. It will also need to be tested through a competitive process.</p> <p>The private sector does not appear to have as good a track record securing external funding; this may be linked to a lack of experience delivering sports development services.</p> <p>There are no guarantees that service quality will improve.</p>	<p>Although there has been a significant improvement in performance since RLT was established, there is no leisure expertise within the Council; this would be an additional cost.</p> <p>RBC would have to be confident that any new leisure specialist employed could improve the quality of the service from its current position.</p>
Need for capital	<p>RLT has secured capital to invest in Haslingden SC. This was done via Alliance Leisure, underwritten by RBC.</p> <p>Ski Rossendale requires £3-£10m of investment which is beyond RLT's capacity.</p> <p>RLT will not be able to raise the funds required to replace Haslingden Pool.</p>	<p>It is unlikely that a neighbouring trust will be able to raise significant levels of funding to invest in RBC's facilities as they have their own challenges to deal with.</p>	<p>The private sector could invest in a new pool although this would be costly compared to RBC prudential borrowing.</p> <p>Standard operators unlikely to invest in Ski Rossendale as it is outside of core experience and possibly too high risk..</p> <p>Lower levels of investment in facilities in recent years.</p>	<p>Regardless of which type of management option is put into place RBC will need to identify the funds to invest in its facility stock.</p>

Criteria	Management options			
	Rossendale Leisure Trust	Neighbouring Trust	Hybrid private sector partnership	In-house (RBC)
Revenue implications	<p>RLT currently achieves VAT and NNDR savings.</p> <p>RLT is achieving high levels of membership from its new fitness offer at Haslingden SC. Other business and sports development opportunities exist that it can take advantage of.</p> <p>A potential area of concern is the cost of support services. This will be greatly influenced by the future facility provision that the Council wants delivered in Rossendale.</p>	<p>A neighbouring trust will not achieve any additional VAT or NNDR savings.</p> <p>Some cost efficiencies will potentially be achieved (e.g. support services) depending on the capacity within the trust; however, RBC would be liable for the costs associated with these (i.e. redundancy).</p> <p>The revenue cost of the service will need to be tested via a procurement process.</p>	<p>A hybrid private sector partner will not achieve any additional VAT or NNDR savings.</p> <p>Cost efficiencies will be achieved (i.e. support services) given head office structures of the private sector), but these are likely to be limited.</p> <p>RBC would be liable for the costs associated with support services savings (i.e. redundancy).</p> <p>The private operator is likely to want a profit margin built in, which based on 6% of turnover would be in the region of £82k).</p> <p>The revenue cost of the service will need to be tested via a procurement process.</p>	<p>RBC would not qualify for VAT and NNDR benefits.</p> <p>On this basis alone, the option of bringing the service in-house is not financially beneficial.</p>

Criteria	Management options			
	Rossendale Leisure Trust	Neighbouring trust	Hybrid private sector partnership	In-house (RBC)
Risk assessment	<p>RLT has proven that it can efficiently operate high quality facilities. However, there is always a risk of it not performing.</p> <p>The main area of risk lies in the impact of the Council not undertaking its investment strategy.</p> <p>As has been proven recently the key area of risk related to RLT continuing to deliver the service is the quality of the relationship between it and RBC. As long as the previous angst is “put to bed” this risk can be managed.</p>	<p>Risks associated with poor performance are determined within the contract; RBC has some element of protection. However, if the neighbouring trust is dissolved the responsibility for the service will fall back on RBC.</p> <p>There is the potential risk that no additional savings will be achieved from the procurement process.</p> <p>The operating philosophy of the partner trust could change if a new CEO is recruited or Board members change. This could have a negative impact on future relationships.</p>	<p>Risks associated with poor performance will be determined within the contract, therefore RBC has some element of protection.</p> <p>If the private partner folds (i.e. liquidation) the responsibility for the service falls back on RBC.</p> <p>There is the potential risk that no additional savings will be achieved from the procurement process.</p> <p>The operating philosophy of the contractor could change if mergers and acquisitions within the sector take place.</p>	<p>The key risk associated with taking the service in-house is the increase in cost. This will impact on wider Council services.</p>
Human resources	<p>No immediate HR issues if RLT continues to manage the service on behalf of RBC.</p> <p>However, if the Council’s strategy for a sustainable infrastructure is implemented there may be significant TUPE, redundancy and salary review issues to overcome.</p> <p>Given that RBC is driving these changes, it is likely to have to fund these.</p>	<p>Staff would need to transfer to a neighbouring trust under TUPE.</p> <p>There are likely to be redundancies if it is able to absorb central support costs within its own structure. Future level of provision will also impact on this.</p> <p>Given that RBC is driving such changes, it is likely to have to fund these.</p>	<p>Staff would need to transfer to a private partner under TUPE.</p> <p>There will be redundancy issues as the partner will have its own central support structure.</p> <p>Given that RBC is driving these changes, it is likely to have to fund these.</p>	<p>Staff would transfer back to RBC under TUPE. There is unlikely to be any savings from the Council providing support services as there is currently no spare capacity.</p>

Criteria	Management options			
	Rossendale Leisure Trust	Neighbouring Trust	Hybrid private sector partnership	In-house (RBC)
Property and maintenance	<p>The current split of responsibilities for property and maintenance issues are dealt with in the Lease.</p> <p>It is clear that the Trust was not set up with sufficient funds to carry out its responsibilities under the lease and this should be resolved within any future resolution of service delivery.</p>	<p>RBC will outline within its tender documents what it expects the neighbouring trust to deliver. The Trust will then identify what it anticipates it will cost to meet its requirements under the lease. This can only be identified within a tendering process.</p> <p>It is likely that the cost will be over and above RLT's current budget.</p>	<p>RBC will outline in its tender documents what it expects the operator to deliver. The private partner will then identify to RBC what it anticipates it will cost to meet its requirements under the lease. This can only be identified within a tendering process.</p> <p>It is likely that this cost will be over and above RLT's current budget. There are instances where private contractors have increased costs as it impacts negatively on customer quality.</p>	<p>RBC would be liable for the cost of all repairs and maintenance issues.</p>
Council influence	<p>RBC currently has two members who sit on the RLT, Board but who do not have voting rights. There is a perception (RBC officers) that this needs to change; however it is important to remember that members do not represent the interests of RBC.</p> <p>There may be a need to review governance and relationship issues between the Trust and how RBC influences outcomes to be delivered.</p>	<p>RBC will determine the relationship with a neighbouring trust by means of the contract. It is important to ensure the contract is "tight but flexible".</p> <p>Governance arrangements with the neighbouring trust will have to be resolved (i.e. part of main board or local board).</p>	<p>RBC will determine the relationship with a private partner by means of the contract. It is important to ensure the contract is "tight but flexible".</p> <p>Local "board/trust" arrangements will be determined by the type of hybrid structure the successful partner has established.</p>	<p>The Council will then have complete control over the service.</p>

Criteria	Management options			
	Rossendale Leisure Trust	Neighbouring Trust	Hybrid private sector partnership	In-house (RBC)
Legal issues	<p>Any key legal issues will be determined by the RBC decision on the future provision of sport and leisure across Rossendale. Likely issues include:</p> <ul style="list-style-type: none"> • Potential requirement to surrender the lease on Ski Rossendale and the procurement of a new private sector partner. • TUPE and redundancy issues associated with the above, and also the scope of future services. • Renegotiation of the lease for Marl Pits and Haslingden Pool replacement, if investment is delivered. • Redundancy payments as a result of the closure of Bacup Leisure Hall. • Potential restructure of the governance requirements for the Trust. 	<p>Legal issues determined by the procurement process if RBC decides that it wants to secure a new partner to deliver its services. Likely issues include:</p> <ul style="list-style-type: none"> • The drafting of new leases • The drafting of contract documents for a procurement process. • TUPE and redundancy issues associated with transferring to a new partner, and also the scope of future services. • Redundancy payments as a result of the closure of Bacup Leisure Hall. • The transfer of staff and any assets from RLT to a new partner and the eventual dissolving of RLT. 	<p>Legal issues determined by the procurement process if RBC decides that it wants to secure a new partner to deliver its services. Likely issues include:</p> <ul style="list-style-type: none"> • The drafting of new leases. • The drafting of contract documents for a procurement process. • TUPE and redundancy issues associated with transferring to a private partner, and also the scope of future services. • Redundancy payments as a result of the closure of Bacup Leisure Hall. • The transfer of staff and any assets from RLT to a new partner and the eventual dissolving of RLT. 	<p>In this instance the legal issues to be resolved are likely to include:</p> <ul style="list-style-type: none"> • TUPE and redundancy issues associated with bringing the service in-house. • Redundancy payments as a result of the closure of Bacup Leisure Hall. • Dissolving RLT as a company.

CLAW facilities

The following table outlines the appraisal of each of the management options (i.e. CLAW, hybrid private sector partnership, and neighbouring trust) for Whitworth Swimming Pool and Riverside Civic Hall. In addition to the identified options we have also considered the potential of the Council bringing the service back in-house. As above, the appraisal considers the following key criteria and identifies the potential implications of each:

- ◀ Quality.
- ◀ Need for capital.
- ◀ Revenue implications.
- ◀ Risk assessment.
- ◀ Human resources.
- ◀ Property and maintenance.
- ◀ Council influence.
- ◀ Legal issues.

Criteria	Management options			
	CLAW	Neighbouring Trust	Hybrid private sector partnership	In-house (RBC)
Quality	<p>CLAW appears to be doing a reasonable job given the quality of the assets it is working with.</p> <p>Some confusion exists with regard to the responsibility for health and safety as it appears that there is no clear lead for this area.</p> <p>CLAW is not tied into any performance management framework or benchmarking service.</p> <p>It has raised some funds to invest in the swimming pool, and it is managing a new built Civic Hall.</p>	<p>A number of neighbouring trusts may be interested in the opportunity to manage the facilities in Whitworth (RLT, Pendle, Trafford, and Wigan).</p> <p>The quality of trusts individual facilities and services is varied. This will need to be tested through a competitive tendering process.</p> <p>It is unlikely that CLAW would consider letting a contract for another trust to manage its facilities.</p>	<p>Serco is the key operator in the region with contracts in West Lancs, South Ribble, Bolton, Manchester and Stockport.</p> <p>The quality of the private sector's provision and services is as varied as trusts', and similarly this will need to be tested through a competitive process.</p> <p>It is unlikely that CLAW would consider letting a contract for a private sector partner to manage its facilities.</p>	<p>The Council does not currently have any sport/leisure expertise to manage the pool. It would be politically sensitive for the Council to take on the management of a pool it previously attempted to close.</p>
Need for capital	<p>CLAW has secured funding from the local community to invest in Whitworth Pool (i.e. fund raising); however, it is clear that it will face some significant asset management issues which the Council and CLAW must resolve.</p>	<p>It is unlikely that a neighbouring trust will be able to raise funds to invest in Whitworth Pool.</p>	<p>The private sector could invest in the pool although it is very unlikely that it would generate sufficient income to repay the capital.</p>	<p>Given the financial challenges facing the Council it would have to demonstrate a clear business case for any future investment in the facility (in a similar way to the private sector or a neighbouring trust).</p>

Criteria	Management options			
	CLAW	Neighbouring Trust	Hybrid private sector partnership	In-house (RBC)
Revenue implications	CLAW currently achieves VAT and NNDR savings. The key challenge for the trust is to maximise income from swimming; mainly from Whitworth residents.	A neighbouring trust will not achieve any additional VAT or NNDR savings. The key way to reduce cost is to increase income (i.e. from the Pool and Riverside Civic Hall). However, there may be a requirement to contribute to the neighbouring trust's reserves. Furthermore there is likely to be a backlash locally if CLAW is not managing the pool. There are no support services upon which to make savings.	A hybrid private sector partner will not achieve any additional VAT or NNDR savings. The key way to reduce cost is to increase income (i.e. from the pool and Riverside Civic Hall). However, the partner will take profit from the facility. Furthermore there is likely to be a backlash locally if CLAW is not managing the pool. There are no support services upon which to make savings.	RBC would not qualify for VAT and NNDR benefits. On this basis alone, the option of bringing the service in-house is not financially beneficial.
Risk assessment	The key risk associated with CLAW is the future investment requirement at Whitworth Pool; and the possible funding sources available to keep it open. Operationally, there are potential risks associated with the management of health and safety at the pool. This must be resolved for the future delivery of swimming in the town.	It is highly unlikely that a neighbouring trust will be able to resolve future investment issues at Whitworth Pool. It is anticipated that a neighbouring trust would have transparent health and safety management in place. However, improvements in health and safety management do not require the service to be transferred.	It is highly unlikely that a private sector partner would resolve future investment requirements at Whitworth Pool (at an affordable price). However, it would have transparent health and safety management in place.	The key risk associated with taking the service in-house is the increase in cost. This will impact on wider Council services.

Criteria	Management options			
	CLAW	Neighbouring Trust	Hybrid private sector partnership	In-house (RBC)
Human resources	There are no immediate HR issues with CLAW continuing to manage the service on behalf of RBC.	Staff would need to transfer to a neighbouring trust under TUPE. There is unlikely to be any savings from central support costs within this arrangement.	Staff would need to transfer to a neighbouring trust under TUPE. There is unlikely to be any savings from central support costs within this arrangement.	Staff would transfer back to RBC under TUPE. There is unlikely to be any savings from central support costs within this arrangement.
Property and maintenance	The lease arrangements for Whitworth Pool are in the process of being reviewed. CLAW has recently secured investment in plant and machinery. Future areas for consideration centre on the wider fabric of the building (e.g. roofs, windows, etc).	Unless the Council is clear about the future maintenance and investment requirements of the facility, it is unlikely to get an external partner to manage the facilities.	Unless the Council is clear about the future maintenance and investment requirements of the facility, it is unlikely to get an external partner to manage the facilities.	RBC would be liable for the cost of all repairs and maintenance issues.
Council influence	Currently, two RBC members sit on the Board, but within an advisory, non-voting capacity. CLAW and RBC have worked to achieve a better relationship at Board and senior officer level; CLAW is only willing to work with heads of service (i.e. Customer Services and ICT).	RBC's direct involvement on the Board will be determined in partnership with the partner trust.	RBC will determine the relationship with a private partner by means of the Contract. Local "board/trust" arrangements will be determined by the type of hybrid structure the successful partner has established.	The Council will have complete control over the direction and day to day operation of the service.

Criteria	Management options			
	CLAW	Neighbouring Trust	Hybrid private sector partnership	In-house (RBC)
Legal issues	<p>The only legal issue to resolve with CLAW is the details of the lease of the site and responsibility for future investment, if any.</p>	<p>Legal issues determined by the procurement process if RBC decides that it wants to secure a new partner to deliver its services. Likely issues include:</p> <ul style="list-style-type: none"> • The drafting of new leases • The drafting of contract documents for a procurement process. • TUPE issues associated with transferring to a new partner, and also the scope of future services. • The transfer of staff and any assets from CLAW to a new partner. • Potential for a legal challenge from CLAW. 	<p>Legal issues determined by the procurement process if RBC decides that it wants to secure a new partner to deliver its services. Likely issues include:</p> <ul style="list-style-type: none"> • The drafting of new leases • The drafting of contract documents for a procurement process. • TUPE issues associated with transferring to a private partner, and also the scope of future services. • The transfer of staff and any assets from CLAW to a new partner • Potential for a legal challenge from CLAW. 	<p>Within this instance the legal issues to be resolved are likely to include:</p> <ul style="list-style-type: none"> • TUPE issues associated with bringing the service in-house. • The potential of a legal challenge from CLAW.

PROPOSED OPERATIONAL MODELS

In summary, KKP has identified in section 1 that the future leisure provision in Rossendale should consist of the following:

- ◀ Haslingden (wet and dry) Sports Centre
- ◀ Marl Pits Pool and Fitness Centre
- ◀ Ski Rossendale
- ◀ Riverside Civic Hall
- ◀ Whitworth Leisure Centre
- ◀ Sports Development
- ◀ Arts Development

Several key challenges must be overcome and tough decisions made in order to deliver the above provision within the most cost effective and efficient management solution. These include:

- ◀ Identifying the most appropriate organisation to manage the Riverside Civic Hall.
- ◀ Ensuring those organisations delivering services on behalf of RBC have appropriate and cost effective support services in place to manage the facilities.
- ◀ Ensuring there are the appropriate skills, expertise and experience on the Board to manage the range of services.
- ◀ Finding a partner to invest in and manage Ski Rossendale in order to maintain the Borough's profile within the sub-region.
- ◀ Identifying the most appropriate organisation to manage sports and arts development.

In line with the above, the following key observations are made with regards to the current service delivery models:

- ◀ There is no management model which gives additional financial benefits to RBC; it receives both NNDR and VAT benefits from both Trusts.
- ◀ The key focus for improving the financial performance of RLT and CLAW is the combination of income generation (driven by facility improvements, the development of income generation activity areas and a more astute business development focus for trusts) and operational efficiencies.

Therefore, the key focus for this study is to identify the most appropriate management option for each facility taking into account the relevant focus, strengths and weaknesses of individual organisations.

The following presents the management options and responsibilities for individual facilities to be implemented in Rossendale for the proposed leisure portfolio:

New private sector leisure partner

Given the capital investment requirements at Ski Rossendale and the fact that neither RBC nor RLT has the funds to invest in the facility, there is an obvious need to find a partner able to invest the capital to make Ski Rossendale a viable financial business. The key focus for RBC is less on ensuring that local residents have access to a ski slope and more on ensuring the facility contributes to the overall tourism offer and economic development profile of the Borough.

Rossendale Leisure Trust

The key focus for RLT should be to concentrate its focus and energies on managing the following services:

- ◀ Haslingden (wet and dry) Sports Centre
- ◀ Marl Pits Pool, Fitness and Outdoor Sports Centre
- ◀ Sports Development

The Trust would then be free to operate its two school sites (Alder Grange and Whitworth Schools); not on the basis that there is no additional cost associated with these, but where there is a financial return to reinvest in wider facility provision.

The above scope of the service will require RLT to streamline its structure, especially in relation to senior management and support services. Depending on what option is progressed RLT should work with RBC to develop an appropriate structure.

Community Leisure Association of Whitworth

The key focus for CLAW should be to concentrate its focus and energy on its original raison d'être; Whitworth Leisure Centre. It recognises that it faces challenges with management of the facility and it should be fully aware of the need to work a lot closer and more effectively with RLT, especially in relation to health and safety practices and procedures, swimming development and access for disadvantaged residents, as an example. RLT should take a lead role on behalf of both organisations with respect to these issues and should work in partnership to agree and implement appropriate policies and procedures.

CLAW should be congratulated on its success establishing the Riverside Civic Hall. However, to take the facility to the next level it is felt that an alternative management solution should be implemented. Although the market is not buoyant at present, the potential exists in future years for an external partner to manage the facilities on the Council's and Trust's behalf.

In the short term CLAW should continue to manage the Riverside Civic Hall, or establish if Whitworth Parish Council (WPC) is interested in taking on this role. However, in partnership with RBC, CLAW (or WPC) should seek a partner to work with it to provide operational and business development support to improve the financial position at the

Riverside. This should be done on a no risk, “subsidy reduction” share basis, with the objective of developing the business into something which is ‘fit for purpose’ and an attractive business to take to the market place. However, both CLAW (or WPC) and RBC will need to work in partnership and commit to actioning the changes in operational and business development practices and programming required to make the facility more financially sustainable.

It is envisaged that this support would be required for a fixed term of approximately two to three years, with the potential of externalising the service within approximately 5 years; or alternatively CLAW managing a service which generates a surplus in order to cross subsidise the operation of Whitworth Leisure Centre.

Governance

As highlighted previously, a specific range of skills and expertise is required to manage a trust from a board perspective. There is a need for both CLAW and RLT to review their respective boards and identify the skills and expertise gaps. Both must then work in partnership with the Council to seek assistance to fill those gaps.

Rossendale Borough Council

In line with the above structures RBC should, at the outset seek to bring arts development and events back under the Council’s control. However, this should only be done once RBC has defined what range of arts development and events it wants to provide in Rossendale. The rationale for this is that it is leading on development of the Cultural Strategy for Rossendale and there is therefore, in this context, sense in it taking responsibility for arts development. RLT will thus, be left to focus entirely on the management, operation and development of sport and physical activity opportunities. In line with the above there will be a need to ensure the current budget passed to RLT for the provision of arts development and events is retained by the Council.

In relation to RBC’s input into the Riverside Civic Hall, it is recognised that the current market is difficult and that organisations are not necessarily looking for opportunities to expand their business; as it also increases their level of risk. However, it is felt that the Riverside presents a realistic opportunity for a company to build a sound business. In line with the initial partnering arrangement identified above, RBC will need to commit staff resources to develop partnering contracts on behalf of CLAW and then the monitoring of the support.

In the longer term RBC will also have to commit resources to developing tender documents for a longer term partnership. This is aligned to the opportunity for the Council to seek out a ‘local’ entrepreneur willing to take the business on as a franchise (similar to a licensee) and to maximise income opportunities from the facility. However, this should only be done when the business is on a sound footing.

Another key consideration for RBC is the cycle by which it sets its own financial plan and the corresponding challenges for its operational partners in setting theirs. Many local authorities and trusts have gone down the route of negotiating a three year grant settlement based on the Council’s medium term financial plan and the requirement to achieve efficiency savings. This at least gives partners (i.e. trusts) the ability to consider their financial planning over a longer term period and provides an element of security of

funding, rather than, in some cases, the grant being signed off by the relevant Council Committee after the start of the financial year.

Therefore, RBC should consider its cycle of funding its partners to ensure they have consistency over the medium term and can plan how efficiencies might be achieved. Consideration should be given to aligning partners' funding arrangements to those of the Council.

APPENDIX 1 - NATIONAL CONTEXT

The national and regional context

There are a number of national level documents that should be considered by Rossendale Borough Council when conducting the Leisure Review.

Planning policy and guidance.

Planning Policy Guidance 17 (PPG17) Companion Guide

This outlines PPG17's guiding principles; accessibility, quality, multi-functionality, primary purpose and quantity. It requires that an audit identifies these through detailed assessment. It also states that accessibility and quantity are delivered and protected primarily through the planning system. The Guidance states that assessing the need for smaller facilities is essential in promoting sustainable communities. PPG17 also indicates that the minimum range of 'core' facilities for which planning authorities should undertake local assessments (i.e., sports halls, swimming pools, STPS, indoor tennis and indoor bowls facilities and ice rinks). By complying with the guidance, this assessment will be able to sit alongside other PPG17 documents, such as a playing pitch assessment in order to provide a clear picture of community need and provision.

Planning Policy Statement (PPS) 3: Housing

This identifies that new housing areas should be supported by a range of local services and facilities funded through developer contributions, external funding and resources from the Local Authority as appropriate. Developer contributions resulting from new housing developments could be used to help finance any additional facility requirements resulting from the housing development.

Planning Policy Guidance 13: Transport

The objectives of this guidance are to integrate planning and transport at the national, regional, strategic and local level to promote accessibility to jobs, shopping, leisure facilities and services by public transport, walking and cycling. The aim of the Guidance is to ensure that community facilities are primarily located in the most accessible locations. This is relevant in relation to the setting of accessibility standards within local minimum provision standards.

Rural White Paper 2000 (reviewed 2004)

This identifies a set of principles for living and working in the countryside and identifies ten ways to make a difference. It seeks to ensure access to local services and community benefit. It also argues that policy makers should "systematically consider what adjustments /compensation might be made to fit rural circumstances" (chapter 5, paragraph 22). The principles advocated by the White Paper will be taken into consideration throughout this study and it provides useful background information for setting minimum provision standards in relation to community facilities.

The Department for Communities and Local Government report on the effectiveness of planning policy on sport and recreation

This identifies the main demands for sport and recreation facilities in rural areas are for fitness and aerobics facilities, indoor sports such as tennis and bowls and all weather pitches. The report also recognises the need for widespread support for sustainable development principles (i.e., accessible locations, greater integration of transport routes, increased dual use). The use of facilities such as community halls may help to meet increased demand for sport and recreation facilities, particularly with regards to activities that do not require floor markings, specific lighting etc., such as aerobics.

The Carter Report on Sport (2005)

This identifies how a 'Delivery System' for sport could simplify community sports structures and help to co-ordinate local delivery by linking to county sports partnerships with community sports networks. This will involve a group of deliverers from a range of organisations linked to local strategic partnerships, which will influence participation at a local level based on a robust needs analysis. The Report's key recommendations are to improve local delivery of sport and better co-ordinate public, private and voluntary sector investment; and promote sports facilities as community assets. Local delivery of sport may be possible, in some instances, via community facilities and strategically placed provision which is of a high standard.

Participation targets and strategies

Every Child Matters

Every Child Matters (ECM) is an inclusive approach to the well-being of children and young people from birth to age 19. The Government's aim is for every child, whatever their background or their circumstances, to have the support they need to be healthy, stay safe, enjoy and achieve, make a positive contribution, and achieve economic well-being. This means that the organisations involved with providing services to children, and children and young people will have far more say about issues that affect them as individuals and collectively. In order to meet the five outcomes of ECM, RBC and its partners will need to consider the views and requirements of young people and the ability of the sports facilities to contribute to the aims of ECM.

Physical Education (PE) and Sport Strategy for Young People (PESSYP) (2008)

This expresses the Government's commitment to improve the quantity and quality of PE and sport undertaken by young people aged 5-19 in England. There are key roles for the infrastructure of specialist sports colleges, school sport partnerships, national governing bodies, county sports partnerships and other community providers to ensure that all 5 - 16 years olds have access to two hours PE and three hours beyond the curriculum and 16-19 year olds have three hours of sport outside of the curriculum. Collectively, this is referred to as the "Five Hour Offer". The Strategy forms part of a Public Service Agreement: 'To deliver a successful Olympic Games and Paralympic Games with a sustainable legacy and get more children and young people taking part in high quality PE and sport'. In order to meet the long term ambitions of the strategy and maintain the

increased levels of participation, the level of community use and suitability of provision for school use, all facilities will have to be assessed.

Game Plan (2002)

This is the Government's strategy for sport and physical activity through to 2020. It presents a vision for England to become the most active and successful sporting nation in the world. The plan provides the lead for all sports plans in England and its two overarching objectives for Government are:

- ◀ A major increase in participation in sport and physical activity, primarily because of the significant health benefits and to reduce the growing costs of inactivity.
- ◀ A sustainable improvement in success in international competition, particularly in the sports which matter most to the public, primarily because of the 'feel good factor' associated with winning.

The planned increase in sport and physical activity levels by 2020 will have a significant impact on the demand for sports facilities. This study will allow RBC and its partners to contribute toward the objectives of Game Plan by assessing the adequacy of supply for facilities, many of which may have potential to host sport and physical activity and thus provide for the local community and harder to reach groups.

The Chief Medical Officer's Report: At least five a week (2004)

This identifies the following recommendations for health enhancing physical activity:

- ◀ Children and young people should achieve a total of at least 60 minutes of at least moderate intensity physical activity each day.
- ◀ For general health benefit, adults should achieve a total of at least 30 minutes a day of at least moderate intensity physical activity on five or more days of the week.
- ◀ The recommendations for adults are also appropriate for older adults. Older people should take particular care to keep moving and retain their mobility through daily activity.

RBC should seek to support these recommendations and ensure that its residents are aware of and able to access opportunities to increase their levels of physical activity, and that appropriate facilities are available to do so.

Be Active, Be Healthy (Feb 2009)

This establishes a new framework for the delivery of physical activity aligned with sport for the period leading up to the London 2012 Olympic Games and Paralympic Games and beyond. By 2012 the Strategy aims to have:

- ◀ Lifted 1 million people out of inactivity by reducing the proportion of the population achieving 30 minutes of continuous physical activity on less than one day per week.
- ◀ Helped 200,000 more people to realise the general health benefits of achieving 30 minutes of physical activity on five or more days per week.
- ◀ Increased the average weekly duration of physical activity by approximately 5% over the baseline.

Local authorities provide an important link between the national physical activity programme, and therefore the achievement of the target for 2 million more adults active by 2012. Therefore RBC should adhere to the Strategy's four overriding principles (Informing choice and promoting activity, creating an 'active' environment, supporting those most at risk and strengthening delivery) through which to increase physical activity and therefore produce a healthier, happier and wealthier nation:

Regional Spatial Strategy (RSS) for the North West (2008)

The vision is *"by 2021 we will see a region that has acted to deliver sustainable development, leading to a higher quality of life for all, and reduced social, economic and environmental disparities. Development will be seen in a global context, and the region will contribute to the reduction of carbon dioxide and other greenhouse gas emissions"*. Rossendale falls within the Central Lancashire City Region, along with the larger conurbations of Burnley, Preston and Blackpool. Specific policy and implementation approaches at the local level may be necessary to ensure that disadvantaged and hard to reach groups are engaged in changes and benefit from improvements to the economy and provision of services. This review will consider the various communities in Rossendale when assessing the provision of sport and leisure facilities.

Lancashire Area Agreement 2008 – 2011

One of the Key priorities of the LAA is Health and Wellbeing. Although health and wellbeing is affected by the majority of issues related to the agreement, some National Indicators are explicitly connected with Health and Wellbeing, and in particular sport and physical activity, is as follows:

- ◀ NI 18 – Increase in number of people who participate in 30 minutes of moderate physical activity 3 times a week.
- ◀ NI 119 – Self-reported measure of people's overall health & well-being.

A review of the effectiveness of leisure provision will help highlight any improvements necessary to enable RBC to continue to adhere to the priorities of the LAA.