
 **Report of:** Leisure and Cultural Services Business Unit
Manager


 Finance Scrutiny Committee

 **Date:** 26 October 2006

 **Item No:** 7

 **Title of Report :** Leisure Best Value Review and Management Options

Summary and Recommendations

 **Purpose of report:** To report on the conclusion of the Best Value Review and to make recommendations as to the next steps for the development of the leisure service.

 **Key decision:** No

 **Portfolio Holder:** Cllr Alan Armitage – Healthier Environment

 **Scrutiny Responsibility:** Finance

 **Ward(s) affected:** All Wards

Report Approved by: Cllr Allan Armitage, Sharon Cosgrove,
Jeremy Thomas, Christopher Kaye.

 **Policy Framework:** None

Recommendations: Finance Scrutiny is recommended to:

1. Recommend the Best Value Review and approve the resulting action plan.
2. Recommend to Executive Board that the Best Value Review Board continue to meet to oversee ongoing work with the facilities review.
3. Recommend to Executive Board that further work be undertaken on the management options, and as part of the budget process consideration be given to making a provision of £50K in the 2007-08 financial year.
4. Further recommend to Executive Board that as part of the budget process consideration be given to a provision of £100K in the 2008-09 budget to fund the activities flowing from the investigation of management options and the outcomes of the facilities review, once they have been agreed.

Introduction

1. The Council has undertaken a Best Value Review of the Leisure Service. The Best Value Review was commissioned to:

- Consult on the City Council's provision of sport in line with community needs.
- Compare whether the sports services deliver value for money when compared to other local authorities and external leisure providers.
- Review the provision of non-council sports facilities within Oxford City.
- Challenge why the Council provides the leisure function.
- Analyse alternative delivery options.
- Produce recommendations for the potential to improve current sports infrastructure.

The Final Report

2. The Final Best Value Report outlines the findings in terms of how good the service is and its prospects for improvement. This report is appended.
3. The report finds that the Council's leisure service is poor and has uncertain prospects for improvement. However, it should be noted that the review took place at a time when the service was facing considerable challenges. The report does highlight the positive changes that have since taken place.
4. The report also outlines an action plan arising from the Best Value Review, which details steps that can be taken to improve the service's value for money. Some of these actions are already in hand.
5. As part of the Best Value Review, KPMG carried out a Management Options Appraisal (appended to the Best Value Final Report). This concluded that the options which offer most potential were:
 - Procuring a NPDO (Trust Sector)
 - Leisure Management Contractor (Private Sector)
 - In-house delivery
6. The Best Value Project Board applied a set of weightings to the KPMG findings and, while the scores for each option differed from those of KPMG, this weighting had no effect on the options with most potential.
7. The Best Value Review also indicated the need for more detailed work on individual leisure facilities. It is proposed that this work is undertaken in-house, and is already underway.

Legal, financial and staffing implications

8. There are no immediate legal or staffing implications arising from this report. Such issues may arise in the future, depending on the management option ultimately selected and the outcomes of the work on individual facilities. However, these will be identified through work that is recommended to be taken forwards over the coming months and will be subject to later reports.

9. There will be financial implications for the coming budget round if the recommended work is taken forwards, as it can not all be undertaken in-house due to the specialist nature of the work needed.
10. It is estimated that £50K would be needed to commission further work on the management options. Due to the complexity of the taxation and financial implications, and the specialist nature of the leisure industry, it is not felt that this work can be undertaken in-house.
11. A further £100K is also likely to be required regardless of which management option is ultimately selected, as there are key improvements to be made within the service, for which resources are not currently available.

Recommendations

12. Finance Scrutiny is recommended to:
 1. Commend the Best Value Review and approve the resulting action plan
 2. Recommend to Executive Board that the Best Value Review Board continue to meet to oversee ongoing work with the facilities review.
 3. Recommend to Executive Board that further work be undertaken on the management options, and as part of the budget process consideration be given to making a provision of £50K in the 2007-08 financial year.
 4. Further recommend to Executive Board that as part of the budget process consideration be given to a provision of £100K in the 2008-09 budget to fund the activities flowing from the investigation of management options and the outcomes of the facilities review, once they have been agreed.

Phone and contact details of author:

mags Mernagh 01865 467232 or E-mail mmernagh@oxford.gov.uk

Background papers:

Best Value Baseline Report