

Local government

Summary

June 2006



# Public sports and recreation services

Making them fit for the future

## Background

- 1 Councils have a major role in contributing to the promotion and delivery of increased participation in sport and physical activity. The government has set a challenging target to increase participation from current levels by 1 per cent year-on-year for the next 15 years. In parallel it has ambitious plans for elite performance running up to the London Olympics in 2012 and its legacy. However, the quality and accessibility of public sports and recreation facilities are in danger of failing to support and match these aspirations.
- 2 Until the mid-1980s council sports and recreation facilities were almost wholly managed in-house. Since then, there has been a shift towards management by private sector contractors, and more recently to management by trusts. Although in-house management still predominates, the proportion of trust-managed facilities has nearly doubled over the last four years to 21 per cent, with private contractors maintaining a constant 17 per cent share of provision.

## Strategic planning

- 3 Our research has concluded that progress towards ensuring the appropriate management of public sector sports and recreation facilities has been slow and uncertain. Buildings are ageing and they frequently fail to meet changing needs and customer expectations.
- 4 The strategic planning of local sport and recreation services is underdeveloped with little robust assessment of current private and public leisure provision, community needs and future demand. Performance management is weak, and this restricts the ability of councils to assess the impact of services on local and national priorities.
- 5 Strategic partnerships between councils, with the private sector and with other external partners, including the voluntary sector, provide the potential to improve planning and develop facilities. However, such partnerships are rare. Where private partnerships<sup>1</sup> exist they are generally driven by external funding opportunities rather than a planned strategic approach across sectors.
- 6 Councils often focus on maintaining and managing their historic pattern of local sports and recreation provision. Cross-boundary planning and rationalisation of sport and recreation facilities is limited. Few councils work in partnership in the procurement of their sports and recreation services.
- 7 Successful strategic engagement between sports and recreation services and the health and education sectors is not common. Engagement is weakest where there are two tiers of local government. Partnership working with education providers has been encouraged through specific funding initiatives. But the large and increasing investment in school sports facilities is not being used as effectively as it could be to provide fit-for-purpose community sports and recreation facilities.
- 8 There are nevertheless some examples of good practice in the management of sports and recreation provision. These are where councils with their community and with prospective partners have reviewed together the balance of local need and provision. These examples

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<sup>1</sup> Excluding private sector contractors who manage public sports and recreation facilities.

of good practice include all types of management arrangements (in-house, trusts and private contractors) and are characterised by clarity of purpose and strong partnership working. Leadership and commitment from the top within the council and partner organisations are strong in successful services.

## Operational management

- 9 No single management option delivers the best overall value for money, or consistently results in more investment or higher levels of participation. However, in-house services tend to be significantly more expensive than the other options. This is becoming more marked over time.
- 10 The transfer of facilities to trusts has assisted councils to avoid the payment of non-domestic rates. This has potentially released funds for much needed local investment. However, our research has found that the re-investment of significant levels of savings in sports and recreation provision is infrequent.
- 11 Where taxation savings are re-invested they have tended to support maintenance budgets rather than assist significant and often needed rationalisation and improvement of provision.
- 12 Investment in sports and recreation facilities is increasing but not at a pace that will address the consequences of years of low spending on stock maintenance. The transfer of the management of the business to trusts and to private sector contractors provides an opportunity to secure necessary investment. There are few examples of new facilities or essential large scale refurbishments.

## Options appraisals

- 13 There has been a marked increase in the number of councils that review the management of their sports and recreation facilities. But these approaches have been inconsistent and limited. In the study's survey of single tier and district councils in England to which 95 responded, of those that have changed their management arrangements, two-fifths had based their management option decision simply on a desktop analysis, and one in ten councils undertook no options appraisal. In a fifth of cases councils had limited the options to be assessed. Where market testing had taken place, it was often poorly managed and focused on financial criteria rather than outcomes for the community.
- 14 Councils are not helped in making secure, long-term decisions by complicated taxation laws and regulations. Additionally they often lack the internal capacity to assess the options they face. As a result, most employ consultants in their appraisal process. But the benefit is lost where councils limit the range of options to be assessed or decide not to respond to the resulting recommendations.
- 15 Nevertheless the inconsistencies in options appraisal and weaknesses in market testing mean that many councils are missing both significant cost savings and efficiency opportunities. As a result they are failing to reconfigure current provision to be able to meet future participation targets and community needs, and are unable to demonstrate value for money for the community assets for which they are responsible.

## Recommendations

### Councils should:

- 16 Improve the strategic planning of sports and recreation provision and increase overall efficiency by:
- assessing current and future sports and recreation needs locally and their relationship to regional and national needs;
  - collaborating with the private, voluntary, health and education sectors and working across administrative boundaries in the planning, procurement and delivery of services;
  - appraising the options for delivering sports and recreation services systematically in an open and transparent way and testing the market to ensure that the best value option is identified; and
  - improving the collection, analysis and use of performance information in order to demonstrate value for money, for example by including financial performance and social outcomes in all contracts.

### Government should:

- 17 Through the Department for Culture, Media and Sport, ensure greater coherence of funding streams and initiatives across government departments that directly or indirectly affect investment in sports and recreation facilities.
- 18 Through the Department for Education and Skills, working with partners and councils, ensure that schools seek specialist advice, at an early planning stage, on the design and management of school community sports facilities.
- 19 Develop concise guidance and advocate the use of standard contract documentation for the procurement of contracts, building on the Public Private Partnerships Programme (4ps) Leisure Procurement Pack.
- 20 Promote the opportunities for councils to work together in strategic partnerships to develop capital development proposals which will be eligible for private finance initiative (PFI) credits and provide the basis of better engagement with the private sector.
- 21 Use the Centres of Excellence and their partners as regional advocates of these procurement standards and guidance and for capacity building, advice and training.

### The Audit Commission will:

- 22 When reviewing and reporting on councils' value for money arrangements, consider the extent to which councils, where appropriate, have appraised the options for delivering sport and recreation services.
- 23 Develop a planning guide to assist and assess councils' planning and procurement of sports and recreation services.

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