

Medway Council

Sports Development and Leisure Facilities

October 2002

Improving public services

The Government has placed a duty of local councils to deliver services to clear standards – of cost and quality – by the most economic, efficient and effective means available.¹ Best value is a challenging framework designed to improve local services. Councils are required to assess their own performance and put in place measures to ensure continuous improvement in all of their services.

Councils must show that they have applied the 4Cs of best value:

- ◆ **challenging** why and how a service is being provided;
- ◆ **comparing** their performance with others' (including organisations in the private and voluntary sectors);
- ◆ embracing fair **competition** as a means of securing efficient and effective services; and
- ◆ **consulting** local taxpayers, customers and the wider business community.

The Government has decided that each council should be scrutinised by an independent inspectorate. The Audit Commission's Inspection Service performs this role.

The purpose of the inspection and of this report is to:

- ◆ enable the public to see whether best value is being delivered;
- ◆ enable the council to see how well it is doing;
- ◆ enable the Government to see how well its policies are working on the ground;
- ◆ identify failing services where remedial action may be necessary; and
- ◆ identify and disseminate best practice.

¹ This report has been prepared by the Audit Commission ('the Commission') following an inspection under Section 10 of the Local Government Act 1999, and issued in accordance with its duty under Section 13 of the 1999 Act.

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Summary and recommendations

Summary

- 1 Medway is on the north coast of Kent in south-east England. It is 30 miles from London to the west. Medway covers an area of just under 27,000 hectares. The area, situated around the river Medway estuary, is densely populated but includes rural areas to the north and west.
- 2 The number of people living within the Council area is around 249,000. At the latest available census (1991), 4.2 per cent of the population were from black and ethnic minority communities. Currently, Medway has a younger-than-average population, but this is forecast to moderate over the next three years, with significant growth in the over-65s.
- 3 The Council currently comprises 80 councillors. No political party holds overall control of the Council, but the Conservative party has the largest representation with 38 councillors and forms a minority administration. Labour has 25 councillors, Liberal Democrats 15, and there are 2 independent Liberal Democrat councillors. The Council introduced a new model of political governance, a Leader with Cabinet, in October 2001.
- 4 The Council, a unitary authority, employs 7,787 staff across all services, the vast majority being in education and social services. The sports development and leisure centres section sits within the Leisure Division of the Council which is part of the Leisure and Education Directorate. The section consists of seven staff. A range of contractors employ many more full-, part-time and casual staff in the operation of nine leisure centres.
- 5 Gross expenditure for the Service for 2001/02, including central charges and maintenance, was approximately £3.3 million. The leisure facilities are managed by four private contractors and one Council contractor, and the sports development section is managed by the Council.

Scoring the Service

- 6 We have assessed the Council as providing a **'fair'** one-star service that has promising prospects for improvement. Our judgements are based on the evidence obtained during the inspection and are outlined below.

Scoring chart²: Medway Council – Sports Development and Leisure Facilities



'a fair service that has promising prospects for improvement'

- 7 Overall, we judge that the Council is providing a 'fair', one-star service. We found the following strengths:
- ◆ The Service provides a wide range of facilities and services for all ages and abilities, and customers are satisfied with the quality of service delivery. This is supported:
 - ◆ by comprehensive staff training and support;
 - ◆ thorough health and safety procedures; and
 - ◆ by the achievement of a range of quality awards.
 - ◆ The Service is meeting Council and national priorities on crime and social inclusion, through a range of initiatives such as special activities and programmes for disadvantaged and minority groups.

² The scoring chart displays performance in two dimensions. The horizontal axis shows how good the Service or function is now, on a scale ranging from no stars for a service that is poor (at the left-hand end) to three stars for an excellent service (right-hand end). The vertical axis shows the improvement prospects of the service, also on a four-point scale.

- ◆ The Service is maximising the available resources through effective partnership working, to:
 - ◆ access external funding opportunities;
 - ◆ provide opportunities to improve access to facilities and services, to improve existing services and provide new facilities; and
 - ◆ use available expertise within the Council and other organisations to develop sport and recreation.

8 However, there are a number of aspects that require attention:

- ◆ There is customer dissatisfaction with the quality of some facilities.
- ◆ Some of the Council facilities are old and require significant investment or replacement to meet customers' expectations.
- ◆ The Service has not undertaken a comprehensive audit of energy and water to reduce the impact of the service on the environment and save money.
- ◆ Marketing and promotion opportunities are being missed that could improve customer use and increase income.
- ◆ The Service has missed opportunities to address health and social inclusion priorities.

9 We have judged the prospects for service improvement as promising, because we found the following strengths:

- ◆ The Council has shown a real determination to bring in substantial investment to enhance its leisure facilities in order to improve the customer experience.
- ◆ A robust framework for improvement has been developed to help guide the team responsible for delivering the improvements.
- ◆ The Leisure Division has adopted an impressive corporate performance management, model which is underpinned by:
 - ◆ political support for leisure;
 - ◆ a commitment to working in close partnership for mutual benefit; and
 - ◆ a recent successful track record in leveraging investment into leisure services from the private sector.

10 However, some aspects need further attention and ongoing focus from the Council:

- ◆ Various elements of the Council's arrangements for improving these services are in their early stages and need to be well managed to guarantee delivery, such as:
 - ◆ the Council's performance management model;
 - ◆ an improvement plan which will deliver real benefits for service users;
 - ◆ consistently specified and managed service contracts; and
 - ◆ a facilities strategy linked to a robust marketing plan designed to address the leisure needs of the community.

Recommendations

11 To rise to the challenge of continuous improvement, councils need inspection reports that offer practical pointers for improvement. In this context, the inspection team feels that the Council should now take action to resolve a number of general, political, managerial and partnership issues.

12 We recommend that the Council should:

- ◆ make it easier for customers to access leisure facilities and sports development programmes, by:
 - ◆ providing information about leisure centres and sports development in a range of Council and relevant partner organisations' buildings;
 - ◆ developing a Council-wide approach to the marketing of leisure services;
 - ◆ improving signs to, and at, facilities;
 - ◆ obtaining more detailed customer and non-user information, and using this to improve services;
 - ◆ providing a more comprehensive and consistent approach to meeting the needs of under-represented groups;
- ◆ develop performance management systems to improve efficiency and effectiveness of the Service, by:
 - ◆ ensuring that staff are adequately trained and supported to deliver service improvements;
 - ◆ addressing sustainability issues;
 - ◆ learning and sharing best practice, both internally and among external providers;
 - ◆ developing measurable work plans which focus service delivery on corporate and service priorities;

- ◆ improve services through:
 - ◆ further developing, adopting and publicising the improvement plan, which is integrated into the service plan for the coming year, by January 2003;
 - ◆ involving key partners;
 - ◆ making an assessment of local needs;
 - ◆ developing as a matter of urgency a facilities strategy to help focus the activities of all councillors, officers, contractors and staff;
- ◆ enhance the ability of all Council services to prepare a robust and challenging best value review, by:
 - ◆ updating the corporate best value methodology to reflect the developing nature of best value – particularly in line with recent Audit Commission publications; and
 - ◆ reflecting more clearly the need of best value review project teams to fundamentally consider what customers want and need versus what the service is currently supplying.

13 We would like to thank the staff of Medway Council, particularly Sally Morris, Claire Currie and Tony Stephens, who made us welcome and who met our requests efficiently and courteously.

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Report

Context

The locality

- 14 Medway is situated on the north coast of Kent in south-east England. It is 30 miles from London to the west. Medway covers just under 27,000 hectares and is characterised by a densely populated area situated around the river Medway estuary – where 90 per cent of the population live – to the north and west of which lie rural areas.
- 15 The number of people living within the Council area is 249,500 in 98,000 households. The latest full census figures (1991), showed 4.2 per cent of the population were from black and ethnic minority communities, but it is estimated that the ethnic minority population has risen since then. Currently Medway has a younger-than-average population, but this is forecast to moderate over the next three years, with significant increases in the 65-and-over age group, and decreases in the under-24 age group.
- 16 There are some 8,000 businesses in Medway. Although manufacturing is still important, Medway's service sector now accounts for almost three-quarters of all jobs. The latest annual local area labour force survey showed that there were 122,000 people in employment in Medway, but average earnings remain below both the south-east and United Kingdom averages.
- 17 Unemployment levels have fallen, from a peak of 12 per cent in 1993 to 3.3 per cent in June 2002, which was only slightly above the United Kingdom national average of 3.2 per cent. Medway as a whole ranks around the national average on deprivation indices, but there is a broad range. The poorest areas, such as the Twydall, Holcombe and Medway wards, are among the 25 per cent most deprived wards nationally (index of multiple deprivation 2001), whereas Hempstead and Wigmore are among the 5 per cent most affluent wards in England.
- 18 The Council has taken a lead role in developing a community plan for Medway, and this was formally launched on 28 June 2002. The plan is supported by a local strategic partnership of 148 organisations representing businesses, voluntary and community organisations, and public authorities. The Medway Partnership (More to Medway) has agreed a vision for the Medway area as follows:

'Medway will be a healthy, safe and exciting place with a good environment and major cultural attractions, yet Medway's communities will be recognised for their fairness and vibrancy; where people work together to realise their needs and ambitions'

The Council

- 19 The Council currently comprises 80 councillors, but from May 2003, ward boundary changes agreed by the Local Government Commission for England will lead to a reduction in the number of councillors to 54. No political party holds overall control of the Council, but the Conservative party is the largest with 38 councillors and forms a minority administration. Labour has 25 councillors, Liberal Democrats 15, and there are 2 independent Liberal Democrat councillors. The Council introduced a new model of political governance, a Leader with Cabinet, in October 2001. The Cabinet is made up of ten members from the Conservative group, while Labour and Liberal Democrat members chair the new overview and scrutiny committees.
- 20 Task groups have been introduced to address specific issues. These comprise a smaller number of councillors, selected from overview and scrutiny committee members, from across the political parties. Recommendations from these task groups are presented at the relevant scrutiny committee. Two task group meetings were held to discuss the options appraisal for the management of leisure facilities and sports development.
- 21 Since 1999, the Council has had a vision for a healthy, prosperous, inclusive Medway as reflected in the *Council Plan for 1999–2004*. This vision is articulated through six core values, described below, that were developed in consultation with the community. These core values and the community plan guide the Council's priorities. They are:
- 'promoting regeneration;
 - improving the environment;
 - realising everyone's potential;
 - working for equal opportunity and access;
 - fostering citizenship; and
 - giving value for money'.
- 22 Medway Council has held Investors in People (IIP)³ status since November 1999. In 2000, the Council joined other private and public sector partners to establish the Thames Gateway Kent Partnership. This partnership works alongside its equivalents in London and Essex to deliver regeneration of the Thames Gateway. The Council was awarded Beacon Council status in 2000/01 for its work on community safety and tackling town centre crime.

³ Investors in People is a national scheme concerning the support and development of staff

- 23 The Council's overall gross revenue budget for the year 2002/03 is £370 million, £237 million net of income. The Council, a unitary authority, employs 7,000 staff across all services, the vast majority being in education and social services.

The Council's best value review

- 24 The Council's best value review considered sports development and leisure facilities, which form part of the Leisure Division within the Education and Leisure Directorate. The review included:

- ◆ management of leisure facilities, including five swimming pools, six sports halls, a golf course, two indoor bowling centres, an athletics track, fitness suites, squash courts, and support services such as catering and crèches; and
- ◆ sports development activities, including sports coaching, sports grants, sport development programmes and events, services delivered through partners, sporting excellence, and community sports participation, including the Passport to Leisure Card scheme.

- 25 The sports development and leisure centre sections of the Leisure Division employ seven staff to deliver sports development and monitor contracts. A range of contractors employ many more full-, part-time and casual staff to operate nine leisure centres. The facilities are managed as follows:

Facility	Contractor
Black Lion Leisure Centre, Strand Leisure Park	Serco
Deansgate Ridge Golf and Sports Complex, Riverside Bowls	City Centre Leisure (CCL)
Splashes Leisure Pool	Courtesy Leisure
Lordswood Leisure Centre	Lordswood
Strood Leisure Centre, Hundred of Hoo Swimming Pool, Stirling Leisure Centre	Medway Leisure Direct Service Organisation (DSO)

- 26 The breakdown for income and expenditure for individual sites and sports development is indicated in the table below. These do not include maintenance, central charges or management fees.

Service Area	Expenditure (£) 2001/02	Income (£) 2001/02	Net Expenditure (£) Surplus/ Deficit (in brackets)
Black Lion	1,356,297	1,477,581	121,284
Strand Pool/park	179,273	196,976	17,703
Deangate (Golf/Bowls/Athletics)	610,117	815, 457	205,340
Riverside Bowls	49,675	34,380	(15,295)
Stirling Sports Centre	251,385	216,084	(35,301)
Strood Sports Centre	857,710	805,897	(51,813)
Hoo Swimming Pool	274,898	244,456	(30,442)
Splashes Pool	644,366	628,795	(15,571)
Lordswood	482,809	396,996	(85,813)
Sports Development	236,437	19,434	(217,003)
Total	4,942,967	4,836,056	(106,911)

- 27 The total sports development and leisure centres net expenditure for the year 2001/02 was approximately £3.3 million (including maintenance and central charges).
- 28 The Council carried out a best value review of the Service between February 2001 and September 2002. The management of leisure centres and sports development options report was presented to the Regeneration and Community Overview and Scrutiny Committee in September 2002.

How good is the Service?

Are the aims clear and challenging?

- 29 Inspectors look to see how a council has agreed the key aims for the Service being inspected, how clear these aims are to the people that receive the service, and whether these reflect the corporate aims of the organisation as a whole.
- 30 Challenge is the key to achieving significant improvements in performance and targets set by the Council and Government. Without challenge, best value will be ineffective. It requires the Council to consider and demonstrate how a service contributes to its wider corporate aims and community plans.

- 31 The aims of the Service are set out in the *Sport and Health Development Plan 2000-2005* and can be summarised as to:
- ◆ create opportunities in sport and physical recreation for the whole community and those visiting the area;
 - ◆ provide safe and suitable facilities; and
 - ◆ work with internal and external partners to develop opportunities for sport and recreation.
- 32 We consider that these aims reflect the corporate and community priorities, and the emerging sports development policy and specification framework links sports development clearly to the Council's core values.
- 33 Clear efforts have been made to link the Service into other Council strategies. We found references to leisure and recreation in the education development plan, the corporate bidding strategy and the youth strategy.
- 34 The Leisure Division's management team works in partnership with internal departments and with external organisations to develop strategies that provide clear links between all relevant areas of work. Examples include:
- ◆ facilities strategies, co-ordinated at a county level by the Kent Sports Development Unit;
 - ◆ the Active Schools and Communities strategy and Active Sports development plan⁴; and
 - ◆ the Thames Gateway strategy.
- 35 The aims of the Leisure Division clearly support national and regional strategies and priorities, for example:
- ◆ sport – links with Sport England through the Active programme and other national programmes, and with governing bodies of sport through the development of facilities, events and initiatives;
 - ◆ health – developing partnership work with the Medway healthy living centre project;
 - ◆ education – through the development of school sport and sports facilities;
 - ◆ social inclusion – through the delivery of targeted programmes such as Active Communities and specific projects like Sport for Diversion aimed at drugs prevention.

⁴ The Active programme is a sports development and facilities programme promoted by Sport England. It includes Active Sports, Schools and Communities

- 36 However, there is no facilities strategy in place, and the current leisure centre contracts do not have clear aims, objectives or targets which link to the priorities of the Council. The contracts are based on dated compulsory competitive tendering documents that are primarily focused on the financial performance of the centres rather than outputs or outcomes for specific target groups, impacts on the environment, or improving access. The delivery of the service to customers at these facilities is therefore not driven by the priorities of the Council.
- 37 This was acknowledged in the report by Strategic Leisure Limited (the external consultancy contracted to undertake an options appraisal as part of the best value review). This states that the contracts were 'driven by financial, not social targets'.
- 38 There is no overall business plan for the Leisure Division; some service areas have their own service and action plans – though we do acknowledge some ongoing work in this area, which is covered in more detail later in this report. The Sports Development section service plan for 2002/03 has some clear and challenging targets and highlights links to some other, mainly external, plans. However, there is no mention of the Council's core values or how sports development will contribute to them. Targets (success criteria) within the plan are based on outputs rather than any outcomes for customers.
- 39 The formation of meaningful challenging targets is weakened by limited customer information in some areas. The lack of compatible technology across the Service means detailed consistent information is not available on customer participation; for example, on the performance of the Passport to Leisure scheme. The Council has recognised that customer information across the Service is not detailed.
- 40 It is important for all those delivering services to customers to understand what the Council is trying to achieve, and for the Council to measure performance against its priorities. There is a Council staff development scheme that links corporate and service priorities and highlights how personal and professional development can meet these priorities. However, we found that contractors' staff had little or no knowledge of the Council's priorities or how they contributed towards them, and many did not consider they had anything to do with the Council. There is no mention of the Council's core values as part of the contractors' induction process or staff appraisal systems.
- 41 In summary, our view is that the aims of the Service are clear, they link well to the Council's priorities, and they reflect national priorities for sport. Council staff are aware of the Service's and Council's aims and the contribution that they make towards them. However, contractor staff are unaware of the aims of the Council. Although there are some challenging targets in place for the Service, these are mainly based on financial performance and attendance figures, not on outcomes for customers, and a lack of detailed customer information makes it difficult to set meaningful targets.

Does the Service meet these aims?

- 42 Having considered the aims the Council has set for the Service, inspectors make an assessment of how well the Council is performing in meeting these aims. This includes an assessment of performance against specific service standards and targets and the Council's approach to measuring whether it is actually delivering what it sets out to do.
- 43 We assessed the Service using the following headings, which capture the range of priorities, aims and objectives across the Leisure Division:
- ◆ quality of service – customer care, leisure facilities and programmes, and health and safety;
 - ◆ availability and access – facilities and services, access for those with disabilities, and access to information;
 - ◆ reaching people – social inclusion, and health and crime; and
 - ◆ efficiency and effectiveness – service efficiency, external funding, marketing, partnerships, performance management, and sustainability.

Quality of service

Customer care

- 44 Customer care is a vital element in the successful operation of any business, but particularly for public services such as leisure, where customers have a choice in how they spend their time and money, and where there are many competitors.
- 45 We examined training files at three leisure centres and found that most contractor staff had undertaken customer care training. Serco staff, for example, are trained in customer care as part of their induction process. Recruitment policies are in place to ensure the quality of Council and contractor staff.
- 46 There is a Medway Council Customer Charter, and individual contractors have their own charters and/or service standards. These are monitored on a centre-by-centre basis, but there was no evidence of a central monitoring by the Council. Several leisure centres have also received external accreditation through the Quest⁵ award scheme, and the Medway Leisure DSO centres have also obtained the Chartermark⁶ award.

⁵ Quest is a leisure industry award scheme focused on the effective management of leisure and sports centres

⁶ Chartermark is a national award scheme recognising good practice in customer service

- 47 When we spoke to customers at centres and sports club representatives, they were generally very satisfied with the level of customer service. Customer surveys also indicate high levels of satisfaction with both sports development and leisure centres. Customers stated:

‘staff are always helpful and friendly’ and ‘sports development staff go the extra mile to help us’

- 48 From our visits and enquires at centres, we found staff helpful and informative. However, we found a lack of knowledge of other sports and leisure centres and sports development programmes by key staff, such as receptionists.

- 49 We found that the Council and contractors have comprehensive staff training programmes in place. Staff appraisal and development systems are generally good and focus on supporting and developing staff to deliver a high quality service for customers. All contractors, apart from Lordswood, have staff appraisals. The Council has achieved the Investors in People (IIP) award for all its services. When we spoke to Council and contractor staff, they stated that:

‘a wide range of training opportunities are available’ and ‘we are encouraged to take on new roles and given time and financial support to gain new skills and qualifications’

- 50 There is a range of customer complaint and comments procedures in place, all of which were being addressed efficiently. Records in the Council offices and in the leisure centres showed that response times were within the allocated time period. There was evidence that customer comments and complaints had been addressed positively, and there are some innovative practices in place. For example, all levels of staff at Medway Leisure DSO managed facilities can give out free activity session tokens when customers have legitimate complaints, dealing with problems on the spot.
- 51 In addition to these centre-based systems, there is a complaints monitoring officer whose role is to respond to complaints received by the Council.
- 52 However, we feel the range of customer complaint procedures, with each contractor having their own, makes it difficult to monitor them centrally with any consistency. We found no formal procedure for reporting customer feedback to councillors, and limited information available to customers on service performance against standards.

Facilities and programmes

- 53 The provision of safe and good quality facilities and programmes is the basis of successful leisure services, when competing for customers in an open market. Expectations of customers are rising, and councils that do not meet these expectations will be left with uneconomic facilities that are underused.

- 54 We found that all facilities were generally kept clean and tidy. However, the quality of facilities ranges widely, with older facilities not looking as clean and as well kept as newer ones. The Council has not invested significantly in the refurbishment or maintenance of some of its facilities for many years, and many customers and club representatives we spoke to were dissatisfied with the quality of facilities. Comments included:

‘the maintenance of facilities is sometimes poor and it takes a long time to rectify problems’ (Club representative)

- 55 Facilities, such as the Deangate Golf Course, and Stirling, Strood and Lordswood Leisure Centres, are of high quality, clean and well maintained and are generally up to the standard expected by customers.
- 56 Recent investments, such as the new reception and fitness suite at Strood Leisure Centre and refurbished fitness suite at the Black Lion Leisure Centre, have provided improvements for customers. However, prolonged under-investment means that some areas still fall below the standard expected of modern facilities. We found damaged and worn equipment, peeling paint and many lockers out of action, notably at the Black Lion Leisure Centre.
- 57 The Sports Development section is providing a wide range of activities and programmes that cater for a range of abilities and ages. We found these to be provided in a safe and professional way, using well qualified and experienced staff. Examples include:
- ◆ the Active Communities programme;
 - ◆ Sport Medway; and
 - ◆ Medway Messenger Mini Youth Games.
- 58 The section is also working closely with key partners to deliver high quality services to customers. For example, they work with schools – promoting Sports Mark and Active Mark⁷, and raising the quality of curriculum and extra-curriculum sport – and with local sports clubs – raising the quality of coaching through the Council’s coaching development scheme, giving assistance in accessing external funding, and providing grants through the Sports Medway Scheme.

Health and safety

- 59 Given the inherent risks of many activities that take place, safety for customers and staff is important for all services, and particularly for leisure facilities and sports development.

⁷ Sportmark and Activemark are awards given to schools for providing pupils with a balanced and extensive curriculum and extra-curricular sports programme

- 60 We visited all the leisure facilities and found that they have a proactive approach to assessing and minimising risk. Risk assessments for sports facilities and sports development have been undertaken, and we found that all health and safety issues that represent a danger to staff or the public have been addressed. All Medway Leisure centres have also received external accreditation being awarded the Royal Society for the Prevention of Accidents (ROSPA), the Gold Award for Occupational Health and Safety in 2000 and 2001.
- 61 The Service complies with accepted good practice in a number of key respects:
- ◆ Normal operating procedures and emergency action plans are well documented.
 - ◆ Risk assessments are in place and are being revised and updated.
 - ◆ Staff records for first aid and relevant qualifications were up-to-date.
 - ◆ Staff receive a range of health and safety training, and assessment procedures are in place.
- 62 The Leisure Division is working with external partners to improve health and safety awareness and provide training to help organisations provide safe, good quality sports and recreational opportunities in the community. Examples include:
- ◆ training on health and safety and child protection provided for clubs and coaches delivering sports development programmes in schools and the community; and
 - ◆ health and safety training as part of national programmes such as Active Sports, Active Schools and TOPS.⁸
- 63 However, there are limited checks on the quality and safety of clubs advertised in the Council's Sports Directory.

Availability and access

Range of facilities and services

- 64 The Council is providing a wide range of facilities which are well distributed across the area. Centres provide a range of activities and programmes for all ages and abilities. Most facilities are multi-activity, offering customers a range of indoor and outdoor sports and recreation provision.

⁸ TOPS is a sports development programme for schools and communities co-ordinated by the Youth Sports Trust

- 65 The Service is working to provide sports and recreational opportunities for all across the area. Examples include:
- ◆ Kent Youth Games and Medway Messenger Mini Youth games;
 - ◆ work with schools across the area on programmes such as TOPS; and
 - ◆ the development of a good quality, well educated and effective coaching force through coaching scholarships.
- 66 There is a pricing policy in place to encourage and enable access from hard-to-reach sections of the community. A discounted pricing scheme for disadvantaged groups (unemployed, pensioners and those on benefits) is available in the form of the Passport to Leisure. This gives these customers free or discounted admission prices to most Council-owned sports facilities. Importantly, it also gives the service a massive opportunity to learn more about who is, and who is not, using its leisure facilities. This in turn would enable more focused marketing and could potentially lead to better levels of income being generated.
- 67 However, the Passport to Leisure scheme is complicated and inconsistently applied. There are no common times or prices for customers at the centres, and the discounts are not available on sports development programmes. When we spoke to members of staff at the Deangate golf course, they were not aware of the details of the card, and there was no information on the scheme at any of the City Centre Leisure contracted sites.
- 68 The scheme is not written into the various contracts for leisure centres. Contractors record the use of the card and claim the lost income as a result of the discounts it allows. The Council therefore currently subsidises the scheme by £14,000 per annum (2001/02). We found that contract managers at all centres were willing to discuss a more joined-up approach to the delivery of the programme, to make it easier for customers and to increase participation in the scheme.
- 69 The use of the card has remained static for the last two years at about 1,500 visits per year across the whole service. The Service is not aware how this figure relates to the number eligible to take part on the scheme, or who or how many people are using it. We consider this is a missed opportunity to meet corporate core values on access and social inclusion.
- 70 Signs to facilities vary. Some larger facilities are well signposted, such as the Black Lion and Strood Sports Centre; but others, such as Deangate athletics track, bowls centre and golf course, are not. At many centres, it is not clear who is operating the facility, and whether it is open to all members of the public. By contrast, at Black Lion, a newly erected, professionally designed sign on the perimeter of the grounds explicitly states what the centre is and who runs it. These shortcomings and the inconsistency of approach to self-promotion in such a competitive sector will affect overall use of the facilities.

Access for those with disabilities

- 71 The Council has undertaken a comprehensive disabilities access audit in line with the requirements of the Disability Discrimination Act. Significant work is required at sports facilities to meet the requirements of the Act. The Council has spent £230,000 over the last 12 months addressing these requirements, and a further £656,000 has been identified to fully comply with the Act by 2004.
- 72 We found examples of how the Service is addressing the needs of people with disabilities. These include:
- ◆ special sessions and equipment at sports centres, such as the hydro-therapy pool and specialist gym equipment at Strood Sports Centre;
 - ◆ new developing projects such as:
 - ◆ the Access to Medway Sport (AIMS) project, aimed at providing training for staff and coaches to raise awareness of disability issues, and running specific clubs for people with disabilities at leisure centres; and
 - ◆ the Rural Disabilities Sports Link Project – providing water sports opportunities for disabled people, linking local clubs and schools with the Arethusa Sailing Centre.
- 73 However, the Service has recognised that there are currently limited opportunities for disabled people to take part in sport locally, and the Service has been slow and reactive in meeting the needs of people with disabilities. This is reflected in centre use, with only 24 per cent of disabled people in Medway visiting leisure centres on a regular basis.

Access to information

- 74 The Council's website provides information on sports centre opening times, prices, courses and activities. We found that information was up-to-date; however, this information is not consistent or comprehensive for all facilities. There is no capacity for transactions online, as customers are not able to book online or download application forms, for example for swimming lessons or sports development courses. Sports development information on the website was comprehensive.
- 75 Sports development staff claimed they had made recent efforts to improve access to information through a programme of providing notice boards in schools and leisure facilities. However, we found only one board at Lordswood Leisure Centre.
- 76 Leaflets on sports development programmes are distributed through schools, tourist information centres, public buildings, and by direct mailing. However, at Council sports facilities, we found limited sports development or other sports centres promotional material. This is a missed opportunity to increase participation across the whole service.

Reaching people

- 77 Leisure is a service which can play a vital role in meeting government objectives in the areas of health, community safety and social exclusion. As such, it is important that the Service targets groups which would normally be under-represented.

Social inclusion

- 78 The Service works with its contractors to promote equality. Equal access is written into the leisure centre contracts, and the Council has an equalities strategy (June 2002) that has clear targets and guidance which relate to all services.
- 79 In addition to the work on access and provision for disabled people, the Service also works to address the needs of under-represented groups. Examples include:
- ◆ Passport to Leisure Card;
 - ◆ an inclusive Youth and Mini Games, with participants from ethnic minority communities and disabled participants; and
 - ◆ some specific programming in leisure centres – for example, women-only swimming sessions aimed at specific ethnic groups.
- 80 All sports development information has visual images that represent the make-up of the community in a positive way. However, there is little in the way of disability sports representation, and some centres have no representation from ethnic minorities on some key promotional material. For example, Lordswood's main eight-page activity guide has no ethnic minority representation. We did not find any specific information available in a range of formats, for either ethnic minorities or disabled people.
- 81 There was evidence of outreach work being undertaken by sports development to provide activities for those people who do not live close to leisure facilities, or who come from deprived backgrounds. This includes:
- ◆ the development of school sport in schools across the Medway, particularly in disadvantaged communities, as part of the New Opportunities Fund – Physical Education and Sport programme; and
 - ◆ the Active Communities programme focused on rural and urban deprived communities in the areas of Chatham on the Hoo peninsula.

Health and crime

- 82 We found several targeted sports development projects aimed at addressing the needs of young people and crime prevention. These included:
- ◆ Sport for Diversion Project – introducing young people in some of the most deprived wards in Medway to sports activities in partnership with local clubs and schools; and
 - ◆ Active Communities Volunteers training programme – providing young people with opportunities to gain qualifications and build self esteem, particularly aimed at those at risk from school exclusion in deprived wards.
- 83 We found some of the contractors were actively promoting specific health-related programmes; for example, health screening and activity sessions for the 50-plus age groups provided by Medway Leisure DSO and Serco, and developing partnership work with the Swale Primary Care Trust (PCT). However, links with health authorities, and support and development of these schemes from the Council, are limited.
- 84 When we spoke to key health promotion agencies such as the PCT, they stated that sports development were starting to work in partnership, particularly through the Active Communities programme, to promote health. However, they considered that the Council was ‘missing opportunities’ to promote health and well-being through local leisure centres; for example, on doctor referral schemes and health education programmes.
- 85 We found no co-ordinated approach to health promotion across the Service; for example, there was no doctor referral scheme at any of the centres, and schemes that were in place before the formation of the Medway unitary authority have not been continued. We found contractors willing to engage in partnership with the Council to promote health, but the Council has not been proactive in its approach.

Efficiency and effectiveness

- 86 It is important that sports facilities are run as effectively and efficiently as possible, to reduce the burden on council tax payers, and to meet the corporate priorities in areas such as environmental impact and sustainability.

Service efficiency

- 87 The current service delivery arrangement provides Medway taxpayers with a low-cost service. The net cost per swim/visit is low in comparison with other councils nationally, although this could reflect the lack of significant investment in facilities over a period of time. It is unlikely that this position will improve without significant investment in facilities, as visitor numbers are fairly static and the area is experiencing new competition from the private sector.

- 88 The sports development section focuses on sustaining sport interest and developing capacity in sports clubs, therefore using resources more effectively and providing lasting sports opportunities in the community, by:
- ◆ using club facilities and coaches where possible, to ensure that all participants are aware where they can go to continue participation;
 - ◆ providing links between schools and clubs; and
 - ◆ supporting clubs in developing a three-year plan, including training and promotional support, to provide greater access to sport for people in Medway.

Partnership working

- 89 The Service has had significant success in working with partners and bringing organisations together to make the best use of limited resources, and to access external funding for facilities and programmes. Examples of this include:
- ◆ the Access into Medway Sports (AIMS) – in partnership with the English Federation for Disabilities Sport, Youth Service and leisure contractors;
 - ◆ Volunteers in Sport Programme – in partnership with Sport England, the Youth Service, Education and leisure contractors; and
 - ◆ Active Sports Partnership – working to develop specific sports in Medway in partnership with all councils in Kent.
- 90 Partnership work with the Education Directorate is particularly well developed and has been strengthened by the recent Council re-organisation bringing the Leisure and Education directorates together. In particular, sports development works closely with schools, through the Medway Secondary School Sports Association and Primary School Sports Forum, to provide sporting opportunities in the curriculum and after school. Examples include:
- ◆ the provision of information and training to staff and pupils;
 - ◆ encouraging and promoting school club links;
 - ◆ advising and helping with external funding applications such as Awards for All; and
 - ◆ the delivery of the Coaching for Teachers programme, Sportsmark and Activemark, TOPS, and the Medway Messenger Mini Youth Games.

- 91 When we spoke to Sport England representatives, they stated that:

‘Medway’s sports development unit are very proactive in developing partnerships in order to meet national and local priorities for sport’

92 The Service has an excellent track record of obtaining external funding and has worked with Council departments and external partners to access significant national funding. Effective co-ordination of this process, often lead by the Service in conjunction with the Corporate Bidding Manager, has allowed schemes to maximise external funding opportunities. Examples include:

- ◆ Active Communities project worker posts – £140,250 from Sport England;
- ◆ Active Communities Volunteer Programme – £78,750 from Sport England, Youth Services and leisure contractors;
- ◆ Physical Education and Sports in Schools – £2.16 million from New Opportunities Fund; and
- ◆ Kent Messenger Youth Games – £15,000 from Kent Messenger and Sportmatch.

93 When we spoke to the external funding department, they stated that:

‘the leisure division are the most successful and most involved of all departments, they are very proactive and don’t miss a trick on terms of bringing partners together to access funding’

Marketing

94 There are a range of detailed marketing plans in place for sports development and individual contractors, but there is no overall strategy. Contractors’ marketing plans are not focused on the Council’s core values. The Service has recognised that there are weaknesses in the marketing of its services.

95 We found marketing material generally professional, of good quality and imaginative. Examples include:

- ◆ leisure centre leaflets;
- ◆ the Medway Messenger Mini Youth Games brochure; and
- ◆ Medway Sports Development Team newsletter and sports club directory.

96 However, there is limited co-ordination of marketing across the Council or the Service, with no team or department in place to take advantage of cross-marketing opportunities. For example:

- ◆ there is no mention, other than contact details, of most leisure facilities in the Council’s tourism guide;
- ◆ there is limited information on sport development programmes at sports centres;
- ◆ signs to some facilities are poor, making it difficult for new customers or visitors to find them; and
- ◆ there is inconsistency in branding and the use of the Council’s logo on leisure facilities, leaflets and websites.

- 97 Sports development has a clear brand image which is consistent across all marketing and promotions. This makes it clear to customers who is providing the service. The lack of a clear brand image for leisure centres is being addressed, and we saw evidence of proposed formats which show consistency, flexibility and imagination.

Performance management

- 98 We found examples where the Service is monitoring and measuring its effectiveness in meeting Service and Council priorities. For example:
- ◆ Research has been undertaken on use and satisfaction rates at leisure centres, and individual centres hold detailed user figures.
 - ◆ All sports development programmes are monitored to assess participation rates and customer satisfaction.
 - ◆ New externally funded projects, such as the Active Communities Programme and Active Sports, will have detailed output and outcome-based information as part of the external funder's requirements.
- 99 However, there are also weaknesses:
- ◆ There is no structured approach to research aimed at assessing the needs of the community and providing services to meet those needs, particularly for those not currently using the service.
 - ◆ There is limited information being obtained from contractors on who is using the facilities and why.
 - ◆ There has been limited analysis of the outputs and outcomes of specific initiatives and projects. For example, there is limited information available on who is using the Passport to Leisure Card and whether it is meeting the needs of the disadvantaged groups it is aimed at.
- 100 The Service acknowledges within the best value *Options Appraisal Report* (November 2001) that it has 'limited base line information about who uses and who does not use sports facilities'.

Environmental sustainability

- 101 The Council has been slow in addressing sustainability issues, and there is no corporate approach to assessing and reducing the Council's use of water, energy or chemicals. There has been no comprehensive energy, water and chemical audit undertaken by the Service, and limited training of staff. Such an audit would help maximise cost savings and minimise the effect on the environment, in line with corporate and national priorities.
- 102 Contractors have undertaken some detailed audits of energy and water use and have, in some cases, presented options to the Council for energy and water savings which require capital investment; but none have been initiated.

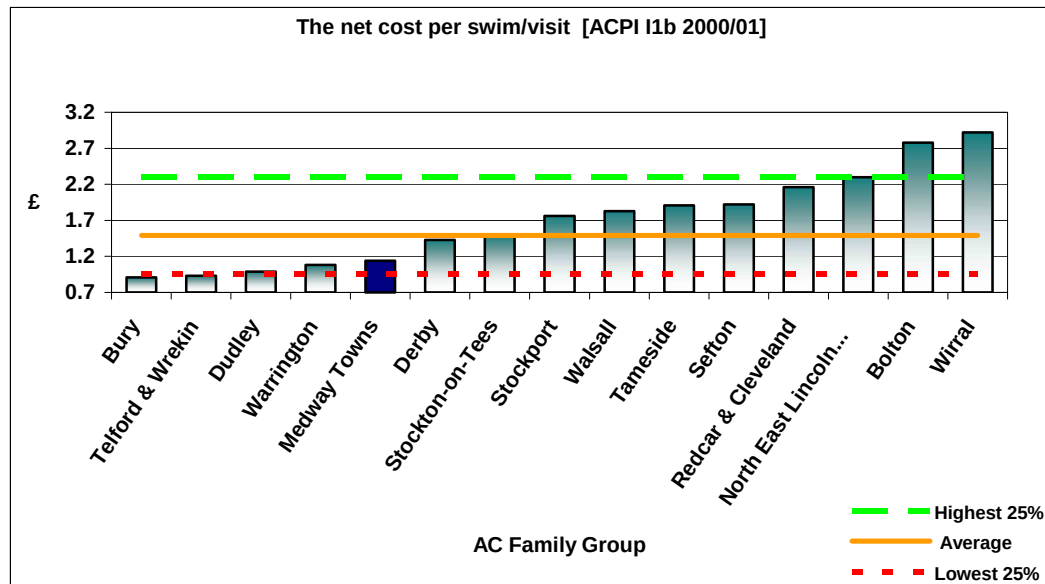
- 103 However, individual contractors have incorporated their own measures to reduce energy and water use – primarily to reduce their running costs of leisure centres – including reduced water flow shower heads and taps, and energy-efficient light bulbs.
- 104 To summarise, the Service is providing a wide range of facilities and services for all ages and abilities. Staff are generally helpful and polite and are well supported by the Council and contractors. There are some well developed partnership arrangements in place which help provide sustainable sporting opportunities in the community, and through these partnerships, the Service has been successful in accessing significant external funding.
- 105 However, the quality of facilities varies. In the main, this is according to their age. New facilities are accessible and provide local people with good quality services, but there has been limited investment in the maintenance of facilities over a number of years, and some older centres are in need of refurbishment. The Council has not addressed sustainability issues in order to save money and reduce the impact of the service on the environment, and opportunities to meet national priorities for health and social inclusion have been missed. There is also a need to improve performance management and marketing, to provide services in line with community needs, to improve access, and to provide a more effective service.

How does the performance compare?

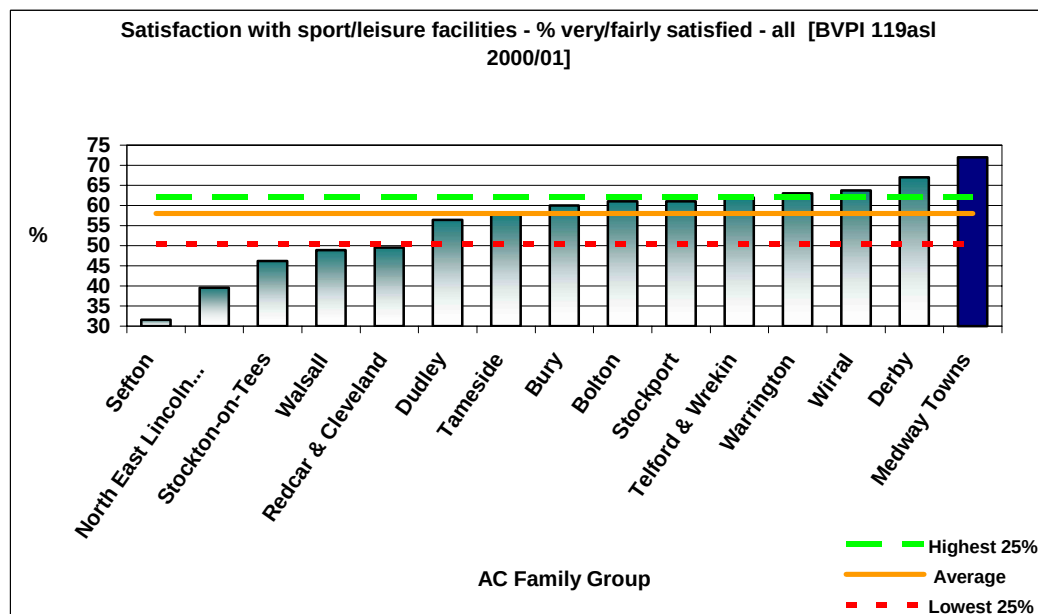
- 106 In order to judge the quality of a service, it is important to compare the performance of that service against other suppliers across a range of sectors. The aim is not exact comparison, but an exploration of how similar services (or elements of services) perform in order to identify significant differences, the reasons for them, and the extent to which improvements are required.

National comparisons

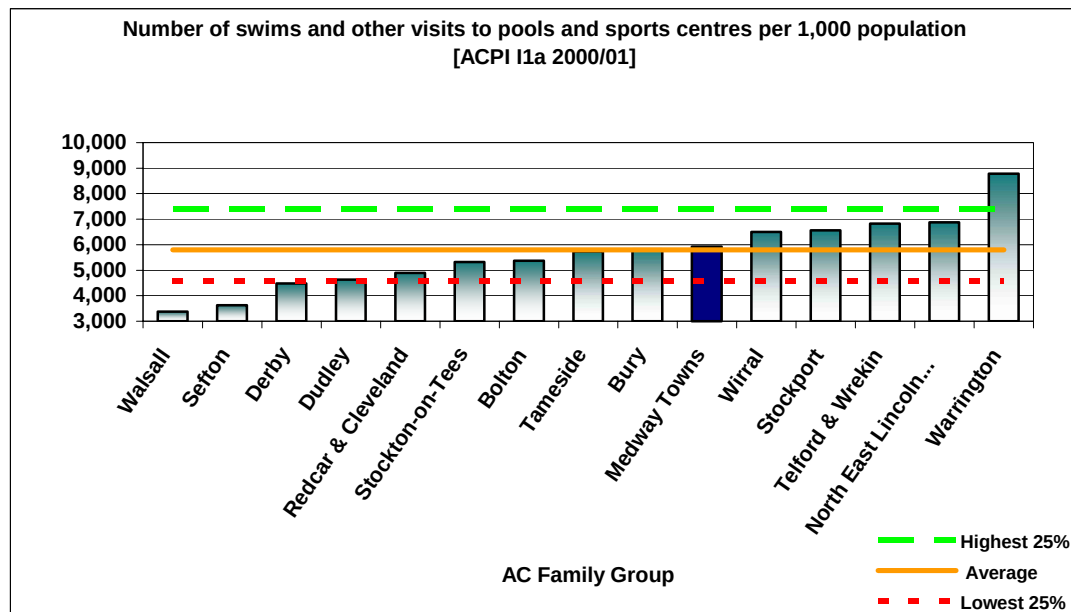
- 107 The availability of national performance information varies across leisure services. Information on leisure facilities is detailed specifically in the form of best value performance indicators and statistics from national organisations such as the Chartered Institute of Public Finance and Accountancy (CIPFA). However, national performance information on sports development is limited.
- 108 The net cost per swim/visit is low compared to similar councils. Medway has the fifth lowest cost per swim/visit in its family group and is nearly in the lowest-costing 25 per cent of all councils nationally (see graph below). This could relate to the low level of investment in the Council's leisure facilities and reflects cost only and not quality.



- 109 Customer satisfaction with sport and leisure facilities is high; the Service is in the best 25 per cent nationally and is the best in its family group (see graph below).



- 110 Both nationally and within its family group, Medway has about the average of visits to its sports facilities (see graph below).



- 111 The leisure facilities show mixed performance in terms of their cost recovery rates⁹, with four above average, one in the best 25 per cent of councils nationally, and three below the national average.
- 112 Sports development comparisons with 13 other similar councils found Medway to be slightly below the average for spend per head of population, and for its cost recovery rate.

Local comparisons

- 113 Local trend information is limited and inconsistent across the service. Some centres have increased income and attendances, while others have decreased. The general trend is an increase in those visiting fitness suites, while swimming visits are decreasing, resulting in the overall number of people using the Council's facilities being fairly static. Sports Development has increased participation through initiatives such as the Medway Messenger Mini Youth Games -and the Active Programmes, but the number of those taking part in activities through clubs, schools and in the community is not known.
- 114 In summary, the Division is providing sports facilities at a low cost, being well below the national average for the net cost per swim/visit. Customer satisfaction is high. However, the number people using the facilities is around the national average for councils, and the overall numbers visiting facilities are fairly static.

⁹ Cost recovery rate is the amount of income generated as a percentage of expenditure

Summary

- 115 We consider the Service has clear aims, but these are not consistently challenging. There is a wide range of facilities, programmes and events provided for local people and visitors. The quality of customer care is high, and staff are well qualified and supported by both the Council and contractors. The Service has developed good partnership arrangements in order to meet priorities on crime and social inclusion, and it has an excellent track record in accessing external funding. However, some facilities are in need of significant refurbishment in order to maintain and increase use in a competitive market. There also is a need to improve performance management and marketing to provide services in line with community needs, to improve access, and to provide a more effective service. Opportunities have also been missed to meet national and Council priorities on health, social inclusion and sustainability.

How likely is the Service to improve?

Does the best value review drive improvements?

- 116 The best value review is the mechanism for ensuring councils deliver continuous improvement in the services they provide.
- 117 The best value review (BVR) of Medway's sports development and leisure facilities commenced in February 2001. The project was originally due to culminate with a final report to the Members' Best Value Panel in December 2001. However, the Final Options Report, which was the eventual product of the project team's work, was not actually presented to the appropriate Overview and Scrutiny Group until September 2002. There were several factors which contributed to this delay:
- ◆ the Council was re-structured from seven directorates to four in April 2001, aligning Education and Leisure for the first time;
 - ◆ as either a direct or indirect result of this re-structuring, the Service lost three assistant directors and a head of service in spring / summer 2001;
 - ◆ the Council's style of governance was changed to a leader and cabinet model in October 2001.
- 118 We acknowledge that these factors had an understandable but detrimental impact on the progress of the BVR.
- 119 We found that the review was narrowly focused, looking exclusively at sports development and leisure management contracts. Despite being managed within the same division and having related issues and priorities, community centres were excluded from the review. Similarly, the Parks and Open Spaces Service, which sits within the Planning and Environment Directorate, were also not considered as part of this review even though, for customers, they form part of leisure provision in Medway. This narrow scope led to some opportunities being missed to integrate and co-ordinate services to customers – for example, some councils use community centres to deliver some of their sports development initiatives.

- 120 We found that the early work of the review team identified five key themes that needed to be addressed in the review to produce five key outcomes. In summarised form, these were:
- ◆ a sports development strategy clearly reflecting the Council's core values;
 - ◆ a leisure facilities programme that consistently delivers sports development objectives;
 - ◆ leisure facilities that are modern, flexible, fit-for-purpose and accessible;
 - ◆ leisure facilities that meet the needs of Medway's whole population and, in particular, those of specific target groups; and
 - ◆ an improved capacity within the organisation to identify and respond to changing demands.
- 121 We found that, while these objectives are clear and focused on the right priorities, they were not addressed significantly within the review process.
- 122 While these objectives were addressed in part within the review process, we found that the approach taken was not a robust one and did not adequately deliver a solution which necessarily delivers against the outcomes in paragraph 120.
- 123 A comprehensive review project brief was set in February 2001 and proposed a number of objectives for the project. These included:
- ◆ reviewing the current vision of the services;
 - ◆ establishing current service perceptions of various market groups;
 - ◆ determining the services to be provided – as either direct provider or enabler;
 - ◆ identifying how and where services are best provided, including potential co-location, linking with libraries' and youth services' BVRs, and linking with Medway's private sector; and
 - ◆ identifying alternative procurement options for service delivery.
- 124 We found that the best value review delivered clearly and robustly against only the last of these objectives, and that an opportunity was missed to better understand what local customers feel about the current services and what they would like to see from the Council's leisure services in the future. The diluted brief was a consequence, we believe, of the restrictions placed on the review process by the factors outlined in paragraph 117 above.

- 125 Much of the review's in-depth work was carried out by external consultants, Strategic Leisure Ltd (SLL). They submitted two reports to the Council – in November 2001 and August 2002. However, it is clear that the main thrust of their work was to be in looking at the most financially efficient option for the future delivery of the service. An excerpt from their November 2001 report stated that:

‘Why leisure centres are provided, the contribution they make to achieving corporate objectives and the extent of that provision, which is a ‘challenge’ consideration is not part of this project and, we understand, has been addressed as part of the wider Best Value consideration’ (Source: SLL report – Nov 2001 Section I, ‘Initial Assessment of Preferred Options’, paragraph 7.1.1).

- 126 The Council commented that their best value methodology is designed to achieve customer-focused outcomes, and that therefore current service analysis is a prerequisite of this approach. We find that while the resulting improvement plan needs to be focused on improved outcomes for customers, it is crucial that the review itself fundamentally challenges the very essence of the current service, the way which that service is delivered, and how well it meets customers’ needs. We think that this aspect was not adequately tackled within the review.
- 127 We also found that the *Summary of Medway’s Review Process* contained within the Council’s best value toolkit does not major on the need to assess the current service, analyse its current performance, or assess whether it is meeting the needs of the area’s residents. These elements are essential to a successful review that is focused on what customers and local people want and should be addressed corporately as matter of urgency for future reviews.

Stakeholder involvement

- 128 The project team included representation from within and outside the Directorate, and external challenge was provided by a Sport England officer. However, we found no evidence of a project leader or guide from senior management. Some degree of project guidance at that level is key to managing a project on time and to budget, and also helps to deliver accountability to the whole process.
- 129 Councillors were involved at three key challenge stages. These were:
- ◆ setting the terms of reference – project brief and plan;
 - ◆ the options appraisal; and
 - ◆ the implementation plan.
- 130 However, we found that both councillors and some officers felt that the review had been slow and lacked continuity. They stated that the review:

‘died a death’, ‘it all went quiet for nine months’ and ‘the review joined the missing persons list’

- 131 While understanding the reasons for the delay and the apparent change to the brief, we found that the momentum was lost, and the chance was missed to conduct the fundamental review that had been planned when the original project brief was written. As such, the opportunity to improve the services to more closely align them with local needs was also lost.
- 132 It is important to include frontline staff in the review process, as they are likely to have the most direct feel for how customers and non-users perceive services. In addition, this involvement can prove to be the first step in encouraging staff to take ownership of any service improvements highlighted from the review. However, we found that frontline staff were not directly involved throughout the review. Although some were consulted in a small focus group, we believe that the Council missed opportunities for greater involvement of frontline staff from within the Council and from contractors.
- 133 As the services are delivered in nine centres – under contract by five different contractors – to provide improved and co-ordinated services for customers, it is important that all providers are involved throughout the review. However, we found that their only involvement had been in a small, one-off focus group. We also found contractor managers would have welcomed the chance to be engaged in more detail in the review.

Challenge

- 134 We found that the original project brief was comprehensive and, had it been adhered to, it would have represented a fundamental challenge to the services. The brief was essentially customer-focused and sought to tackle specific issues that had already been identified as part of this challenge. These included: the number, condition and location of buildings; service accessibility; ICT development; management information; opening hours; and marketing and leisure's overall contribution to key corporate agendas and values.
- 135 However, we found that after the significant upheaval to the services during 2001, the subsequent work on the review changed focus and moved from being a fundamental exploration along the lines of the original brief, to become an exercise exclusively designed to secure the most economic future delivery mechanism for the Service. SLL carried out this options appraisal work on the Council's behalf, and their efforts culminated in the *Final Options Report* to Overview and Scrutiny Group in September 2002.
- 136 This report laid out the various options for future service delivery, making a recommendation to the Council and spelling out various improvements which its chosen option would help deliver. The Council's senior management and councillors acknowledged this view and stated that this had been a necessary change in focus.
- 137 The review further set out to challenge the aims and objectives of the sports development and leisure management services, and we found some evidence of this challenge and its outcomes. The Service held visioning workshops in June 2001 and October 2001, and resulted in a new vision that was eventually published in the Council's sports and health development strategy.

138 The vision indicated commitments to Medway, providing: young people with a good start in sport; all residents with opportunities to stay involved in sport; all participants with opportunities to reach their sporting potential; and an encouragement to all to adopt healthy lifestyles while including the socially disadvantaged. We found that while the sports development section has taken serious steps in support of delivering this vision, it has been less robustly adopted as a driving force within leisure facilities management.

139 In order for councils to improve their services, it is essential that they understand what their communities want and how best to deliver against these wishes. The Council has detailed demographic information and has undertaken some research into specific groups' needs. However, we found that a lack of clear, detailed and usable base information, illustrating what the local leisure market needs and what is already available, compromised the project team's ability to deliver robustly against all its objectives. Strategic Leisure Ltd's November 2001 report states that:

'At the moment the service has limited base-line information about who uses, and who does not use, sports facilities. This means that the programme of activities at facilities could well be successful in terms of the number of people attending but there is no way of knowing whether the facilities are meeting the needs of all sections of the community.'
(Source: SLL report – section III, 'Benchmarking Existing Service and Current Market Place', p 22)

140 A baseline assessment of the local market in Medway was undertaken in December 2001 by an external consultancy, Chris Morton Associates, but we found no evidence of how this information had been accounted for in designing the future delivery of the service.

141 Furthermore, where strong information was available, we found little evidence of the project team analysing and challenging it to assess its potential impact on service design and development. For example, information on Sport England's performance indicators is presented within SLL's August 2002 report detailing Medway's performance versus other councils'. The performance indicators used were cost recovery rate, gross subsidy per user, net spend per user, and staffing as a percentage of income. It is not clear how this information has been used to challenge the Service, and we think that opportunities were missed to analyse the picture this information presents and, as a result, to make recommendations for further service improvement.

142 However, we were made aware that a decision had been made, prior to publication of the SLL report, to consider the future of the Riverside Bowls Centre, which happened to be the worst performer in all the above categories of performance. At the time of the inspection, no firm decision had been made regarding the future management of this facility.

- 143 But we did find some examples of action being taken as a result of the findings of the review. One of the findings of the challenge which the sports development section had undergone, was that this service's resources were extremely stretched. We found that two new full-time sports development officer posts were in the process of being filled while we were on site.

Consultation

- 144 For sports development, we found that substantial consultation had been undertaken, including:
- ◆ stakeholder workshops with young people, coaches, clubs, schools and national governing bodies of sport;
 - ◆ interviews with customers; and
 - ◆ two interviews with non-users, from a club and a school.
- 145 For leisure centres, we found that a range of broad, secondary consultation had been used to inform the review – namely the MORI residents' survey and a separate survey among young people of Medway – but limited specific detailed consultation directly about the Service and its facilities had been undertaken, particularly with non-users.
- 146 However, small focus groups had been consulted about the leisure facilities services at each centre. These included:
- ◆ centre staff;
 - ◆ directors of centres;
 - ◆ representatives of clubs that use the services; and
 - ◆ casual users and non-users.
- 147 The analysis of some of this consultation work led to three key issues being highlighted across all venues. These were:
- ◆ poor maintenance;
 - ◆ disabled access; and
 - ◆ limited marketing.
- 148 While we found substantial evidence to support the Council's commitment to investing in both the maintenance of leisure facilities and compliance with the Disability Discrimination Act (DDA), we found little evidence of action taken to strengthen the marketing of the Service. However, some very recent work has been undertaken to consider a corporate brand approach to the marketing of the sports development and leisure services.

- 149 Our own discussions with the contractors suggested that they would be happy to engage in cross-marketing of all centres in Medway. The Council acknowledged that any future contractual arrangements would oblige all contractors to conform with corporate guidance on marketing materials.
- 150 Although the Council employs various consultation methods, there was little evidence that these were used as part of this review to drive real, customer-focused service improvements. For example, there was no detailed consultation undertaken with the Council's Citizens' Panel, the Medway Sports Council, heads of physical education, or the various customer forums held at leisure centres; we consider this a missed opportunity to get input from customers and non-users of the Service.
- 151 Newly formed focus groups, such as the ethnic minorities group, the youth parliament, and the older person's forum group, will be valuable consultation groups for developing all services, and especially cultural services, in the future.

Competition

- 152 It is apparent from the current contracting arrangements that the Council has a track record of rigorously exposing leisure services to competition. The nine centres are managed under five separate contracts originally drawn up under Compulsory Competitive Tendering (CCT) arrangements, and some of these date back to the early 1990s.
- 153 As outlined earlier in this report, the review changed focus early in 2002 to become a project geared towards finding the most financially beneficial solution for the Council. However, we found that, in switching course mid-stream, the Council has allowed the final outcome of the review (that is, an options report focusing on the best financial deal) to become detached and separated from the original desire to deliberately and flexibly meet the changing leisure needs of the whole community. Broadly acknowledged by the Council's senior management team, this is evidenced by the fact that the Council attempts to make no clear links between what it knows of the customers' needs and what it wants from the 'best' option (financial efficiency).
- 154 We found that the Council engaged SLL to carry out a substantial piece of work considering all the available options open to Medway. The Council and SLL committed significant resources to researching all options and how they fitted for Medway, and they came to some rational conclusions about which options best suited the area and the Council.
- 155 This work led to the key elements of the Service's final options report being presented to the Council's Regeneration Overview and Scrutiny Group in September 2002. The decision of this Group was that Cabinet should adopt the 19 recommendations proposed within the final options report in order to deliver against the five key review outcomes outlined in paragraph 120 above.

156 The most significant of these recommendations are as follows:

- ◆ all existing contracts due to terminate before 2004 be extended to March 2004;
- ◆ current provision at Strood, Hoo, Deangate and Stirling centres is considered for transfer from the Council into a non-profit distributing organisation (NPDO)¹⁰ for April 2004;
- ◆ Lordswood either joins the NPDO package or becomes an independent trust;
- ◆ Black Lion and Strand be considered for further exposure to competition;
- ◆ the maintenance backlog and DDA compliance requirements are to be included in discussions with potential partners; and
- ◆ the Cabinet consider, as part of the budget setting process for the next financial year, funding the leisure centre maintenance backlog of £1.7million and the work required to meet the DDA standards of £656,000.

157 We found consideration of this proposed hybrid approach to the procurement of leisure services to be a courageous and ambitious move in light of the very limited track record to date of such arrangements as NPDOs and trusts in the UK leisure sector. Importantly, while we were on site, we did not find universal agreement with the NPDO concept at either political or senior management level. However, Cabinet approved all 19 recommendations of the report at its meeting in October 2002.

158 We found therefore that the Council has legitimately and rigorously assessed all options for future service delivery and arrived at what it considers to be the most favourable solution in financial terms. The financial incentives available from the NPDO option through savings in business rates and VAT are seen by the Council as significant opportunities to lever investment in the services to deliver substantial improvements.

159 We consider that the review represented a missed opportunity to give more significant consideration to other competitive and innovative options, such as combining with partners to deliver Council services. We think that this kind of opportunity still exists via the improvement plan, and there is evidence to indicate that this is happening with, for example, the development of the 'Leisure Village' concept in partnership with the new university and the Chatham Vision project.

Comparison

160 Councils can learn from the top-performing councils about what works for them in their area. While this sort of comparison is not guaranteed to result in directly transferable benefits, there are sure to be aspects of service design and delivery that could work in leisure, no matter where it is provided.

¹⁰ NPDO – a trust management option where any profits are invested back into the service and where there are tax savings

- 161 We found that the Council had sought comparative performance information via a project undertaken by SLL as part of their November 2001 report. That report found little baseline information available about Medway's services, with the only notable exceptions being in areas of statutory national performance (PI) data which had been collected for the last three years.
- 162 A more in-depth comparison of sports development services across the UK was conducted in November 2001 but, while it provided substantial comparative information on services from a wide range of perspectives, we found no evidence of any analysis of this information. As such, we were unable to see how it had contributed to the future design and delivery of the service.
- 163 As well as looking externally to compare performance and practice, services should also look internally with a view to making year-on-year and provider-versus-provider comparisons. For example, we found evidence that Medway Leisure DSO is routinely collecting detailed information and undertaking its own detailed national comparisons. In addition, the individual private contracts compare their own performance with other centres across the country. This information is not used by the Council, and only limited information was requested from contractors as part of the review.
- 164 We found that, as a result of the variation in contracts between the five contractors and nine centres, there is such inconsistency in the management information providers are obliged to supply, that there is actually very little information collected and analysed consistently across the Service. We also found limited capacity within the Service to manage the information that could and should be available. As such, the Council is missing opportunities to either proactively address changes in service direction, or reactively tackle trends and patterns being established, either within individual centres or across the Service.
- 165 While we are aware that SLL assessed the management models of South Gloucestershire Council on Medway's behalf, we found no evidence of how this work had been analysed and summarized to drive the decision-making process at Medway.

Summary

- 166 In conclusion, we feel that the circumstances prevailing at the time of the review prevented a rigorous challenge being applied to the services. As such, the 4Cs of best value were not applied as robustly to the Service as might have been the case.
- 167 However, the Council has continued in its drive to secure the necessary investment to develop the Service by considering a radical shake-up of the service management arrangements. The real challenge now lies in going over some ground previously missed, to ensure that the preferred service delivery option is prepared, managed and implemented in a way that guarantees improvement for all customers and potential users.

How good is the improvement plan?

- 168 A best value review should produce an improvement plan that sets out what needs to improve, why, and how that improvement will be delivered. It should contain targets which are not only challenging but also designed to demonstrate and ensure the continuous improvement necessary to put the Service among the best 25 per cent of councils within five years.
- 169 We found that the Council had recently developed an impressive and detailed framework for delivering improvements. This framework is currently being used to draw all key objectives into a formal improvement plan format. The framework's agenda is to deliver improvements for customers as listed below:
- ◆ modern, accessible, fit-for-purpose facilities able to meet changing demands;
 - ◆ facilities meeting the needs of all – especially the young and ethnic minority groups; and
 - ◆ a sports development strategy contributing to corporate core values.
- 170 This framework is based around four key themes which the Council believes are priority areas for improvement:
- ◆ service and facility quality;
 - ◆ access, equality and diversity;
 - ◆ efficiency of the service; and
 - ◆ environmental sustainability.
- 171 We found that within these themes, the Service is endeavouring to tackle real service priorities, such as:
- ◆ ensuring integration of corporate and service strategies;
 - ◆ understanding current customers' needs;
 - ◆ increasing participation (generally and within specific target groups);
 - ◆ maximising additional funding;
 - ◆ anticipating future service needs;
 - ◆ targeting resources to reach deprived wards and groups; and
 - ◆ involving the private sector in a partnership approach to local sports development provision, and maximising investment in provision.
- 172 These are clearly some of the key challenges that the Service is facing, and we believe focus in these areas will have a significant impact on the customers 'experience.

- 173 We found the Council and the Service have processes which link tasks, objectives and priorities well. These exercises result in plans which impressively illustrate just how each individual service or initiative objective will actually contribute not only to service priorities, but also to the Council's overall corporate values. We are clear that these documents are well used as a method of communicating strategic direction in places within the organisation. Ensuring their use across all service areas and at every level within services will surely enhance the Council's ability to guide staff and other stakeholders on the right path to improvement of all services.
- 174 We found that in keeping with the Council's new performance management model (outlined in more detail in the performance management section below), the Service has already begun to develop a service plan. This will follow a template which all services are using to ensure a consistency of approach and content. This service plan will set out the direction the Service intends to take over the next financial year and will be formally implemented in April 2004.
- 175 The leisure service plan will take account of the key priorities within the Education and Leisure Directorate's business plan, which is being developed over the same period. The directorate business plan will, in turn, reflect the contribution these key services will make to Medway's community plan and best value performance plan. We were impressed by the Council's articulation of these links.
- 176 A further encouraging development is the work recently done on a marketing plan for the Service. Again, this follows a corporate template and focuses on the need to understand customers' needs and so increase participation rates. The marketing plan has begun to consider the range and spread of activities provided, as well as pricing policy and promotions policy. All of this is already being influenced by the existing sports and health development strategy and will need to integrate a facilities development strategy, should one be developed. The marketing plan will again be formally adopted and implemented by April 2003.
- 177 The Council has acknowledged that at this stage in the Service's development, there will need to be a balance between improving internal processes and improving customers' quality of experience. This is reflected in the objectives in the framework for improvement. For example, the improvement framework suggests the need to ensure that bids to external funders are included within sports development work plans.
- 178 We found that the improvement plan will be presented to the Regeneration and Community Overview and Scrutiny Committee in December 2002. Clear monitoring arrangements are spelt out within both the Council's best value toolkit and the improvement framework, and there is an explicit commitment within the Council to ensuring these arrangements deliver real accountability to officers charged with improving services.

- 179 The improvement plan must clarify how the preferred service delivery option will necessarily deliver the required investment and thus improvements to the services. Objectives will need to be supported by targets and illustrate clearly defined individual responsibilities. Further, they will need to be clearly costed, project-planned and monitored to ensure delivery. Critically, the improvement plan must focus on improving the service for customers in the short, medium and long term, and not on simply delivering the most financially beneficial option for the Council in the short term.
- 180 Significantly, we were impressed with the composition of the project team that has been established to implement the improvements. The team has a broad range of expertise comprising the Head of Sports Development, the Head of Arts Development (lead Cultural Strategy Officer), and representatives from key corporate services such as legal, policy, contracts and transport and development planning. The Council should consider representation from Human Resource services on the team.
- 181 We conclude that, although many elements of the improvement framework are in their early stages, sufficient clarity of thought, direction and purpose are present within the framework to give us confidence that the Service is focused on improving the right service elements.

Will the Council deliver the improvements?

- 182 Inspectors look for evidence that a council will deliver what it has set out in the improvement plan. We look for a track record of managing change within the Council and, ideally, within the Service itself. The plan should also have sufficient support from councillors, management, staff, service users and other stakeholders, particularly those responsible for delivering it.
- 183 We found significant evidence to convince us that the service will improve.

Track record of investment and improvement

- 184 Notwithstanding the fact that the Council has faced mounting financial pressures since becoming a unitary authority, some investment in this non-statutory service has continued. As an example, the gym at Strood Leisure centre has been extended with new equipment in the past two years.
- 185 We also found that the leisure centres were allocated £348,000, 41 per cent of a total £841,000 budget, for urgent building repairs approved by committee in September 2001. This work was to cover remedial work in seven of the nine centres, and we found that this represents clear evidence of how the Council remains committed to the Leisure Service.
- 186 We found that corporately, the Council has recently delivered on some significant procurement projects, including a public private partnership (PPP) agreement with a major ICT provider to deliver an enhanced revenues and benefits system, and a waste management contract let to Cleanaway. We think that this knowledge and experience should assist in the development of management options, and contractual arrangements for managing those options, for leisure services.

Capacity and capability

- 187 While the Council acknowledges that the skills required to deliver such a radical change in contracting arrangements may not necessarily exist directly within the Leisure Division, there is a clear commitment to inter-departmental working and using the skills and expertise from around the Council to deliver on behalf of the Division.
- 188 We found a central resource within the Division that is extremely stretched. The key to service improvements through the preferred option is in the strength of the contract specification and management arrangements, and the project management skills of those involved in implementing the new system. The Council will need to give very serious consideration to these issues when preparing its implementation plan. Importantly, we encountered both universal recognition among senior management and councillors that this is the case, and a firm determination to ensure that the right arrangements are made to deliver the optimum contracts for the sake of both service users and the Council.
- 189 Where the exact skills do not exist, the Council expressed a clear commitment to buy expertise in. As an example of this commitment, the Council has recently used support advice sourced from Eversheds law practice to help it deliver the waste and the revenues and benefits contracts. It is important for councils to have this open and flexible approach to acquiring the right blend of corporate and local knowledge and professional expertise.
- 190 We found a clear and explicit commitment at all levels to staff development and training, with a focus on improving services to customers. The Council offers all staff a guarantee of at least five days training per year, and contractors have detailed training plans in place. Training budgets are devolved to the Medway Leisure DSO's leisure centres. However, this practice does represent an anomaly in that no such training guarantees are either offered or funded by the Council for other contractors' staff.

Political support

- 191 People use cultural services such as libraries, museums and leisure out of choice. It is important that councils understand the bigger part these services can play as a tool for not only contributing to directly related corporate values, but for promoting other services.
- 192 We found strong political support for leisure – councillors we spoke to unanimously understood and articulated the part that leisure can play in delivering against corporate values such as 'Realising everyone's potential'. They alluded to the fact that they had an option to reduce spending on non-statutory services when funds were tight, but instead continued to invest in leisure.
- 193 We found that councillors are very positive about the tangible benefits which can accrue from close partnership working and the integration of the wider community's priorities via the community plan. Partners we spoke to, such as Sport England, were also very supportive and committed to working with the Council to deliver against mutually beneficial objectives. An example of this is the work on Active Communities.

Resources

- 194 We found that the Council is forecasting an estimated budget deficit of £4 million for the current financial year. In addition to this, senior managers acknowledged a maintenance backlog programme of some £12 million and a programme of works to enable DDA compliance totalling some £5 million.
- 195 However, very recent procurement projects have delivered the following financial investments, from the chosen contractors, to the Council's services:
- ◆ £6.5 million in the waste management service; and
 - ◆ over £1 million in the revenues and benefits service.
- 196 In addition, we found a universally expressed determination within the Council to have investment in the services at the forefront of its contract tendering priorities. Councillors have already written this key element into the final options report which was adopted by Cabinet in October 2002.
- 197 However, we found a lack of clarity within the Council about whether savings accruing from NNDR and VAT by establishing an NPDO will actually be wholly or partially ring-fenced for re-investment into either leisure centres or sports development. We feel that this aspect of the preferred option needs to be clarified as a matter of urgency.

Performance management

- 198 We found that, historically, limited formally planned dialogue has taken place between contractors and the Council. However, contractors confirmed that this picture is changing for the better with a programme of regular monthly meetings being established. Contractors are generally very positive and supportive of the Council's desire to work together.
- 199 We found that senior management in the Council has been working for the past year to develop and implement what looks to be an impressive performance management system. The Medway Excellence Model (MEM) has been tried out in two of the four directorates, and we saw evidence of the Council's intention to spread this into the other two directorates, including Education and Leisure, by March 2003.
- 200 Implementation of the MEM is being driven by a cross-directorate performance management officers group, and its objective is to provide clear links between national plans and agendas, key strategic Council plans, directorate business plans, individual service plans, statutory and local PIs, and individual staff objectives. These links are reinforced by a plan that outlines the way in which staff job descriptions, service plans and directorate business plans will impact on overall corporate values.
- 201 We conclude that the Service has the right levels of political and senior management commitment, support from partners and corporate strategy to deliver improvements to these services. However, the Council needs to agree the final destination of revenue saved by adopting the preferred option.

Summary

- 202 In conclusion, we think that the Service missed a real opportunity to conduct a fundamental review as a result of the many changes taking place within the Council at the time of the best value review. However, a strong options appraisal exercise was carried out, delivering to the Council a preferred option. This option has yet to be confirmed and the benefits for customers fully articulated.
- 203 A framework for improvement has been developed which is underpinned by an impressive corporate commitment to a culture of performance management and a political environment which has shown itself to be supportive of leisure. While a robust service improvement plan still needs to be drafted and adopted, we think that the Council is taking the right steps to ensure that service management, its partners and the eventual new contract management arrangements will actually bring about significant improvements for the customers and potential customers.

Appendices

What the inspectors did

The purpose of best value inspection is to make two judgements. The first is, how good is the Service being inspected? The second is, how likely is it to improve? We carried out a range of different activities to enable us to reach our judgements.

Documents reviewed

Before and after going on site, we reviewed a range of documents which had been provided by the Council for us. This included the following:

- ◆ various review report documents;
- ◆ the Council's Plan for 1999-2004;
- ◆ *Community Plan 2002-2005*;
- ◆ *Best Value Performance Plan 2001/03*;
- ◆ *Best Value Toolkit*;
- ◆ service contracts;
- ◆ statutory performance indicators;
- ◆ *Sports and Health Development Strategy 2000-2005*;
- ◆ Single Sports Facility Deficiencies in Kent;
- ◆ draft improvement framework; and
- ◆ various council, cabinet and scrutiny meeting minutes.

Reality checks undertaken

When we went on site, we carried out a number of different checks, building on the work described above in order to get a full picture of how good the Service is. These on-site 'reality checks' were designed to gather evidence about what it is like to use the Service and see how well it works on the ground. We also followed up on issues relating to the management of the review and the improvements flowing from it. Our reality checks included:

- ◆ visits to all Council leisure facilities;
- ◆ speaking to staff and customers at these facilities;
- ◆ mystery shopping at leisure centres and for sports development;

- ◆ checking health and safety records, staff records and customer complaints and comments at the Strood Leisure Centre and The Black Lion Leisure Centre;
- ◆ telephone calls to Council departments and contractors delivering the service;
- ◆ an appraisal of the Council's website; and
- ◆ visits to libraries / tourist information centres and other Council buildings.

List of those interviewed

We also met a range of different people involved with the Service, including:

Tele Amuludun	Youth Strategy Manager
Judith Armitt	Chief Executive
Richard Bolsin	Director of Education and Leisure
Cllr Booth	Liberal Democrat – Chair of Regeneration Overview and Scrutiny Committee
Paul Boyce	Operations Manager Medway Leisure
Neil Davis	Director of Finance and Corporate Services
Mark Dent	Corporate Bidding Manager
Cllr Peter Edwards-Deam	Labour Spokesperson of Regeneration Overview and Scrutiny
Jim Farren	Assistant Manager Black Lion
Stephanie Goad	Assistant Director – Communications and Enterprise
Adrian Gowen	Principal Policy Officer (equalities, consultation and Agenda 21)
Spenser Grimewade	Lordswood Contracts Manager
Steve Hillman	Contract Manager Deangate Complex
Cllr Wes Hollands	Conservative Spokesperson Regeneration Overview and Scrutiny
Gary Ingram	General Manager – Medway Leisure
Mari Jones	Assistant Director Leisure

Samantha Kennet	Personnel Officer – Education and Leisure
Andy Larkin	Finance Support Manager
Marg Millar	Regional Sport England Officer
Claire Moore	Senior Sports Development Officer
Sally Morris	Policy Manager
Colin Murphy	Splashes Contract Manager
Tony Stephens	Leisure, Sports and Community Manager
Fran Toomey	Principal Policy Officer (Service Quality and Development)
Cllr Wicks	Portfolio Holder for Leisure Services