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APPENDIX 1

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Leisure Services Follow-up review – **Caerphilly County Borough Council**

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This document is also available in Welsh.

The team who delivered the work comprised Gareth Jones and Allison Rees, programme managed by Non Jenkins under the direction of Huw Rees.

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Summary report

Summary

What we reviewed and why

- 1 In 2016, we undertook a review of Caerphilly County Borough Council's (the Council) Sport and Leisure Strategy. The review sought to answer the following question: **Is the Strategy likely to meet the future needs of the Council and citizens?**
- 2 The review concluded that **'the Council responded to its financial pressures in 2012 by reviewing its leisure centres and outdoor recreation and leisure facilities but given its stronger financial position for 2016-17 onwards, the Council can now take stock to adopt a more holistic and strategic approach to reviewing its sports and leisure services to ensure that together they can meet the future needs of its citizens'**.
- 3 We came to this conclusion because at the time we found that:
 - the Council had reviewed its core leisure facilities but did not yet have a clear vision or an integrated sports and leisure strategy that sets a clear direction for future leisure provision;
 - whilst there had been some good examples of stakeholder engagement, the Council lacked a project and engagement plan for developing an integrated sports and leisure strategy;
 - the Council had substantial budgetary pressures over the medium term but had not yet fully addressed the growing financial risks in sports and leisure services; and
 - until recently, the Council's approach to addressing the challenges facing sports and leisure services had not been sufficiently strategic but the Council was now strengthening its project management arrangements to help resolve this.
- 4 We made one proposal for improvement which is set out in **Exhibit 1** below.

Exhibit 1: proposal for improvement made in 2016

Proposal for improvement

- P1 The Council needs to develop and agree a holistic vision and strategy for its sports and leisure services, and set out how it will achieve this within the next 12 months. In doing so, the Council should ensure that:
- there is effective corporate oversight of the process;
 - relevant expertise from across the Council is involved at an early stage;
 - there is a clear plan for public and stakeholder engagement;
 - there are clear links to key corporate plans and priorities, particularly the medium-term financial plan;
 - options appraisals are undertaken based on a robust information base and the costs, benefits, risks and impacts of each of the options are assessed;
 - appropriate consideration is given to the impact of the strategy and future service provision on economic, social, environmental and cultural wellbeing by applying the principles of the Well-Being of Future Generations (Wales) Act;
 - governance and accountability mechanisms are identified to report and monitor progress in developing and implementing the vision and strategy; and
 - consideration is given to whether the capacity of the service to develop and implement an integrated sports and leisure strategy needs to be strengthened.

- 5 In October 2019, we undertook a follow-up review which asked the question: **Can the Council demonstrate it has taken effective action to address our proposal for improvement issued in 2016?**

What we found

- 6 Overall, we found that: **The Council has taken effective action to develop and agree a holistic vision and strategy for its sports and leisure services, but now needs to take some further important steps to deliver on its strategic ambitions.** We reached this conclusion because:
- following public and stakeholder engagement, Cabinet approved a ten-year Sport and Active Recreation strategy; and
 - the Council now needs to develop its strategy delivery plan to set out the priorities for action, the work required and the timescales involved in delivering its Sport and Active Recreation strategy.

Detailed report

The Council has taken effective action to develop and agree a holistic vision and strategy for its sports and leisure services, but now needs to take some further important steps to deliver on its strategic ambitions

Following public and stakeholder engagement, Cabinet approved a ten-year Sport and Active Recreation strategy

- 7 In November 2018, the Cabinet approved the Council's Sport and Active Recreation Strategy 2019-2029 (the Strategy). We were told during the fieldwork, this 10-year document is an enabling Strategy under which specific decisions will be taken over the period of the Strategy, such as decisions on rationalising the Council's leisure centres.
- 8 There are three key intended outcomes of the Strategy:
 - Better Health;
 - Healthier and Prosperous Communities; and
 - Securing a more efficient and financially sustainable future offer.
- 9 The Strategy is clear that the Council cannot and will not continue to provide leisure and sport in the same way.
- 10 The Council adopted the Welsh Government and Sport Wales blueprint for sport and active recreation in Wales: Facilities for Future Generations¹. The blueprint provides a framework for facility providers to help inform long-term, sustainable decision-making on the design, provision and maintenance of sport and recreation facilities.
- 11 The Council had a clear communication and engagement plan when consulting on the draft Strategy. On 27 June 2018, Cabinet approved a ten-week consultation exercise with a range of stakeholders which elicited 711 responses with a further 20 written responses.
- 12 The consultation process asked respondents whether there were any outcomes and/or actions missing, as well as any impact on rationalising the number of leisure centres. On 8 November 2018 and 14 November 2018, the Regeneration and Environment Scrutiny Committee and Cabinet respectively, received reports on the outcome of the consultation process with the officers' response to respondents' comments as well as a revised draft Strategy.

¹ http://sport.wales/media/1701808/1165_sports_wales_facilities_for_future_generations_report_v8.pdf

- 13 The Strategy references the Medium-Term Financial Plan (MTFP) and identifies reducing budgets, and the number of leisure centres across the County which are deteriorating in quality due to their age, as some of the key challenges in delivering the Strategy.
- 14 The Strategy links to the Corporate Wellbeing Objectives:
- Objective 1: Improving education opportunities for all and improving the learning environment;
 - Objective 5: Creating a County Borough that supports a healthy lifestyle and reduces inequalities in health across the County Borough in accordance with the Sustainable Development Principle within the Well-being of Future Generations (Wales) Act 2015; and
 - Objective 6: Supporting citizens to remain independent and improve their wellbeing – helping keep older people involved and active in their local communities.
- 15 The Strategy states that the cost of maintaining the leisure centres is the highest in Wales at over £1 million per annum. At the time of publishing its Strategy, the Council estimated that its subsidy per person was over £1.50 per visit and set out its ambition to reduce the level of subsidy to between £1 and £1.20 per visit. The Strategy states this cannot be achieved without a programme of rationalisation and modernisation of the current leisure centres.
- 16 The Council has identified significant leisure centre capital investment liabilities for its existing leisure centres. The Council has a rolling programme to update the condition surveys for each leisure centre. At the point of considering the Strategy, the council's 'last service-wide condition surveys undertaken on the leisure centre portfolio was in 2012' and estimated a liability of around £3 million. At the time of this review, the Council had updated its condition surveys for nine out of ten leisure centres with £3.6 million as the updated maintenance liability.
- 17 During the development of the Strategy, there was ongoing senior officer and member oversight. Between November 2016 and January 2018, the Corporate Management Team (CMT) and the Improving Services Board (later the Business Improvement Programme Board) received updates on the developing Strategy including the engagement of an external consultant to draft the Strategy and delivery plan.
- 18 In June 2017, the CMT received a report on the developing Strategy with officers requesting a 'steer' from CMT on the rationalisation of leisure centres and future management model. The Council are unable to provide evidence on the 'steer' given by CMT to officers at this meeting.
- 19 The CMT subsequently received the draft Strategy on 31 May 2018, and on 6 June 2018 the Policy Development Meeting considered the draft Strategy.² The

² The Policy Development Meeting is an informal meeting between the Council's Cabinet and Corporate Management Team but is not formally minuted.

Regeneration and Environment Scrutiny Committee considered the draft Strategy on 26 June 2018, and Cabinet one day later on 27 June 2018.

- 20 On 8 November 2018, following the ten-week consultation process, the Regeneration and Environment scrutiny committee received the draft updated Strategy and after a debate, recommended to Cabinet that it be approved. Cabinet considered the responses from the public and stakeholder consultation and the updated draft Strategy on 14 November 2018. Cabinet approved and formally adopted the Sport and Active Recreation Strategy 2019-2029.

The Council now needs to develop its strategy delivery plan to set out the priorities for action, the work required and the timescales involved in delivering its Sport and Active Recreation strategy

- 21 The Council's stated intention within the strategy is that:
*'It must provide a vision for where we are going and **how we are going to get there**, so that everyone understands what we can achieve, what to expect of us, as well as the roles that others have to play.'*
- 22 The 'what needs to be done' section of the Strategy is very high level and aspirational. It contains limited information on what actually needs to happen over the ten years to deliver against the three key Strategy outcomes. Although the Council's scope provided to the external consultant in 2016 included the development of a **delivery plan**, at the time of our fieldwork in 2019, the Council had not yet developed such a plan to support delivery of the Strategy.
- 23 The Council's development of its approach to the strategy's delivery is interconnected with a number of other strategic projects including band B of the 21st Century schools programme, the Council's emerging 'place shaping' approach and the Council's medium-term financial position. The Council will also need to consider the interrelationship with wider corporate priorities and well-being objectives. The Council will need to ensure that partner organisations, including the local health board are engaged effectively. The Council should keep its delivery approach under regular review over the Strategy's lifetime.
- 24 The Council will need to ensure that in delivering its vision for sport and active recreation for the benefit of the county borough's residents, this is done in a sustainably efficient, coherent, and transparent way.
- 25 The Council recognises that it has partly achieved an element of our 2016 proposal for improvement 'to consider whether the capacity of the service to develop and implement an integrated sports and leisure Strategy needs to be strengthened'. As an initial step, in January 2019 the Council appointed a Marketing Officer in the Sport and Leisure Service to promote physical activity opportunities across the county borough through a clear, holistic approach. In implementing its strategy, the Council will need to consider its internal capacity and what, if any, additional skills and knowledge (for example: on the design options for new or upgraded facilities,

latent demand analysis, etc) may be required to deliver specific elements of the strategy. The Council will need to consider whether it may need to increase capacity at specific points in the Strategy's lifetime, which may involve the engagement of external partners or consultants.

- 26 We were told during our fieldwork the Council's policy position is to retain the direct management and control of strategic leisure facilities. In addition, the work of an external consultant in 2014 considered different options for the future management of the Council's leisure centres and identified four strategic locations in the Borough. These strategic locations remain and are replicated in the Sport and Active Recreation Strategy 2019-2029. The Council will consider options for the operating model for other facilities in line with its stated intention within its strategy. The Council will produce detailed reports setting out a range of options for the future of individual facilities for decision. The Council will also need to ensure that it retains senior officer and member oversight and challenge of those proposed business cases.
- 27 The Council recognises that the Strategy is an overarching document under which specific decisions will be taken over the course of the Strategy. We recognise that the funding available for sports and active recreation may change over the Strategy's duration and the Council will need to develop robust business cases for change. In developing those business cases the Council will need to ensure that it undertakes effective options appraisals, including exploration of the widest range of management options, financial modelling, benefits, risks and impacts and that it engages with the public potentially affected by proposed changes to gauge and understand the possible impacts of the proposals.
- 28 Despite the ambitious nature of the Strategy, it is difficult to gauge what success would look like at the end of the Strategy. The Council recognises that whilst page 12 of the Strategy sets out a number of outcomes, it will need to further develop these over the life of the strategy.
- 29 The Council told us during our fieldwork that it will use its new Directorate Performance Assessments (started in April 2019) as part of its arrangements to **monitor** delivery of the Sport and Active Recreation Strategy. The Corporate Management Team consider these Assessments quarterly and the relevant scrutiny committee receives two assessments annually. The Directorate Performance Assessment notes three service priorities for Sport and Leisure. These are:
- 1) implement the ten-year Sport and Active Recreation Strategy;
 - 2) prepare and implement proposals for the development of Caerphilly Leisure Centre; and
 - 3) develop partnership working with PSBs and other partner organisations to improve the health and well-being agenda.

The Directorate Performance Assessment update available at the time of our fieldwork gave the following progress updates on delivering these priorities:

- 1) investment in Newbridge Leisure Centre agreed by Cabinet in April. Scheme being developed for completion in January 2020. Future of Pontllanfraith

Leisure Centre remains under consideration. New Leisure Lifestyle app has been launched.

2) in progress.

3) ongoing.

30 The Directorate Performance Assessment currently contains six performance measures relating to Sports and Leisure: These are:

- net cost per visit to indoor sport facilities (£);
- net Promoter Score - Leisure Customer Rating (0-10);
- number of participants in Sports Development and National Exercise Referral Scheme (NERs) activities;
- number of visits to indoor and outdoor sport facilities per 1,000 population;
- percentage of children aged 11 years able to swim 25 metres; and
- number of visits to Country Parks.

31 The Directorate Performance Assessment also reflects on progress in assisting the Council in delivering against the corporate Well-being Objective of 'Creating a County Borough that supports a Healthy Lifestyle in accordance with the Sustainable Development Principle within the Wellbeing of Future Generations (Wales) Act 2015'.

This objective has two long-term outcomes and at the time of the fieldwork, the Directorate Performance Assessment stated that this objective was 'progressing well'. The DPA however also noted that 'It is difficult to demonstrate impacts on health outcomes on a year to year basis, but we are able to demonstrate good levels of service user and community participation across a broad range of interventions and initiatives.'

32 The measures contained within the DPA do not completely align with the strategy's outcomes and the Council could consider reviewing the measures it currently uses to ensure that it is able to track and evaluate progress against the strategy's stated outcomes. The DPA currently contains few data sets to show progress against the strategy's second key outcome 'healthier and prosperous communities', particularly data showing the improvement to community sports club facilities, creating more sporting opportunities for participation and success and encouraging more volunteers.

33 The Strategy states that by 'adopting this strategy, the Council recognises that sport and active recreation make a significant contribution to achieve healthy lifestyles, education, economy and regeneration across the County Borough'. Sport and active recreation have a positive role in delivering wider corporate and partner objectives yet the current performance measures in the DPA do not reflect the contribution and impact delivering this Strategy may have on those wider corporate priorities.

34 In addition, improving the health of residents and communities are key outcomes of the Strategy. The Council needs to have assurance that there is synergy between

the key outcomes of the ten-year Strategy and performance measures reported to senior officers and members via the DPA.

- 35 To assess progress in delivering its Strategy, the Council may need to consider whether new measures may be required beyond the currently reported measures. Introducing new measures could result in the need for different data collection and recording processes that take time to 'pilot' and then embed in working practices. In developing a delivery plan, the Council will need to consider what information it will use in the future to monitor and report progress.
- 36 Improving the health of residents and communities is not the sole responsibility of the leisure and sports service but it plays a significant role. Working with other Council services, Public Services Board partners and other stakeholders who have similar ambitions to improve the public's health could provide further intelligence and support in setting and helping to achieve those measures that, over the course of delivering the ten-year Strategy, can aid in determining progress and achieve sustainable and effective outcomes. The Council's strategy reflects the need to work collaboratively with others. Existing and future collaborations could play a role in achieving the strategic outcome of improving health outcomes.

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