

Overview and Scrutiny
Friday 6th January 2012

Management Options Appraisal
Sport, Cultural and Library Services

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Altogether better



Purpose of Presentation

- To give Members an overview of the issues and process involved in considering establishing a 'Trust'.

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Background

- MTFP requirements (£865,897)

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Delivery Models

- Direct Delivery
- Private Sector Operator
 - Trust (NPDO)

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Management Options

1. In house or status quo
2. Outsourcing to private contractor with or without hybrid trust.
3. Outsourcing to existing non profit distributing organisation (“NPDO”)
4. Newly created local NPDO with some facilities and services
5. Newly created local NPDO of entire portfolio
6. Social enterprise (community interest company)
7. Mixed economy

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Key criteria for way forward:

1. Offer the most **economically advantageous** option
2. Provides a **sustainable**, robust business model(s);
3. Provide the potential to secure **external resources**;
4. Improve **community involvement** in services;
5. Deliver the **priorities and objectives** through **continuing involvement** in service delivery;
6. Sustain and where possible **improve upon the quality** of the services.

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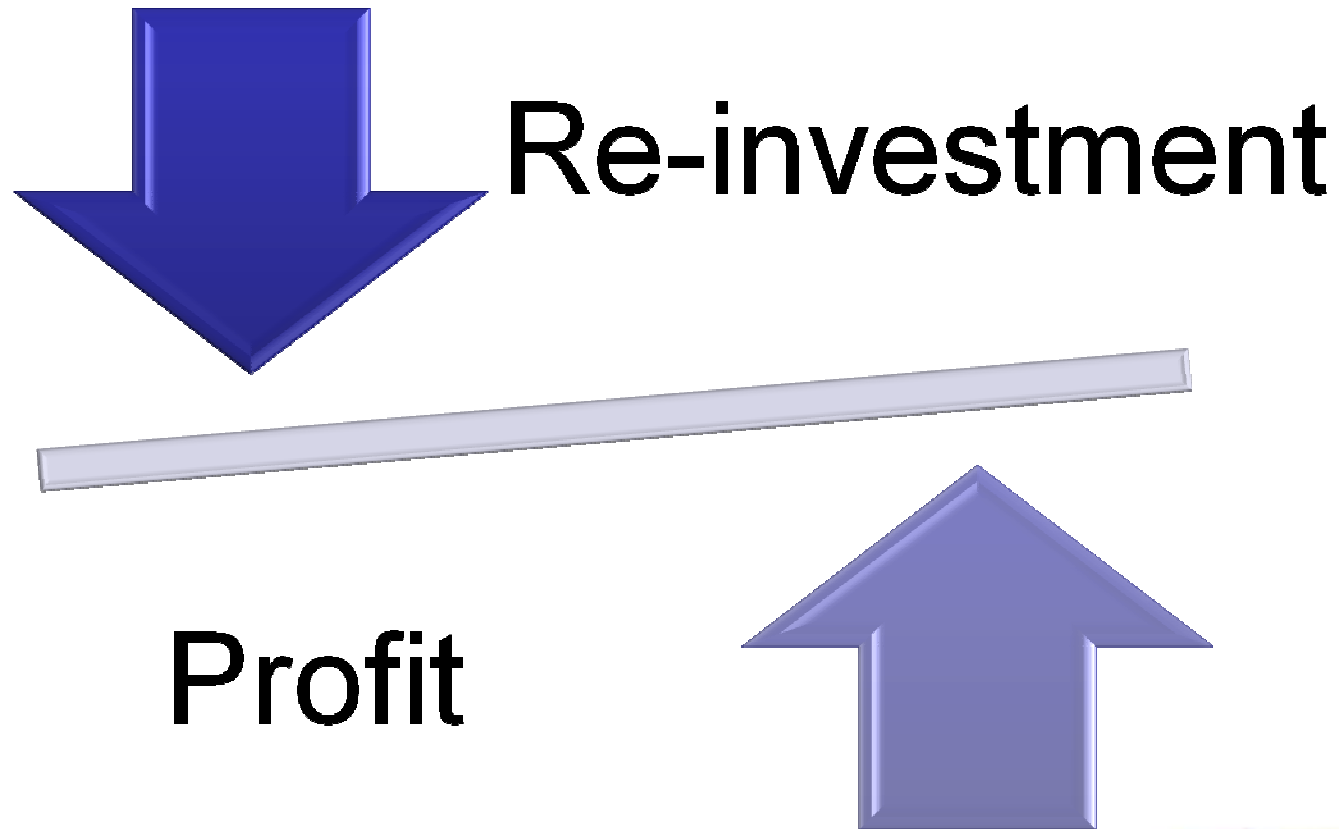
Criteria 1: Economically Advantageous

- Charitable Status – NNDR and VAT
- Overheads and margins
- Operating efficiency

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Criteria 2: Sustainability



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Criteria 3: Attract Funding

External Capital Funding

Private investment

Revenue Funders

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Criteria 4: Community Involvement

Friends groups

Board representation

Contractual relationship

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Criteria 5: Deliver Strategic Objectives

Strategic Influence

- Landlord/tenant relationship
- Grant/contract funding
- Relationship Management
- Representation on boards

Board representation

- act as the guardians of the organisation;
- make decisions about policy and strategy;
- act as the final point of accountability;
- monitor, supervise and control the organisation.

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Criteria 6: Improve Quality

- Re-investment capacity
- Greater service focus
- Service Synergy
- Integrated and branded services

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Initial Conclusions

- Trust (NPDO) = preferred option
 - ✓ Achieves MTFP savings
 - ✓ Retains strategic influence
- Further considerations
 - Scope of services to be included
 - Existing or created NPDO

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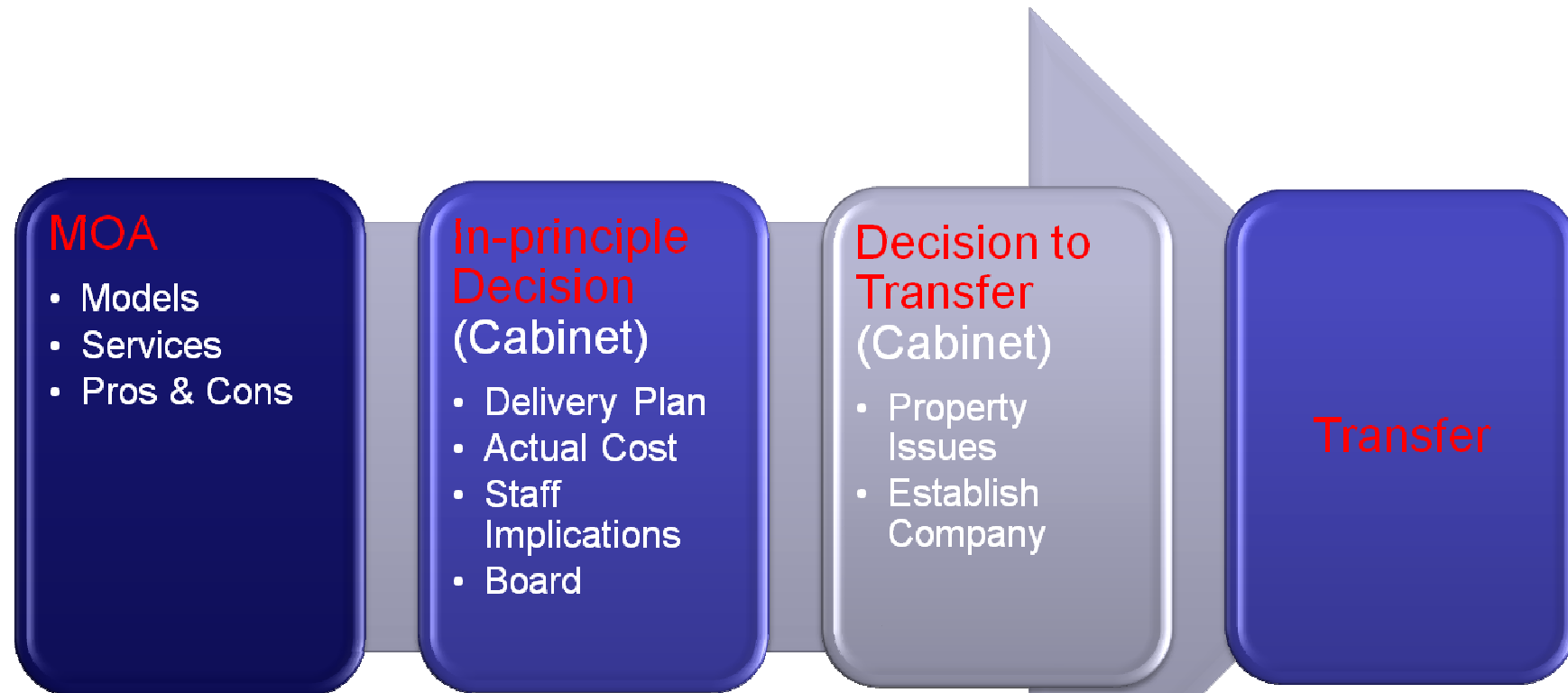
Other Considerations

- Service scope
- Procurement
- Staff Issues
- Corporate Issues
- Existing Arrangements

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Process



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Draft Timetable

Milestone/Decision	Target Date	Approval
In principle decision to embark upon the NPDO project.	January 2012	Cabinet
Commencement of Market Testing and Procurement	January 2012	
Preparation of Service Delivery Plan	January to June 2012	
Negotiations on documentation and grant-funding arrangements	February to June 2012	
Negotiations on service level agreements	February to June 2012	
Decision to transfer	July 2012	Cabinet
Staff consultations and LGPS matters	January 2012 onwards	
NPDO charitable registration	August 2012	
Completion	October 2012	

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