

THE FUTURE DIRECTION OF THE HEALTH AND LEISURE SERVICE

1. INTRODUCTION

- 1.1 In the last 6 months, the Council has undertaken a review of its management structure which has been the initial steps in ensuring that the Council can meet the financial challenges ahead and be 'fit for future'.
- 1.2 Service Managers have been asked to propose their new service management structure and have been given a financial target to ensure that, as a minimum, the cost of their service does not increase between now and 2020. Additionally, there is a programme of 'Service Reviews', and Health and leisure will be a major review and it is planned to begin scoping this review in mid-2016.
- 1.3 Service 'costs' are very important, and both the current review and the broader review of delivery options will aim to ensure that the Service provides 'value for money' to both customers and the Council and is 'affordable'.
- 1.4 We are proposing an initial management restructure which will contribute a minimum of £153,000 towards our savings. This will also enable the Service to best meet the many challenges ahead.
- 1.5 In Health and Leisure, the opportunity to take a fundamental look at its structure and also review the vision and purpose is considered to be well timed, and this is an opportunity to share proposals on the future of the Service with the Review Panel for their feedback.

2. BACKGROUND

- 2.1 According to the 2016 report on the state of the Fitness Industry, the Fitness market in the UK is now larger than at any previous time, with 9.2 million people with a gym membership, and as a sector it is one of the success stories of British Industry.

The 5 Health and Leisure Centres run directly by the Council are no exception and have seen both the number of visits, income and recovery rate increase year on year since 2010.

- 2.2 Whilst part of the improved performance may be industry wide factors, there is no question that a significant element of the improved performance is a flexible and pro active approach to business development, and being alert and responsive to threats and opportunities. Although the Service has undertaken a number of key reviews in its time, it is also a Service that continually evolves, and reviewing its structure, products and processes in a continuous element of the Services work programme.

3. 2010 RESTRUCTURE

- 3.1 Prior to 2010, staff resources were mainly located at the Health and Leisure Centres and Centres offered different products, and in some cases different pricing strategies.

The restructure of 2010 established some key principles:

- **Centralisation** of key functions
- **Standardisation** of products prices and processes
- The '**Single Service**' approach and branding of 'New Forest health and leisure'
- **Specialised roles** – either operational or business orientated

- 3.2 The restructure was to a large extent successful and since 2010 we have seen a steady increase in income, recovery rate and the number of visits, however the climate and environment has changed significantly in 6 years and we now need a structure and Service model that addresses a range of new issues and opportunities. The aim is to build on what has worked well (centralisation, single service approach) but address structural weaknesses and business opportunities that have arisen in the last 6 years.

4. CURRENT ISSUES AND OPPORTUNITIES

- 4.1 Whilst we can identify a wide range of issues and opportunities, the key ones that the Service needs to focus on are;

- Providing an 'affordable' Service
- Addressing Physical Inactivity and working in partnership with the Health Sector
- Building and maintaining capacity
- Utilizing ICT effectively

- 4.2 A key issue for the future is the 'cost' of leisure and the need to ensure that the service is working as efficiently and effectively as possible. With employees the largest cost, a review of our management structure needs to show significant savings as well as being effective and relevant in today's and tomorrow's climate and market.

- 4.3 Over the last 2 years we have been working to centralise the administration of our Swim Academies, and this has enabled us to reduce the level of resource (staff hours) required, and at the same time, it has enabled us to provide better access for customers because swim administrators work for five sites and not just one. Additionally this also speeds up the process of moving swimmers through the stages of the swim school. As a principal, centralised functions have proved to be more efficient and effective, so within the new structure customer advisors will be moved from centre to a central unit so that we can provide a consistently high quality of advice and service to customers during all core business hours.

- 4.4 Working in partnership with the Health Sector is one of the strongest opportunities for our Service, and promoting the benefits of 'physical activity' as 'preventative medicine' places the Service in a prime position for future investment and external funding. Both the Government and the Health Sector recognise that encouraging people to be more physically active will have a profound impact on individuals, communities and the wider economy.

Sport England, previously the Sports Council, recognise this in their 5 year plan. A key target is 'tackling inactivity' and they have committed £250m or 28% of their budget to this area of work over the next 5 years. This is in direct response to the Government's 'sporting future' strategy of 2015.

The outcome we are aiming for are '*more people, being more active, more often*' and this will have positive benefits for the wellbeing of our communities as well as long term business benefits.

- 4.5 Capacity is vital to ensure the continued growth of the Service and not just physical capacity but the capacity of our employees, our processes, our ICT systems. Making more effective use of more limited resources is a key focus for the future.
- 4.6 A number of recent developments in ICT have enabled us to provide a quicker and better service to our customers as well as significantly reducing our costs e.g. on-line bookings, apps and swipe entry. Utilising technology needs to be at the forefront of our future strategy as it provides not only a better level of service but valuable resource savings and efficiencies.

5. PROPOSED BUSINESS PLAN

- 5.1 Going forward, the business strategy, supported by a new management structure, will be to continue to provide quality facilities for sport and leisure, but to re-focus some resources on increasing levels of physical activity within our communities as a whole. This will be achieved by working closely with partners in the Health Sector and aligning our programmes and strategies to meet jointly agreed objectives e.g. 15% increase in people identified as diabetic or pre-diabetic being referred to a structured active lifestyle programme.
- 5.2 This has several benefits; a reduction in physical inactivity will improve the health and well being of our communities, reduce the burden on the health sector and improve economic performance. For the Service, it will increase demand for facilities and programmes, which in the long term help us to reduce the 'cost' of leisure by increasing demand and making our resources work harder.
- 5.3 The new structure will also optimise the use of centralised roles and units for memberships, direct debit functions and swim lessons, as these are principally customer services processes. The aim is to provide customers with improved access and a full response to their query within 48 hours. It also has the additional benefit of being more cost effective for the Service.
- 5.4 It is also proposed that the Service reviews its 'branding' and makes a shift from a Health and Leisure Service to a Physical Activity and Wellbeing Service. The perception of the Service is critical in attracting future funding and engaging future users, and the Service needs to be recognised for its broader contribution to community wellbeing and the benefits that physical activity can have on mental and emotional wellbeing, not just physical health. This may require a new title for the Service and the rebranding of logos, in-centre promotion and our website.

6. FINANCIAL IMPLICATIONS

- 6.1 Notwithstanding the outcomes of the 'service review', the proposed management restructure and action plan to meet the financial target will reduce the cost of the service whilst maintaining current levels of service and quality of provision.

7. ENVIRONMENTAL IMPLICATIONS

7.1 There are no specific environmental implications.

8. CRIME AND DISORDER IMPLICATIONS

8.1 There are no specific crime and disorder implications but by targeting more 'disengaged' sectors of our communities, there is a likelihood that improved community wellbeing could result in a reduction in crime and disorder.

9. EQUALITY AND DIVERSITY IMPLICATIONS

9.1 There are no equality and diversity implications.

10. CONCLUSION

10.1 Health and Leisure is undertaking a fundamental review of both its management structure, vision and business strategy, and aims to take the opportunity to deliver a service that is more affordable to the Council, and aligns itself to be best placed to take advantage of future opportunities.

11. RECOMMENDATIONS

11.1 It is recommended that the Panel approves the proposed principals contained in the report.

For further information contact:

Joanne Bailey, Service Manager – Health and Leisure
Email: Joanne.bailey@nfdc.gov.uk
Telephone: 02380 285000