



St Helens Borough Council

**Trusted Strategic
Delivery Partnerships**

The Brief

V4 Services (V4) were awarded the contract with St Helens Borough Council following the successful tendering process. The project was to work with the Council to review options for their sport and leisure facilities and their contribution to the Public Health Outcomes. The ambition was to consider how, as part of a Council wide transformational agenda, they could work towards or achieve a cost neutral position. The output was to complete a detailed report for presentation to the Council's senior management team.

The Challenge

The provision of leisure is a non-statutory services and like many other councils, St Helens have been under increasing budgetary pressures. At the time of tendering, the Council's subsidy for leisure services was significant with some of the facilities reaching their end of life, so reducing costs was essential.

The V4 specialist leisure team provided consultancy advice and support starting with:

- A baseline assessment of the current whole cost of service including an independent assessment of all service costs and income
- Benchmarking the current services
- A high-level appraisal of potential future operating models and any proposed investment needed to deliver the Council's objectives to meet the overriding ambition detailed above and
- Highlights the challenges and opportunities facing the Council.

The Solution

Firstly, the financial considerations were analysed. As part of this analysis, it was discovered that the current Council financial and accounting system could not provide timely and accurate leisure specific financial data to manage the service effectively.

Following a review of the current services against industry metrics it was recommended that many of the standard benchmarks needed to be managed to bring the services to a sustainable standing.

In terms of the potential future operating models, it was confirmed that a 'do nothing' option was not available if the Council wanted to reduce its subsidy for the leisure services. A detailed analysis was undertaken to assess up to 5 models i.e.

- Optimised In House service
- Controlled Local Authority Trading Company (LATCo)
- Outsource (to leisure trust or private company)
- Joint Venture / SPV
- Joint Delivery Area Model.

The option analysis conclude that the most appropriate potential stage two delivery vehicles are:

- Option 1 Optimised in-house service.
- Option 2 Controlled Local Authority Trading Company (LATCo).

Initial Outcomes

During the process, a number of issues were identified by the V4 team impacting both the current service performance and the ability for future models to maximise performance. These were categorised into the following headings, with recommendations within each section recommending a range of service changes:

- Strategic Alignment
- Financial Performance
- Physical Environment
- Operational Performance
- Support Services

The concluding report made the case for significant changes to the current operating model for leisure. It further considered that both proposed future operating models could support the delivery of Public Health outcomes, alongside wider community/ partnership working an improved social value. The current financial modelling suggested that a zero-cost service was not feasible in a 5-year timeframe. However, a number of investment options were identified that would accelerate this service ambition.

The recommendations included:

- How the customer experience could be improved and in doing so it would realise new income streams and better yields. Although it was emphasised that the leisure service needed the freedom to operate commercially to realise improvements.
- How the service should pivot their operations towards delivering public health outcomes alongside its existing sport and educational outcomes. Initial positive discussions have been held with Public Health, to develop commissioned services to maximise the financial support of the service whilst providing high quality impactful programmes. Similar discussions with Adults Services and Children and Young Peoples Services were also recommended.

The report was accepted by the Senior Management team and subsequently the leisure team have completed a number of initiatives to make the service more efficient. The report formed the basis of the Leisure Department's transformation agenda for the following two years, with several notable successes.

A trusted opinion

In September 2024 the client returned to further develop the investment options previously identified. V4 undertook option appraisals for each for the leisure venues on their occupancy, operations, physical and product development including outline physical investments and their costs was sought. The team reviewed each site Sutton, Ruskin, Newtown Le Willow and Queens Park individually and provided detailed options reviews on each, containing:

- Context and financial performance / benchmarking of service at each site
- A summary of options considered for each
- High level design to consider the potential developments
- High level capital and revenue projections

- Key benefits, issues and risks.

Secondary Outcomes

In addition to a direction of travel report which set out the sequencing and inter-relationships between the four centres, a final centre specific reports were adopted by senior management as the basis for a significant investment programme across the estate. This is presently working its way through the internal approvals process.

Client Testimonial – Dave Boocock, Head of Culture and Wellbeing

‘The Options Appraisal report was exactly what we asked for and provided an honest appraisal of the service and the options available to the Council. Your reports were delivered on time and were well received by Senior Officers and Members alike. The report led to a programme of transformation which was guided by your recommendations and observations. This transformation is already resulting in improved performance in terms of attendances, memberships and yield.

This first report and the impact of some of the early changes that spun out from it created a momentum and a commitment to look at investment. We had no hesitation in making a direct appointment to V4 to review our current facility stock and make recommendations as to how it could be improved in a way that impacted positively on the bottom-line.

Once again you provided a quality report and supported its delivery to our senior officer team all of whom have commented on the work you have done. The recommendations within this report are now on a journey to Cabinet later in the year when we hope to secure a significant investment into the Leisure estate. If this investment is secured it will be in no small part due to the work you have done with the Leisure Team at St Helens over the past two years.’