



Management Options for Leisure and Culture










Appendix 1

REDDITCH BOROUGH COUNCIL



Introductions



 <p>Delivered successful projects for over 120 clients across the UK – including public sector (councils, NHS, social enterprises) and private sector</p>	 <p>c.£19m annual savings via new operating models facilitated</p>	 <p>Typical payback on our fees within 6 weeks of new contract starting</p>	 <p>Our work covers all models and is tailored to meet our client's key drivers</p>	<p>100% of procurements completed without legal challenge</p>
<p>Successfully facilitated the establishment of 23 new operating models across the UK</p> 	<p>Our work resulted in the first ever licence granted to a council to trade legal services from the Solicitors Regulation Authority</p> 	<p>Finalists in CIPS 2014 and Go Excellence in Public Procurement Awards 2016 for outcomes of outsourcing projects</p> 	<p>New operating models developed for variety of services</p> 	<p>Great references and case studies – just ask and we'll share</p> 

Desired requirements



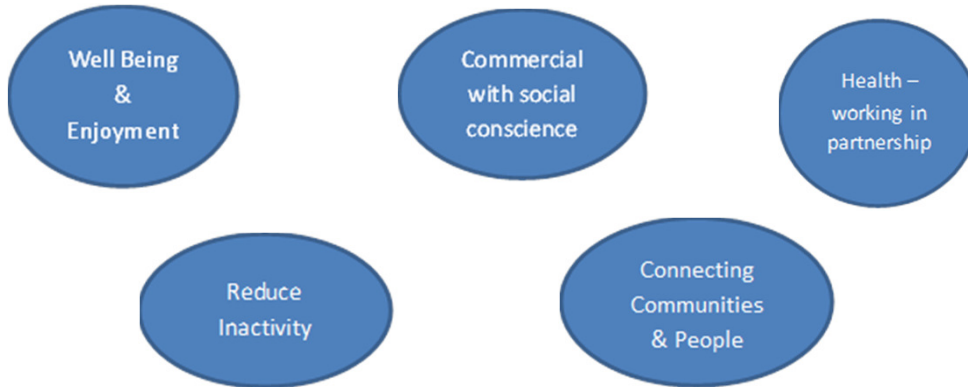
- Council retain ownership of all land and buildings
- Ability to get more people, more active, more often – for the same investment or less
- Can achieve (or exceed) the requirement to deliver a £440k saving in the financial year 2018/19, and savings in subsequent years which meet the requirements of the MTFS
- Council retains control over strategy, pricing and programming
- Governance designed to encourage performance improvement and innovation
- Staff protections in place (pensions and T&C's)
- Facilities and services within scope have synergies and benefit from being together under single management body

Our brief – the scope of work



- Which model will be best able to deliver our required strategic objectives?
- Which model will be fit for the future – and aligned to the needs of new funding partners (including health commissioners) ?
- What is possible within the new procurement regulations (2015)?
- What are the timescales for delivery?
- What are the estimated financial savings from each model?
- What is the scope to improve existing services?
- What is the potential for elements of the services capable of commercial exploitation – including catering and retail and business units.
- How can investment for assets be secured?
- How do we demonstrate that we have reflect the views of the (c.1700) respondents to the community survey.

Provide Good things to see, do and visit



Management options available?



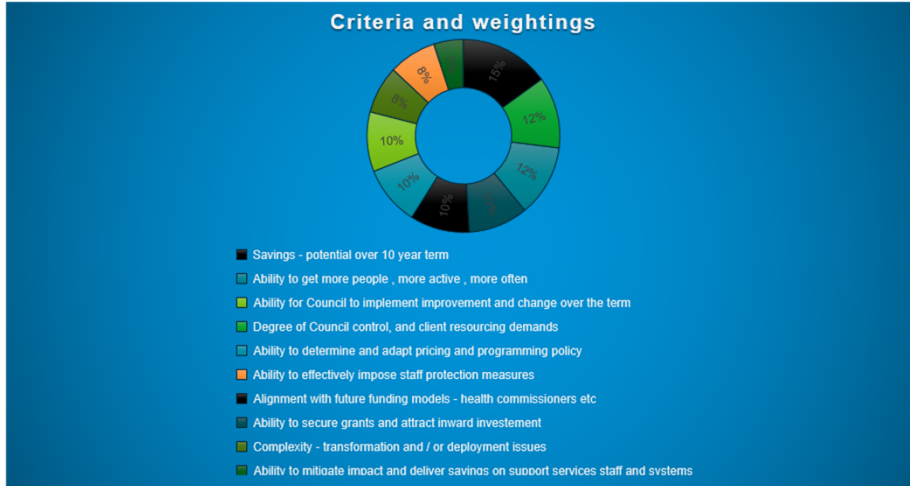
Council controlled

- In House – Status Quo
- In House – Transformed
- Local Authority Trading Company

Outsourced

- Trust /Charity
- Not for profit company / hybrid
- “Private sector”

Summary of Weightings



Summary of Options



REDDITCH BOROUGH COUNCIL	
Option Name	Total Score
In-House Services Transformation	66.40%
Local Authority Trading Company (LATC)	82.40%
Locally Established Charitable Trust / Mutual	67.20%
Outsource to a Specialist Operator	69.40%

VAT Position



- Recent case to allow Councils to class income on sports activities as exempt
- Additional income £162k

Partial Exemption Calculation

- Allows up to 5% of the VAT reclaimed to relate to an exempt activity
- The council already has bereavement income as exempt
- Total VAT recovered £5.3m – 5% = £267k
- In 2016/17 we recovered £149k VAT on services that are exempt
- This meant the Council were £118k within the limit.
- We recover £92k VAT on leisure activities
- Therefore we would be recovering £92k + £149k = £241k (within £27k of the limit)
- If we go over this we lose all of the £267k VAT we currently have the ability to recover
- £27k VAT is a relatively minor capital programme at any of our assets
- If lose all the VAT we would gain £162k but potentially lose £267k = net loss £105k

Questions – matters arising

