Wirral Borough Council: Re-Imagining Libraries, Leisure, Parks and Cultural Services

Phase 2 Report

October 2017

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We have found that:

- Wirral’s LLPC services are good in many ways, but are not reaching anywhere near all of the residents, and could do so much more for less Council subsidy. All should have affordable access to its facilities, presented in a way that is both universal, and designed to encourage their use.
- That requires not just that the four elements of LLPC work together, but that the model is radically changed into one which includes community engagement and outreach, with reframing delivery of services around a multi-level hub model, with LLPC taking a leadership as well as a delivery role.
- The alternative is to maintain the LLPC portfolio in-house (but with enhancements). Our analysis shows that the likely cost to the Council to be £18.7m in the current year, falling over three years to £17.9m in 2020/21. In addition there would need to be at least £18m of capital expenditure to bring assets up to reasonable condition.
- There are significant benefits to be had in moving to an Alternative Delivery Model. These are through a mixture of financial effects that are only achievable if LLPC is outside Council ownership, and the benefits of being able to achieve more, more quickly in an agile, business-focused, community-focused and engaged organisation.

- Specifically an ADM offers:
  - Financial benefits from improved VAT and other elements
  - Freedom and flexibility to operate quickly and competitively, and to be really business focused
  - The ability to raise social investment from external sources - £20m perhaps, for enhanced facilities, which could deliver net benefits of £2m per annum
  - Access to additional grant income sources
  - The ability to negotiate more easily for shared incomes and costs with other commissioners such as health
  - The ability to plan more strategically over longer time periods than currently normal considering election and Council cycles.

- Marking against the revised figures for costs to the Council of an in-house model of £18.7m falling to £17.9m over three years, the ADM model could reduce this by:
  - Around £3m in 2018/19 (allowing for delays in picking up the benefits from the changes) rising to £7.5m plus by 2020/21
  - With some costs relating to pensions and infrastructure left in the Council, the net effect on Council budgets would be upwards of a £1.5m saving in 2018/19, rising to £6.8m upwards by 2020/21, with a further possible net improvement of say £2m if £20m of social investment can be raised and well invested in enhanced services.

Our recommendation is that:

- The Council moves LLPC into an ADM, with the autonomy, mission and remit to develop it into a fully community-engaged and needs-focused social enterprise.
- LLPC is not put out to tender in a conventional outsourcing model but developed as an entity working closely with the Council on common social goals with a locked-in mission to improve the lives of residents of and visitors to the Wirral.
- The ADM’s mission is to be delivered by embracing efficient and effective business practices, and innovation in delivery and accessibility models so that it can reach more people, in a way that enables them to respond and engage. It should take a leadership role in developing local provision, but harness the ingenuity and energy of grass roots organisations.
- The ADM is in the form of a Company Limited by Guarantee, and registered as a Charity, meaning it is properly regulated, and permanently focused on applying its assets to that public benefit mission.
- The Charity takes on the LLPC assets under different terms for different assets such that it gains clear long-term title to a range of them (to make its balance sheet sound and fundable) whilst holding others on shorter term or rolling arrangements.
- The Council retains influence whilst allowing the Charity the independence to deliver its mission, by:
  - Working together to coordinate complementary activity
  - Embodying realistic terms in its ongoing funding agreement
  - Putting appropriate restrictions in the terms of tenure of assets transferred into the ADM
  - Taking an appropriate role, alongside community and staff, in the Charity’s governance.
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1.1 The objective of this project is to re-imagine four areas of Council statutory and non-statutory services to deliver an integrated portfolio that better meets local needs whilst reducing Council subsidy. The four areas are: Leisure (including not just wet and dry leisure centres but also football pitches, tennis courts, golf courses and others); Culture and the Arts (the Floral Pavilion, the Williamson and Birkenhead Priory); Parks and Countryside (including large and small parks, public spaces such as roadside verges, and the crematoria); and Libraries. The subsidy, based on 2016/17 actual figures, is currently standing at £17.8m a year, with more likely to be incurred to meet the costs associated with condition surveys on a number of the buildings. Total staff working in these services is 475 full time equivalent employees. This portfolio of services is referred to throughout this report as "LLPC".

The Council needs to balance its budgets. These areas have already sustained cost cuts in previous years. Further cuts would be likely to result in closures of facilities and reduction of staff. Set against this are targets under the 2020 Pledges better to meet social needs, both generally and for specific groups, and to create, not reduce jobs. The choice, then is to follow this path of further cuts, probably at significant scale, or to reform the way these services operate to:

- Develop new income to support those services and enable Council financial support to be reduced, and
- Use assets differently in delivering social and economic outcomes for the people of the Wirral.

This project addresses how these Council services can deliver these two outcomes. In formulating solutions, this report draws a comparison between an enhanced in-house case and what is achievable in an Alternative Delivery Model. The former draws in positive potential improvements developed through this project or coming from Council staff and management as we have shared findings iteratively with them. The latter draws on experience elsewhere, and our wider research.

1.3 The project was structured in two phases:

- **Phase 1** (to March 2017)
  - Through a combination of reviewing financial and operational data on the services, and about needs in the area, supplemented with workshops, interviews, and other input from the Council, other agencies and the services themselves, and analysis, this phase developed a concept of how a re-imagined groups of services might look, with a view of likely savings to Council support. We reported on that back in February, which was considered by Cabinet in March.

Social and community needs demand a model that is both universal and targeted.

- It must ensure that: every Wirral resident has affordable access to:
  - i. Sports and fitness facilities
  - ii. Information, books and ICT facilities
  - iii. Cultural facilities (theatres, galleries, events)
  - iv. Safe Community space – outdoor and indoor
- It maximises the opportunities to reach out to those in need
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Phase 2 (to September 2017)

That outline concept is developed further, and in more detail, based on a fuller analysis of needs, assets, business and finance to produce a full business case with financial illustrations, business plan, detailed governance model, and transition plan for any proposed changes.

If changes are approved then further work will need to be done to implement these.

1.4 The analysis of needs undertaken across the two phases recognises, but also looks beyond, the pledges in the Wirral 2020 plan to encompass the views of other agencies such as Community Safety Partnerships and Health. It highlights:

- Multigenerational poverty and disengagement
- Low working age to retired ratio, with needs around ageing well, dementia care, and isolation and loneliness
- Inclusion and exclusion of some, socially and economically
- Higher than average numbers of looked-after children, and people with special or additional needs
- Areas of oversupply or underuse of assets, some unsuitable assets, and others needing reconfiguration to meet need and market demands
- Opportunities to support tourism, both for general and special interest groups such as dementia sufferers and their carers, or those with autism
- Opportunities to meet health and social needs with the leisure and cultural assets

1.5 Those analyses of needs demand a model for delivery from LLPC and other services that is both universal and targeted. The model must ensure that:

- Every Wirral resident has affordable access to:
  i. Sports and fitness facilities
  ii. Information, books and ICT facilities
  iii. Cultural facilities (theatres, galleries and events)
  iv. Safe Community space – outdoor and indoor
  v. It maximises the opportunities to reach out to those in need.

1.6 The research and analysis in this report falls into four areas, which have been achieved by a combination of desk research, interviews of council staff and officers, external agencies and organisations, and workshops or broader meetings to develop more nuanced understanding. The four cover:

- Needs: what are local needs, from residents and visitors, and what opportunities are there to meet more of them through existing or new models
- Assets: what is currently in place, as regards sites and facilities, and how are these situated
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- **Business and Operations**: how are the four service areas currently operating and what opportunities for improvement and development are there

- **Finance and Funding**: what are the expected financial results under the enhanced in-house case, and the ADM case, and where might opportunities for external funding lie

These highlight opportunities and options, which are then developed into a proposal for an ADM, still strongly linked to and influenced by the Council, but with the freedom and flexibility to deliver real value for the people of the Wirral. This model is then elaborated upon to explain its governance and structure, how the Council can maintain appropriate control and influence, how it can protect against loss of asset value to public services, and a timetable for delivery.

1.7 The Needs analysis is developed using a “3Cs” framework: looking at how individuals are more or less able to thrive as a result of their

- **Capabilities** – the enablers that individual has in themselves such as education and work skills, ability to build sound relationships, physical health

- **Conditions** – the enablers that arise from their situation such as culture, sound and safe housing, agency, healthy networks

- **Capacity** – enablers being the monetary and other resources available to them time, money, and other resources

These are examined Constituency by Constituency to give a view of how close to thriving is each area, and what potential there is for LLPC to meet those needs. Five overarching themes emerge from that analysis:

1. **The context of people’s lives and used of influences their need for and use of services**: this has an effect in the support they require to meet their needs, but also how easily they can access it and how it needs to be presented

2. **Connections and relationships are key**: they are both enablers of improvement – so LLPC must build and maintain relationships with communities, other agencies, visitors, and amongst its own services – and a need in their own right if people are to thrive

3. **Equality of voice and agency**: at one level a human right, but at another a fundamental part of wellbeing. Residents need to have a voice – to know they can be heard and influence – and agency

4. **Hyper-local versus rationalisation**: centralising enables a wider variety of services, and better resourced delivery, but some needs can most effectively be met very locally, perhaps notably where there is urgency of access or the need to reach out to people.

5. **Beauty as a public asset that generates value**: People of the Wirral are proud of its history and keen to see areas of dilapidation gone and replaced with beauty. Moreover attractive, vibrant facilities draw in additional service users, and enhance wellbeing and the meeting of other needs by their appearance and atmosphere.
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1.8 These themes, and the wider needs analysis from which they are drawn, give rise to opportunities for the siting and delivery for services in LLPC. These firmly focus on collaboration in delivery: with other agencies, with other Council services, and with communities themselves. Five elements stand out:

a) **Community wellbeing** – the opportunity for wider partnerships and co-productive methods to help ensure the growth of individual and community health and wider use of the LLPC portfolio.

b) **Combined LLPC Delivery Model** – where there is a growing trend for more joined up cultural offers, creating appealing spaces that venture outside of traditional portfolio boundaries and consequently attract increased use, visitors, and spending.

c) **Revitalisation and regeneration** – the use of the cultural portfolio and countryside to create offerings which attract target sectors, employees, organisations, as well as to enable socially public health oriented approaches to issues.

d) **Visitor economy** – Wirral’s many cultural and heritage assets and a revitalised LLPC portfolio could be used to grow the visitor economy through the creation of a stronger offer in partnership with others.

e) **Sharing economy** – by collaborating with its citizens, charities, social enterprises and businesses, Wirral has the opportunity to unlock more time, skills, resources and opportunities and spaces, from peer to peer support to creating employment networks.

These point towards a delivery and structural model that embodies:

- Multiple services (both LLPC and wider)
- Multi-level (both hyper-local and central)
- Multiple agencies focused through blended customer-facing outlets
- Strong links to and with communities, and treating staff, rightly, as integral parts of those communities

The solution proposed is a hub model, shown in the diagram at fig. 1 which is shown in more detail at 5.5.9.

Under this model there are four levels of offering, each fulfilling a function in relation to the collective offering to Wirral-wide, and local as well as visitor, communities, and each networked with, and supporting the others. Each may present one type of LLPC service (tennis courts, green space, or nature conservation, for example) or may contain co-located multiple elements of several or all, with other agencies there too.

A **Central hub** is both a multi-service centre offering those who are willing to travel a wider range of facilities, and providing support to a network of more localised provision. A **Main hub** is more locally, or sub-regionally focussed, and may be both a Centre of Excellence for particular facilities, and provide a broader offering for a local area. A **Midi hub** is a warm and welcoming place providing a limited range of services, but linking with other locally-focussed agencies to provide the most relevant and important services within easy reach of the communities that
need them. A **hosted** or **Micro-hub** is a small local access point such as a presence like a concession in a local building, or a pop-up in a shopping area that helps people find and access help quickly and draw them into engagement into the wider offering.

### 1.9 The **Assets** analysis, in addition to giving a detailed breakdown of the main local facilities, draws out some key themes and challenges posed by the current LLPC asset portfolio. In particular it notes that

- Across the portfolio there are identified capital maintenance spends of over £18m to be scheduled over the next few years (excluding any investments used for service enhancement).
- Service provision is diverse, with some innovative and very useful elements, but it is not reaching communities that could benefit from it, partly due to location partly through preservation and partly through there not being simple, signposted and assisted access routes.
- Space is available for community groups, but it is not coordinated and signposted across the portfolio, and not operated to an effective commercial, but not unfairly priced, model.

### 1.10 In **Business and Operations** it is recognised that the Needs Analysis points towards a conceptually different approach to LLPC provision. This can be seen at three levels, each of which demands a change in approach:

<table>
<thead>
<tr>
<th>Level 1: Conceptual and Needs-focussed</th>
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<tbody>
<tr>
<td><strong>From:</strong> Needed services placed reasonably locally and delivered cost-effectively</td>
<td><strong>To:</strong> Aspirational, beautiful and welcoming places to which people want to go. Where people find their needs are met and where they are listened-to Where ideas are needed and developed.</td>
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<table>
<thead>
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<th>Level 2: Structured for Accountability</th>
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<tr>
<td><strong>From:</strong> Basing services in the buildings in which they have always been based, even though this puts off some customers.</td>
<td><strong>To:</strong> Hub model, balancing size and style of location to make services available and to remove barriers to access, whilst concentrating and co-locating services for efficiency.</td>
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<tr>
<th>Level 3: Service Design and Delivery</th>
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<td><strong>From:</strong> Standalone delivery of traditional models of services within existing silos with piecemeal innovation generally only where easy to deliver and not requiring further investment.</td>
<td><strong>To:</strong> Services designed round needs and desirability amongst existing and new customers, focusing on customer experience, satisfaction and journey, and utilising property and other assets as enablers rather than as boundaries.</td>
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This, in turn, demands changes in approach to planning, developing, managing and approaching LLPC. It needs to become, and operate as, a socially-focussed enterprise, embedded in and listening to its communities; leading, organising and co-ordinating agency responses; and maintaining accessibility and relevance of services at micro, midi and macro community levels.

It then needs to embrace the four opportunities highlighted in the Needs Analysis at Section 5:

a) Savings through co-location and integration;
b) Reduced spend through latent (unused/under-utilised) assets;
c) Increasing the addressable market;
d) Attracting finance and funding.

In all this, the original vision stands as outlined in the Phase 1 report for this project that the model developed should

a) be both universal and targeted;
b) recognise that what the public wants and needs has changed and will continue to change;
c) be financially stable;
d) be locked into servicing the community and in which the community has an involvement and a clear voice

The analysis draws together operational developed by the LLPC team, with benchmarking against similar provisions elsewhere, and potential solutions arising from the response to the needs and assets analyses. It highlights:

- Various practical potential improvements in each service line
- A range of income-enhancing opportunities
- Initiatives that would create more effective support services and greater outreach and income generated by working across the portfolio, and the benefits of wider collaboration
- The need for structured and cohesive leadership and infrastructure
- The needs for freedom and flexibilities and for agile working and decision-making to deliver relevant, market-responsive and competitive services.

In Finance and Funding we consider the achievable financial outcomes for the next three years for the in-house case, together with how well the budgeting and Management Information systems currently support the LLPC businesses to be flexible, effective and responsive. We then move into illustrating how an ADM model could bring value in financial terms, noting areas of additional value for which no illustrative figures are yet included.

Key points arising are summarised as follows:

- Budgeting and management information systems are not meeting the needs of the businesses in LLPC, except where these businesses supplement them with their own, operated in parallel
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- Heads of services are not consistently and effectively involved in budget-setting, and there are some limitations on their accountability for the results they deliver.

- The expected outturn for 2017/18 is, from our review a net Council cost (subsidy) of £18.7m as against a budget of £16.4m, and a revised forecast for the Council’s finance team of £17.3m. This can be expected, in the enhanced in-house case, to fall to £17.9m, from the 2017/18 expected outturn of £18.7m, over three years. All costs exclude capital spends, which the Council has evaluated at £18m over 3 - 5 years just to maintain existing facilities.

- Further enhancements achievable in an ADM are expected to enable that financing cost to be mutually reduced. Illustrative figures show costs falling to between £12.5m and £15m. These include a range of measures from an immediate expected VAT saving of nearly £1m to the ability to raise grant finance and corporate sponsorship, and to improve sub-letting of surplus space. There are a number of areas within this that have not been evaluated to the point of illustrative figures.

- In addition to these enhancements, an ADM would facilitate access to third party (social) capital investment. As an illustration, a £20m bond issue, for which the Council would not shoulder a liability, is possible, if needed for future investment in improved or enhanced facilities.

1.16 Drawing together these analyses a range of Opportunities and Options emerge, bringing value both in terms of efficient and effective delivery as well as to contributing actively to the future of the Wirral and its residents, businesses and visitors.

Some of these opportunities are readily visible; others are latent or arise by virtue of choices implicit in the selection of service delivery models, and where an alternative model would be required we have stated this in the discussion. Opportunities can be grouped under the following themes:

- **Theme 1**: Enhanced ability to meet social needs, and cost-savings through co-location and integration
- **Theme 2**: Improved effectiveness and impact whilst reducing spending through accessing latent assets
- **Theme 3**: Meeting more people’s needs and increasing the addressable market for Libraries, Leisure and Cultural Services
- **Theme 4**: Attracting financing and funding; increasing access to resources
- **Theme 5**: Harnessing ingenuity and building on Wirral’s pioneering spirit

1.17 Taken together, these opportunity themes give rise to a set of options, which – broadly speaking – describe distinct but progressive stages on a journey towards fully integrated, genuinely needs-based service provision. The journey can be described in three stages, each of which has a different character and focus, and each of which is likely to require a different operating model.

A. Working in single services
B. Collaboration and enhanced working together
C. Integrated working, co-location and hubs
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The diagram below shows the four parts of LLPC (in blue), the services and activities they deliver (in pink), and those organisations that are embraced by LLPC in collaborative working (in green). The interface with local communities is in purple, until, in option C, they become part of the delivery. The growth in funding and financing opportunities is shown in the pale yellow columns behind.

**Delivery Model Options**

![Delivery Model Options Diagram](image)

1.18 The key features of the three stages or models are:

**Option A: In-house model enhanced**

The ‘in-house enhanced’ model is perhaps the simplest to conceive, building as it does on many existing ideas and innovations that are being piloted or discussed within LLPC.

In this model we see the four service lines continuing to operate independently, but with the addition of a formal layer of co-ordination, which may be achieved through regular meetings, shared information or shared responsibilities. This kind of co-ordination will help to achieve economies of scale within the portfolio, and will also provide a co-ordinated shopfront for communication with potential partners, service users and beneficiary groups, meaning that those voices can begin to be heard and responded to from within each service line.
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The majority of the funding available in Option A is via traditional routes. Whilst this model may be adopted most easily, through little more than changes in internal organisational structure, it will require substantial sustained effort to make the model work and achieve its potential.

In terms of outcomes and meeting needs, this model is likely to generate benefit only over the short term, creating ways to capitalise on quick wins and address known issues. Without access to new sources of funding and resource, however, little capacity can be built for more transformative impact.

Option B: Joined up, flexible and market-responsive

This model sees the four service lines within LLPC working more as a single unit than as individual business divisions, bringing immediate benefits in terms of de-duplication of effort in some functions.

From the perspective of service users, provision is far more joined up, and this enables cross-selling, customer journey enhancement and more seamless experience.

Greater and more formalised effort in collaboration and co-management across service lines creates an ability to permeate the perceived communication barrier into the wider community with a single voice and enable meaningful conversation. The combined efforts of the service areas are far more likely to be able to respond to market need, than is any one of the four in isolation.

The approaches to service delivery – location and style of delivery, as well as staffing options - are more varied than under Option A, but this in turn demands additional administration effort. Voice and influence over service boundaries and design are more varied, but the Council retains significant influence over, and the majority of responsibility for, delivery.

Note that the focus here is still on developing and meeting the needs of markets for LLPC services, since a move fully into community-led, place-based provision demands a much more holistic model. That being said, it should be noted that Option B requires a degree of collaboration and cross-boundary working which may not be possible without an Alternative Delivery Model in place.

Option C: Engaged with community resources, responsive and reaching out

The biggest leap from the current model is Option C, which espouses far-reaching cultural change as well as organisational re-design and the use of a non-Council vehicle (ADM), in order to access the wider multiple financing and resource opportunities that the model demands.

In this model we see LLPC operating with a single voice and overall co-ordinated strategic management, however the role of this unit is substantially different than currently (or in Options A and B). Rather than having sole responsibility for designing and providing services, LLPC works in partnership with other bodies and agencies to understand needs and co-ordinate a delivery response, with equality of voice between partners.

Whilst this serves to provide freedom from entrenched thinking and political influence it also helps to ensure that a balanced cross-section of views can routinely be taken into account, reducing the need for specific consultation exercises and associated administrative overheads, and the need to manage expectations.

Proper dialogue between stakeholders takes place at all levels, enabling co-ordinated service design, reducing duplication and increasing the likelihood that gaps in provision, trends in usage or demand and local preferences and capabilities are far better understood than with periodic and piecemeal consultation.
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It is this ability fully to understand needs and all their nuances that underpins the much greater level of impact that can be expected under Option C than in other options. Crucially, LLPC becomes more than simply being the main or the sole provider of services; its role becomes tri-fold in Option C, as it works:

a) to deliver services either directly or indirectly through partners or sub-contractors;

b) to provide leadership, where appropriate, convening multiple partner and actors to effect meaningful change (recognising that in some cases the Council’s role will be one of participating, and not leading); and

c) to provide insight-driven, evidence-backed messaging to influence at a wider scale, including regionally and nationally, benefitting from the combined expertise and wisdom of multiple partners, and using the public authority platform to exercise influence.

In this model, it can be seen that the Council retains a strong influence over service boundaries and design, however it is fully responsive to the needs and preferences of Wirral and its communities. This shift of role and relationship lays the foundation for collaborative place-making, and the use of an ADM enables access to the resources necessary for creative and innovative responses to needs and ambitions.

1.19 Whilst there are clear benefits to an Alternative Delivery Model (“ADM”) in the form of separate entity, it is fundamental to this proposal and the comparison it draws with an in-house provision that this is not a conventional out-sourcing or a spin-out. The ADM vehicle will be able to make its own decisions, to move and respond quickly, and to focus on outcomes for community and the efficient and sustainable delivery of its business model raising new funding and developing new sources of income not accessible otherwise. However, crucially, the Council will, through the way the vehicle is set up, and the way it is influenced on an ongoing basis, retain control and influence over setting the boundaries of its use of leisure and other assets.

In this important sense, the ADM will not fully detach from the Council, as shown in the transition diagram inset (Fig. 3), but will gain the freedom and flexibility to grow and develop. It will move not from the current position of inside the Council (left) to the model on the right (with LLPC outside the Council all together) – hence this is crossed out - but to the middle model.

The Council will retain various means of influence and control (shown here in the blown up detail at the foot of the figure, and expanded further in the section on control at Section 12). In addition, both the Council and the charity will co-ordinate activity, one with the other.

Fig. 3: LLPC as ADM: relationship with the Council
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1.20 The ADM brings certain short-term and concrete benefits, but it also brings a freedom and flexibility to develop new opportunities and efficiencies. At the heart of all these are being needs-focused, and engaging widely with all communities across the Wirral and beyond. It can and will be exclusively focused on the sustainable delivery of outcome – the meeting of needs - across the Wirral.

In particular it will do this by bringing:

- Access to capital (social investment) – possibly in the form of a bond issue of, say, £20m
- Grant funding, corporate sponsorship and easier access to other income, with VAT gains and other advantages
- Quicker decision-making, and decision-making based exclusively on outcomes for Wirral (social/environmental) and economic/financial sustainability, and not compromised by having to balance these with broader Council policies and democratic process
- A move from cost-cutting and cost-management focus, with capital and revenue budgets (and other aspects) separated and four service areas operated in silos, into an environment of pushing for outreach, effectiveness and growth, with the resources behind it to make it happen, and the freedom to think creatively and the opportunity to change culture to facilitate that
- Staff and management engagement and empowerment, giving meaningful holistic accountability; community engagement and involvement easier to achieve without the frame of the provider Council, bringing benefits in terms of resources, wider use of facilities and the possibility of community investment.

Each of these brings significant benefits which we examine in detail at 10.2(f) under four headings:

a) Needs-focused and community-based
b) Funding and financial advantages
c) Efficient, Business Decision-making
d) Innovative and creative operations and influence

1.21 The ADM will gain clear long-term title to assets transferred from the Council. A variety of forms of title will be used to enable it to gain the stability and flexibility to use some to the stability and flexibility to use some to underpin longer-term fundraising for investment, whilst others may have restrictions to title allowing the Council to retain and manage gains, or restrict to current use.

1.22 Given the need to maintain full engagement and an appropriate degree of influence and control with the Council, whilst gaining all the social and financial benefits of an ADM, the Governance and Structure and Control and Influence of the Council become of key impact.
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1.23 Section 11 explains in detail how the Governance and Structure can work. It proposes

- A company limited by guarantee: to have a clear contracting vehicle and the protection of limited liability
- Registered as a charity: to gain the protections of a regulated entity with
  - Asset lock…it cannot pass value to others but must apply it for public benefit
  - Mission lock…it must retain that public benefit, community of the Wirral focus for ever
- A mixture of independent trustees and directors appointed through open recruitment, and Council appointees.
- A stakeholder (including staff and community) engagement and voice built in through advisory board(s), associate membership, and online and other direct engagement routes.

1.24 Control and Influence by the Council is key, and the means for this are alluded to in Figure 3 at 1.20.

The transfer of real and other property to an ADM offers benefits, but the Council needs to be able to exercise control. In the way we have proposed, the new organisation can:

- Gain the benefits of the freedom and flexibility of an independently operating charity
- Be able to raise third party funding, and find new and additional income to develop that mission
- Stay in an effective close partnership for delivery with the Council.

However, the most important aspect of the plans being put forward here is that this is not a full separation of the assets and operations from the Council, as would be the case in an outsourcing, or a mutualisation. As explained in 10.2 and 12.5 the charity will remain strongly associated with, and influenced by the Council, their futures intimately entwined. The charity achieves just enough separation to enable it to work effectively and achieve the gains that are possible.

1.25 The Council needs to be able to exercise control for the following reasons and in the following ways:

<table>
<thead>
<tr>
<th>1. Don’t lose value of the assets in current use for people of the Wirral</th>
<th>These are assets held for public benefit, and the Council needs that to continue. It does not want to see that value dissipated and passed into private hands.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Don’t lose value of uplifts, or development potential for the Council</td>
<td>Where a property asset yields a gain, in large part it should be attributable to the Council. The new organisation may share in that gain to incentivise efficient and proactive management of assets provided the new organisation uses any such gain to continue to improve services in Wirral.</td>
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</tbody>
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| 3. Keep assets focused on public service | The assets need to be continually involved in the delivery of public service for as long as that is useful. This perhaps involves a preference for their current application (in leisure and cultural services) but may involve a wider application for public benefit. |
| 4. Develop and use assets better | The assets in current use should not be a static portfolio, preserved in current use and not developing. They should be the subject of continuous and creative review and challenge as to how they can be used better to meet the needs of the area and its constituents. |
| 5. Enable further (third party) investment in assets | The new organisation needs to be able to raise third party capital to support investment in the whole portfolio. This means as a minimum it needs to be able to seek capital grant funding. It should also be able to seek commercial bank lending or even raise investment via a bond issue. All of this will require the organisation to be able to give security, have a solid balance sheet, and medium to longer-term financial sustainability in order that it can service such investment. |
| 6. Enable other Council assets to be used and developed | Where Council-owned assets need to be developed, this may be most effectively done as part of a wider portfolio. If assets are needed to be consolidated with WBC assets, or to be reformatted or repurposed, the Council needs the means to do that. |

### 1.26 The Council’s control and influence comes from:

- The overall protective framework of the ADM being subject to asset lock, mission lock and regulatory oversight;
- The terms under which the Council transfers assets into the ADM, restricting future use, and retaining the rights to certain property value gains if realised, whilst giving the ADM sufficient sustainable title to fundraise and operate sustainably in the long term;
- The terms of the annual funding agreement which, whilst expected to reduce, will stay in place at a material level in future;
- Involvement in governance: in board representation and involvement in advisory roles.
1.27 The criteria in section 1.24 above are met by these measures in the following ways:

<table>
<thead>
<tr>
<th>Criterion</th>
<th>How this is met</th>
</tr>
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</table>
| 1. Don’t lose value of the assets in current use for people of the Wirral | • Asset lock and mission lock  
• Assets held under lease and restrictions on use of assets built into the leases |
| 2. Don’t lose value of uplifts, or development potential for the Council | • Terms under which assets are granted to the charity mean that a relevant and fair proportion of such uplifts comes back to the Council  
• Options to recover and swap out assets bring further control |
| 3. Keep assets focused on public service | • Asset lock and mission lock  
• Terms of tenure of relevant assets  
• Terms of grant support |
| 4. Develop and use assets better | • Will be able to secure the necessary funding to support the development,  
• The charitable duty will be to develop and apply assets in the best way for the public benefit – for the people of the Wirral |
| 5. Enable further (third party) investment in assets | • Independence of operation and focus  
• Clear title and value of assets and sustainable model as a foundation for third party fundraising |
| 6. Enable other Council assets to be used and developed | • Title and tenure of assets in the hands of the ADM are worked around the need to retain certain assets for wider development  
• Council will hold options to recover and reformat selected assets where consolidation with the Council’s other property is likely to be needed |
Section 1

Executive Summary

1.28 Conclusions and Recommendations

There is much that is good in the existing LLPC services, and a number of the assets, such as Birkenhead Central Park are much loved and even iconic. Service improvements have been sought, even as budgets have been cut, and staff and management have managed to achieve a number of these.

However, the indications are that the services do not reach all of those that need them, and with the drives for health and other outcomes, development of tourism, and economic growth, multiple opportunities are facing these services. They can respond by coordinating better, investing where and if possible, and listening and responding to the communities’ needs. Alternatively they can operate as a single, integrated enterprise, moving beyond engaging with community and other service providers into a central role of coordinator-provider. This brings the community into full engagement and takes LLPC beyond excellence of response. Developing this in parallel with a hub model for improved outreach, accessibility and agility could truly revolutionise provision. This could be expected to bring significant improvements in the level of Council financial support needed and give LLPC access both to private capital and wider sources of grant funding and other income, but only in an ADM model.

Marking against the revised figures for costs to the Council of an in-house model of £18.7m falling to £17.9m over three years, the ADM model could reduce this by:

- Around £3m in 2018/19 (allowing for delays in picking up the benefits from the changes) rising to £7.5m plus by 2020/21
- With some costs relating to pensions and infrastructure left in the Council, the net effect on Council budgets would be upwards of a £1.5m saving in 2018/19, rising to £6.8m upwards by 2020/21, with a further possible net improvement of say £2m if £20m of social investment can be raised and well invested in enhanced services

We recommend:

- The Council moves LLPC into an ADM, with the autonomy, mission and remit to develop it into a fully community-engaged and needs-focused social enterprise
- LLPC is not put out to tender in a conventional outsourcing model but developed as an entity working closely with the Council on common social goals with a locked-in mission to improve the lives of residents of and visitors to the Wirral.
- The ADM’s mission is to be delivered by embracing efficient and effective business practices, and innovation in delivery and accessibility models so that it can reach more people, in a way that enables them to respond and engage. It should take a leadership role in developing local provision, but harness the ingenuity and energy of grass roots organisations.
- The ADM is in the form of a Company Limited by Guarantee, and registered as a Charity, meaning it is properly regulated, and permanently focused on applying its assets to that public benefit mission
- The Charity takes on the LLPC assets under different terms for different assets such that it gains clear long-term title to a range of them (to make its balance sheet sound and fundable) whilst holding others on shorter term or rolling arrangements
- The Council retains influence whilst allowing the Charity the independence to deliver its mission, by:
  - Working together to coordinate complementary activity
  - Embodying realistic terms in its ongoing funding agreement
  - Putting appropriate restrictions in the terms of tenure of assets transferred into the ADM
  - Taking an appropriate role, alongside community and staff, in the Charity’s governance
2.1 Background and Objectives

The Council is a coming together of five separate Borough Councils. Each has its own history, and a full range of facilities focused on its traditional communities and demographics. This means that, in a relatively small geographical area of 60 square miles with just over 320,000 people, there is a wide range of public facilities, and one of the largest areas of green belt in any area of the North West.

The Council has published a 2020 Vision and Plan with its aim “simply to be the best Council in the country.” It demands that “…understanding of residents’ needs is embedded within… business planning” and that the Council will be able to be resilient and independent. Its ambition is for enhanced and more focused services, whilst addressing the savings that are necessary.

The 2020 Plan sets objectives at ‘people’, ‘business’ and ‘environmental’ levels, and these should be at the core of the transition plans and restructuring proposed.

The Council’s objectives in pursuing the possibilities beyond cost savings and efficiencies from within are:

- To maintain existing facilities and services wherever possible;
- To reduce significantly, and ideally to eliminate over three to five years the current level of subsidy to leisure and cultural services;
- To reform services around leisure, culture and parks and gardens assets such that they are more widely used;
- To be creative and innovative but not to take unreasonable risks;
- To improve the responsiveness, resilience, flexibility and agility of services and the public assets in these portfolios;
- To maintain the highest standards of accountability and transparency throughout;
- Not to put public assets into the private sector if possible, although putting them into asset-locked bodies is possible;
- To deliver any changes with pace, but not so quickly that community engagement is lost, or accountability and proper risk management are compromised.

The outline being considered then is:

- To what extent can these assets and the businesses within them be re-imagined to make them more effective in delivering against community and area needs and carry a lower cost burden for the Council whilst maintaining their focus on public needs and outcomes?
- Could more be achieved by moving the four areas of the portfolio into a different ownership or governance structure?
3.1 Approach

The project considers how services can be re-imagined across four areas of operation of the Council:

- Leisure
- Arts and Culture
- Parks and Countryside
- Library services

By considering them as a portfolio, the four can be used holistically to deliver the Council’s vision, to engage and motivate communities (including so-called ‘harder to reach’ or ‘harder to engage’ beneficiary groups), and to achieve financial and operational sustainability more easily.

Each of these four areas have been looked-at separately, and set in the three contexts of:

- The four areas as a portfolio
- The Council’s wider plans, financial and operational obligations, commitments and infrastructure
- The wider area needs and targeted outcomes

This approach is shown in Figure 4 (to the right) with the comparisons shown in red.

The four areas had been examined already for cost savings, and have responded to various changes in their markets. Inevitably this has been done to differing levels and with differing degrees of success.

This project, aligned with similar approaches in other areas of public service, is focused upon reframing services to look at how

- co-ordination,
- community engagement,
- needs-led approaches, and
- commercial approaches

can be used to deliver more effectively for less on both a targeted and universal basis.

This demands a needs-based (social or market needs) analysis, rather than a more traditional service-defined one. It also asks whether operation as a portfolio, co-ordinated, can deliver more, for more parts of the community, and duplicate less.

The project has been planned to develop in two main phases, with then a third phase of supported activity putting recommendations into practice. An outline of these two phases is given below, and in the table inset on the following page.
Section 3
Methodology

3.2 Phase 1 was presented to Cabinet and covered the initial research, analysis, and the development of the concept, and was presented to Cabinet together with an outline financial model highlighting early gains and re-profiling of services, and an indication of areas for further review. The result was an overall proposal for endorsement by Cabinet.

3.2.1 Phase 1 work has been completed and comprised:
- Information gathering – including looking at previous reports
- Workshops
- Site visits
- Needs analysis
- Mapping
- Financial review and modelling
- Service provision/Partner calls
- Meetings with other agencies (inside and outside Council)
- Meetings with Unions
- Market/Competitor analysis
- Benchmarking

3.3 Phase 2 leading to a November Cabinet covered development of the detailed operational and financial model, transition planning and early stage implementation plans, again for endorsement by Cabinet and Council. It also involved consultation with a variety of stakeholders.

3.3.1 During Phase 2, the BWB team divided the work into five work streams as shown in Figure 5 below. The five principal work streams are shown in blue, and the principal deliverables into which they feed are in red. The diagram shows how each deliverable combines with and informs another work stream to produce the next deliverable.

3.3.2 The Needs stream looked at how the needs of the people of the Wirral should be met by ensuring affordable access to both universal and some targeted services. Underpinning analysis was based on a series of consultation meetings with internal and external stakeholders, combined with desk research iteratively to develop an hypothesis.

3.3.3 Whilst this was happening the Assets stream was looking at the underlying state of repair, and configuration of the properties held within the portfolio. It placed these in the context of the wider property development plans for the Council as a whole, liaising closely with the Wirral Asset team.
Section 3
Methodology

3.3.4 From these two pieces of work the Mapping was completed in the form of spreadsheets summarising what assets are in the portfolio; how they are used for universal and targeted provision; and condition surveys to give an overall view of the portfolio and its use going forward. The format and scope of information in these was agreed with Council Executives at the latter stages of Phase 1, and was further developed through this stage. A map of the Wirral with relevant assets shown, together with certain other local facilities was also prepared to assist with considering accessibility. Both of these were made available to the Council for use in engagement programmes with local communities, staff, and community organisations.

3.3.5 Financial and operational plans were being developed alongside this analysis. Substantially responding to the information emerging in the mapping exercise, and also to the needs analysis, they were developed to produce the full business plan for the portfolio under two scenarios:

- With the portfolio continuing to operate within the Council, with appropriate enhancements to the extent these are realistically achievable; and
- With the portfolio operating to an Alternative Delivery Model (ADM), as outlined in the Phase 1 proposals.

3.3.6 In arriving at the enhanced in-house case, financial data was drawn from existing 2017-18 budgets, and was subjected to test and challenge. It was adjusted based on three key elements:

- Have past budgets been achieved (focusing on 2015-16 and 2016-17) for these portfolio businesses, and if not, what conclusions could be drawn about current achievability?
- What underpinning evidence and rationale is there for both the core figures in the budget, and any enhancements being targeted to show that they are realistically deliverable?
- Were the figures being prepared and presented on a rational basis, consistently with those presented for the ADM? What is missing, what is included that should be added into both, or what should be adjusted in its presentation?

3.3.7 The Governance work stream, which included looking at the legal structure of an ADM, was developed in parallel with the other streams. It was then linked into the business plan for the ADM case, to show how the planned venture can be structured and governed, based on the principles of strong Council influence and elements of control (of asset- and mission-lock) as laid out and endorsed at Phase 1. This produced the comparison of the two possible structural models for an ADM, and showed the preferred model as a charity-based one.

3.3.8 Finally the picture of the business and the vehicle and governance structure within which it fits was central to the work of the Transactional stream, which identified the appropriate title to assets and transfer process for these and staff, from which a transition plan can be developed.

3.4 Phase 2 work has been completed and comprises:

- Needs Analysis
  - Desk research on strategies, pledges, published intent
  - Needs analysis workshops with service areas
  - Service Provision/partner calls (including schools, police, public health)
  - Interviews with GPs, health commissioner and Job Centre Plus
Section 3
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- Workshop with property portfolio team members and strategic lead
- Interviews with four constituency committee managers
- Workshop with Heads of Services
- Interview with representative from a Suffolk Libraries Friends’ group to compare innovation

- Asset Mapping
  - Workshop with Heads of Services
  - Further work on asset approach with the Asset Team

- Financial and Operations
  - Using previous years’ financial budgets as a base to financial modelling
  - Workshop with Heads of Services
  - Meetings with other agencies (inside and outside Council)
  - Reviewing our market/competitor analysis
  - Reviewing our benchmarking

- Governance
  - Legal and Governance workshop with Council officers and SLT

3.5 This report explains in detail the work done at Phase 2, and the findings of that work.
Section 4

Layout of the Report

4.1 Layout of this report

This report is laid out in four core working sections plus a separately bound set of Appendices, as shown in the diagram below of the four core sections comprise:

1. Introductory chapters, including an executive summary:
   - Executive Summary – provides a quick overview of what is detailed in this report, summarising the purpose of the report, the methods used, results of our findings, the conclusions drawn and key recommendations for future actions.
   - Background and Objectives – briefly explains the Council’s objectives and an outline of the scope of this project.
   - Methodology – explains how the five principle work streams have been run concurrently and how they feed into the principal deliverables which inform one another.
   - Layout of the Report – to give a clear layout of this report.

2. Analysis chapters, comprising:
   - Needs Analysis – considers our current understanding of social need in the area, and compares it to existing service and facilities provision (whether through the Council or other providers), highlighting gaps or misaligned provision.
   - Asset Mapping - clear summary of the portfolio’s assets and their use, capturing themes arising from the Needs Analysis, challenges and opportunities.
   - Business and Operations – looks at an enhanced business case for each service area by considering overall strategic priorities arising from the Needs Analysis and other review work, then taking each area in turn and considering other areas of operation.
   - Finance and Funding - provides a review of the budgeting process for Wirral Borough Council to provide confidence that the budgets are a fair reflection of the current costs of the areas under review and a reasonable basis for decision making.

3. Options for the Future chapters:
   - Opportunities and Options - draws the analysis in the four analysis chapters together and shows three possible future options for how services can be more effectively integrated.
   - Reasons to Consider and Requirements for an ADM – develops the underpinning argument for why we need an ADM.
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Layout of the Report

4. The “How does it Work?” chapters:

- Governance and Structure – examines the legal and governance options should a spin-out option be chosen, including the legal structure of the entity.

- Control and Influence by the Council over the ADM - details of how to make an ADM model work effectively and benefit from implicit freedoms and flexibilities, whilst retaining a sufficient level of control and influence by the Council

- Transactional process for an ADM – explains how the transactional process for an ADM process works both leading up to and following a Council decision, including the steps to be taken and indicative timescales.

- In addition there is included a chapter on conclusions from the work, and summarising our recommendations.

4.2 Phase 1 Report

Reference should also be made to the Phase 1 report, which contains a range of the earlier stage analysis. Key points have been drawn from this and built-upon, but the detail remains in that earlier report.
5.1 Introduction and terms of reference

The overall objective of this element of the project is to provide an options analysis that enables Wirral Council to consider how it might enhance service outcomes for residents of and visitors to the Wirral whilst achieving a net reduction in the funding of LLPC services. This includes the exploration of a number of different delivery models to achieve this objective.

The needs research forms one of the data feeds into this options appraisal by setting out opportunities for enhancing outcomes amongst Wirral residents and visitors with potential to either increase income or reduce costs.

5.1.1 The Needs Analysis had four tasks:

a) Research the needs* of Wirral, its residents and other key stakeholder groups;

b) Analyse the needs with relation to provision of services, primarily but not exclusively focussed on the portfolio of Council-delivered service areas within scope of the ‘Re-imagining LLPC’ project;

c) Outline opportunities for considering and delivering services differently in order to better meet the needs identified and achieve a reduction in costs

d) Set out where the services might be universally provided as well as targeted, ensuring accessibility and affordability.

*The table at Appendix A offers definitions of terms such as ‘needs’ and ‘stakeholders’

5.1.2 How this section is structured

The rest of this chapter is divided into 4 parts:

5.2 Defining improved outcomes

By asking the question ‘Whose needs might we be meeting?’ we have analysed our research findings to identify key stakeholders. These are described here together with an indication of specific outcomes needed by each stakeholder, and a discussion of which areas of Wirral these are more or less prevalent.

5.3 Overarching themes: needs as they relate to outcomes

The required outcomes in 5.2 are drawn together into five overarching ‘needs themes’. In considering these thematically we can more easily discuss variations in importance or incidence across the Wirral and make causal linkages from needs through to outcomes.

5.4 Needs of stakeholders as contributors

This section discusses key points arising from the fact that some of our stakeholder groups can have an influence on the needs of others, and may also contributing towards the meeting of others’ needs.

5.5 Opportunities: siting and delivery of services

Picking up on the five overarching themes, and the detailed analysis in 5.2, and setting these against the backdrop of National responses and what is being achieved in other areas, this draws out the opportunities to use the LLPC portfolio differently, to meet more needs for less Council financing. It builds an overall model for a community-integrated response demanding collaboration and some co-location across services.
Section 5
Needs

In addition to these sections, Appendices A, B and D set out in more detail: definitions of common terms, methodology and additional findings of the earlier (Phase 1) research on needs as well as (at Appendix C) detailed tables supporting the analysis in 5.2: Defining improved outcomes.

5.1.3 Useful life of this analysis

This needs analysis draws upon current knowledge, views and perceptions but also a larger term experience and the data sets to match. Whilst the underlying needs and how they can be addressed will change over time, this is likely to be a slow process, and this work has been designed to

- have a long shelf-life, probably of 5-10 years (rather than be set aside and re-analysed)
- be capable of being updated as demographic, economic and other changes occur.

5.2 Defining improved outcomes

5.2.1 If outcomes-based decisions are to be made about the overall direction of the portfolio it is important to define the term ‘improved outcomes’ and consider how different stakeholders need to benefit before exploring the LLPC’s role in achieving those outcomes and using the outcomes as a yardstick or framework against which to measure proposals. This section establishes a useful framework (the 3 Cs) for understanding stakeholder needs and outcomes, which are analysed in detail at Appendix C.

5.2.2 The LLPC portfolio, and those services to which it connects, are treasured by the public. The services within the portfolio are widely acknowledged to make a vital contribution towards overall wellbeing and self-improvement of local communities and visitors, whether explicitly (for example, through actions in Wirral’s 2020 strategies) or implicitly (by simply acknowledging the benefits delivered through the portfolio’s activities.

5.2.3 In the broadest terms ‘improved outcome’ can be described as:

An improvement in health and wellbeing of any or all stakeholders in Wirral, which in turn enables greater participation and contribution to society.

5.2.4 We have defined stakeholders as those who live, work, or function as individuals or organisations in Wirral, as well as those temporary visitors who pass through and have needs and expectations to be met from Wirral – principally tourists.

5.2.5 We have also included the built and natural environment as a stakeholder.

5.2.6 From the perspective of each of our key stakeholder groups, desirable overall outcomes related to the portfolio and its services include:

- Residents – the ability to: have sufficient resource to provide housing, food and clothing, enjoy sound wellbeing, form beneficial and meaningful relationships with others, attain and continue to develop qualifications and skills, find meaningful and sustainable employment. Outcomes include having a real say in their future and influence in it (“voice” and “agency”), and to be able to access and enjoy leisure time.

1 Edward Freeman of the University of Virginia (a prominent contributor to field of stakeholder definitions), suggests that the environment is a stakeholder in its own right according to the definition of a stakeholder as ‘those that can affect or be affected by’. Given the Council’s duties around stewardship and management of significant amounts of the built environment and the natural environment (some of which falls into the LLPC portfolio), and the well-documented ability of the environment to affect people, organisations and tourists – and vice versa, we have decided that the environment merits inclusion.
Section 5

Needs

- **Third sector** organisations – the ability to: deliver their social mission to the best of their abilities, find a physical space in which to deliver their work, remain on a sound financial footing, be sufficiently connected with other stakeholders, have a voice, participation and influence over decisions in Wirral that affect social outcomes and opportunities furthering their work; offer sustainable and reliable work for their employees, contributing to higher levels of wellbeing.

- **Public sector** – the ability to: achieve its civic aims and improve outcomes for all in Wirral; have agency, and collaborative decision-making together with other stakeholders, have the ability to use its position and resources for wider social good, sufficient resources and infrastructures to meet its objectives, staff wellbeing, morale and skills to deliver the work.

- **Enterprises** (and their employees) – the ability to: start, grow, and maintain their enterprises; take care of staff as well as business; access employees with the right behavioural and technical skills, network and make connections within their local areas in order to maximise opportunities and make a meaningful contribution to their locale.

- **Tourists and visitors** – the ability to: have an experience within Wirral that meets their holiday needs and exceeds expectations - whether for excitement or restoration, for day-trips, short breaks, or longer holidays. Different profiles of visitors are able to enjoy the Wirral, its places of interest and activities, including those who may have different accessibility needs. Certain touch points or ‘moments of truth’ are especially important: first impressions; accommodation experiences; food experiences; sense of safety; ease of navigation and access; personal connections and warmth of local people and businesses.

- **The environment** - good outcomes include a natural environment which is protected and intelligently managed for the benefit of people, flora, fauna and habitats in both the short and long term. This includes parks, gardens, countryside, green spaces, green routes and natural elements in communities – such as trees and verges, farmland, woodland and coastline including sites with specific and special designations.

### 5.2.7 Creating the right enablers

Meeting the stakeholder needs outlined above whilst assuring improved outcomes requires a set of underpinning conditions to be established, retained or improved. We refer to these as ‘enablers’ and they are summarised in the ‘3 Cs’ model (outlined below). The 3 Cs are:

a. **Capabilities** – the enablers that an individual or other stakeholder has in themselves such as education and work skills, ability to build sound relationships, or physical health

b. **Conditions** – the enablers that arise from their situation such as culture, sound and safe housing, agency, interpersonal networks

c. **Capacity** – resources available to a stakeholder to work towards an outcome: typically time, money, and other resources

### 5.2.8 For different stakeholders each of the 3 Cs will vary – though they will share many common features.

If the role of the Council is to help stakeholders thrive then it has a role to play in enabling and visibly supporting the 3 Cs. The LLPC portfolio is a fundamental contributor to, and beneficiary of positive outcomes for these stakeholders. The outcomes act as a positive return to both society and the economy (including the LLPC portfolio) as they enable individuals to participate more actively and healthily in society, including as consumers of services.
Section 5

Needs

5.2.9 This model is shown in Figure 7 below (and reproduced in a larger size at Appendix C), taking residents as an example stakeholder but noting that the principles used in the example are largely transferable to other stakeholders. It sub-divides Capability into four elements and Conditions and Capacity into two elements each. The discussion boxes in the model explain the logic or ‘theory of change’ for helping residents to achieve positive outcomes.

5.2.10 In Appendix C we detail our analysis of these Needs of a Healthy Community for each of the eight elements. This:

- Identifies how an individual resident might appear if close to thriving or distant from thriving with respect to that element (e.g. good health, the first one);
- Summarises our findings area by area, with regard to the prevalence of where people are close to or distant from thriving;
- Summarises from our wider research the implications for service provision and community engagement.

This is founded on our research interviews and analysis, which was carried out primarily at constituency level, but overlaid with evidence from LLPC Service Heads and data analysis.

5.2.11 Section 5.3 sets out the findings from the research from each of the constituency areas with these outcomes in mind. It draws out overarching themes that are important for that support or that act as a barrier to achieving social outcomes. These all have a bearing on how the LLPC portfolio is designed, located and delivered. For example the research highlights the need for human relationships (as well as simply opportunity) to catalyse change – such as change in exercise habits, as well as more fundamental barriers – such as lack of capacity through poverty. Section 5.5 considers different outline opportunities to help remove barriers and make the most of assets and discusses the implications it has for the LLPC portfolio, including cost saving or opportunities for increased income.
Section 5
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5.3 Overarching themes: Needs as they relate to outcomes

5.3.1 This section draws from the analysis in Appendix C the common themes identified there. The thematic analysis explores the ease with which different communities are able to achieve their needs and aspirations, and how this relates to wider service demand, use and delivery.

5.3.2 These findings can then help short- and long-term decisions such as;

- Which services are delivered in which locations
- How those services are delivered and accessed – including considerations of buildings, spaces and partnerships
- How they are funded and resourced – making structured and formalised use of existing capacity in some areas, and enabling inward investment, outcomes-based funding, commissioning, or other partnership-based approaches in a wide-range of funding models
- It is important to note that the research was conducted with a view to identifying broad needs, gaps, and opportunities as they relate to the ADM. This has not been an extensive street by street consultation. Any decision making on specific buildings and areas should be done in consultation with grass roots organisations and individuals within a place-making context.

5.3.3 Residents’ needs

There are five themes or needs areas that emerge strongly from our analysis:

1. The context of people’s lives influences their needs and use of services (5.3.5 to 5.3.22)
2. The need for connections, beneficial and reciprocal relationships (5.3.23 to 5.3.39)
3. The need for equal voice and agency (5.3.40 to 5.3.42)
4. Hyper-local delivery versus rationalisation (5.3.43 to 5.3.51)
5. Beauty as a public asset (5.3.53 to 5.3.59).

5.3.4 Contextual overview of National Trends

Before exploring these themes this section first summarises a number of sports and cultural trends seen at a national level, which provide a helpful context for considering the relative health of the LLPC portfolio in Wirral. Appendix K shows the results of a review of National Trends in LLPC and the service and area needs reviews that follow at [5.3.5 onwards] are set in this context, noting primarily the following three elements:

Changes in patterns of cultural engagement and service use – National trends indicate a decline in use, or willingness to use, some LLPC services, such as Leisure Centres and Libraries. Overall use of libraries has dropped by a third over the last ten years, and use of archives is at an all-time low at around 3%. Those indicating a willingness to use leisure centres declined by 20% over a 5 year period.

However there is nuance within the numbers. Those who are financially hard-pressed or unemployed have remained relatively stable users of libraries, whilst those who are employed and more affluent have dropped off at a faster rate. Membership to fitness centres has reached an all-time high. However, whilst private firms have had success attracting members overall, privately provisioned centres do not generally seek to engage those social groups we know to be important beneficiaries of
health and fitness service. These groups include the elderly, the unemployed, those with additional needs and women. Sport England has set its sights on engaging these groups in partnership with government and the social sector.

Parks and countryside have more people using them for leisure, pleasure and health than in previous years. In 2014/15 over 3 billion visits were made to parks and outdoors. People feel passionately about their parks, with parks attracting over £70m in volunteering hours according to Heritage Lottery Fund research. In contrast, despite increased use parks are also suffering from decades of cuts to services.

Arts, museums, galleries, and heritage have seen significant growth in their use and attract some of the highest usage figures of cultural services. Happily too the social gap for those visiting arts attractions has narrowed with the more ‘hard pressed’ engaging with arts in particular.

Emergence of new models – There are a number of responses, models and alternative forms of provision emerging from a number of different sectors that point to the opportunity to do things differently and achieve better outcomes. ACE research finds that there is much greater potential for libraries to remodel into community hubs and cites a number of different examples across the UK. CABE, the Heritage Lottery Fund, and the National Trust have drawn together a number of emergent and established models for funding parks differently whilst safe-guarding access and use. The DCMS, LGA and ACE set out new models for cultural offerings and potential for cross-fertilisation of cultural provision – together with funding to support new models. Our research shows a trend for blended sports and cultural provision in UK and Europe, and sports and leisure industry research shows that the growth in fitness club usage has in part arisen through new models, offers and communication strategies.

Whole place approaches – What is distinctive about many of these models is their more holistic nature – particularly in a convergence of whole place-based approaches. The DCMS and LGA are concerned not just with LLPC offerings but also with the role these play in helping to build communities, places, health and wellbeing, aspiration, and employment. Devolution strategies, such as in Manchester, are taking place-based approaches that draw together portfolios such as culture and health. Meanwhile Public Health, building on Marmot’s research into the social determinants of health, are looking at universal provision of services that goes beyond a purely medical response into social and place-based models of care, using approaches such as social prescribing to cross over with traditional LLPC services. These are supported by a steadily growing body of research on the positive outcomes of social prescribing.

Need Area 1: The context of people’s lives influences their needs and use of services

5.3.5 Key points summary for Needs Area 1:

- Context and circumstances such as time, income, health, mental bandwidth, as well as cultural preferences, all drive service use and service need
- Many of these collectively contribute to differing levels of self-sufficiency in individuals and communities and constituencies and wards across Wirral can be characterised by different levels of self-sufficiency
- There is a well-recognised East/West divide in Wirral but subtler differences within that divide
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- Those who are more self-sufficient overall will in general need less support to use LLPC services: it is not just about need, but ability to access as well
- Conversely, those who are least self-sufficient overall need more support to use LLPC services
- LLPC services can also offer a vital means by which to improve levels of self-sufficiency (or healthy interdependence) and over time, the ability to access services
- The Community Connectors programme and similar initiatives are likely to be important here as enablers to help with locating and accessing services

Context and circumstances

5.3.6 It may be an obvious point – but one which bears stating - that the context of people’s lives influences the requirements they have of services. For example, those that have disposable income, sufficient free time and are motivated to engage in leisure will, on the whole, find it easier to engage with services in the LLPC portfolio. Some potential users will have income, but lack time or ‘bandwidth’ to engage, others will have neither income, time, nor bandwidth and their days may be taken up by responding to life's challenges. LLPC services need to respond to ‘where people are at’ in order to enable increased use and in doing so help people achieve a range of other outcomes (such as greater capacity to deal with life).

Diversity within the Borough

5.3.7 From constituency to constituency, and ward to ward residents have common aspirations and needs in order to thrive in life, but those in different areas of the Borough are different ‘distances’ away from thriving and some have different contexts for that (for example, family chaos or loneliness). There is also a difference in local resilience and strength or maturity of community assets – those places, people and buildings that communities revolve around and rely upon.

5.3.8 As might be expected from a diverse Borough, we have discerned that needs and priorities vary from location to location. There are high levels of agency and self-sufficiency in some areas (where residents are able to make choices about how to spend time and money – including on cultural and leisure activities). By contrast we see entrenched and complex social need in others (where residents are much farther away from being consumers of leisure and cultural offerings, with their attention focussed more on addressing challenges in everyday living.)

5.3.9 There is a general East/West divide, which was referred to by most of our interviewees. The West is generally considered wealthier and more advantaged with residents experiencing greater levels of social mobility. Conversely in the East there is greater dependence on late intervention services, and challenges relating to social determinants of health – part of a long term picture since the decline of major marine- based industries and the ecosystem that supported them. GPs report that much of their time is taken up with trying to respond to these social determinants, but within a system that currently constrains them to work effectively.

5.3.10 Within this East/West divide there is further diversity – small pockets of deprivation and low levels of agency (the ability to take control of and make active choices about one’s own life) within otherwise affluent and vibrant areas, such as Town Lane in Bebington, or Eastham. We also see discrete neighbourhoods that are ‘doing OK’ along some lines, within an area that overall is characterised by deprivation and its attendant challenges, such as strong social networks in the North End.
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Scales of self-sufficiency

5.3.11 We have found that a useful way of considering these variations is to place each ward (and some distinct neighbourhoods) into one of three broad categories along a scale of self-sufficiency. The ultimate goal for individuals and communities is a state of healthy interdependence, a state in which residents have the capabilities and agency to do well in life and can rely upon others for support and others upon them when they need to. When they are able to do this, communities are much more likely to flourish and their capacity to engage in leisure pursuits to increase.

5.3.12 Generally speaking – and accepting that there will always be nuance and exceptions – our overall assessment from our research is as follows:

<table>
<thead>
<tr>
<th>Least self-sufficient (Group A):</th>
<th>Somewhat self-sufficient (Group B):</th>
<th>Most self-sufficient (Group C):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wallasey and Birkenhead constituencies overall; Plus the following Wards:</td>
<td>Wirral South constituency overall; Plus the following Wards:</td>
<td>Wirral West constituency overall; Plus the following Wards:</td>
</tr>
<tr>
<td>• Wallasey</td>
<td>• Moreton</td>
<td>• Hoylake*</td>
</tr>
<tr>
<td>• Rock Ferry</td>
<td>• Greasby and Irby</td>
<td>• West Kirby</td>
</tr>
<tr>
<td>• Leasowe</td>
<td>• Pensby</td>
<td>• New Brighton</td>
</tr>
<tr>
<td>• New Ferry</td>
<td>• Prenton*</td>
<td></td>
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<td>• Liscard</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Seacombe</td>
<td></td>
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</tr>
</tbody>
</table>

*These wards have Neighbourhood Development Plans

5.3.13 Those at the high end (Group C) of our scale are areas which appear to be vibrant and self-organising (or with capacity to be so), and benefit from a relatively high number of active residents and organisations. This includes individuals, community groups, social enterprises and businesses – who are capable of identifying local needs acting upon those with the aim of influencing decision makers. West Kirby is a good example of a community with a fairly mature approach to self-organising.

5.3.14 When thinking holistically about increasing needs-based outcomes, and hence driving footfall and income across LLPC, it becomes apparent that it is largely this cohort of people who can currently be relied upon to respond to effective marketing and communication strategies, special offers and events (together with tourists and visitors).

5.3.15 Those areas at the lower end of the self-sufficiency spectrum feel quite different. Here, for those in difficult circumstances, effort is focussed on meeting the complex and interrelated challenges of everyday life, for example: keeping a roof over their heads, food on the table, dealing with physical and mental health issues, finding money for birthday cakes or interview clothes, finding a job, or maintaining low paid, and often irregular, work.

5.3.16 These issues form very real barriers to the desire and capacity of residents to think about accessing leisure facilities or services, or to become involved with shaping their communities. As a general rule we see fewer people in communities like this having money to spend on leisure activities (in their
current delivery models), or choosing to make full use of public spaces and buildings, than we do in more affluent areas. Hence they will prove harder to reach, or at least not currently reached by LLPC.

5.3.17 However there is research to suggest that participating in LLPC-type activities can do much to reduce the impact of social inequalities. In effect, leisure and cultural activities become a means by which to address inequalities. Consequently, if effort is made to address the barriers to participation and drivers of inequality – emotional, habitual and structural – more people will develop the necessary levels of agency to become users of the services enjoyed routinely by those in the more self-sufficient category. This also means getting the delivery and provision right for each area as a whole.

The need for guided support into service use

5.3.18 The research also suggests that those in difficulty need to be supported or guided in their access to leisure, but more broadly supported to thrive in the good health element by responding to their priorities, through approaches such as social prescribing. In particular, we have heard that roles such as those played by Community Connectors\(^2\) are of crucial importance in some areas as they overcome some of the emotional and behavioural issues that can be very real and pose significant barriers to participation (for example in areas where social isolation is a key factor, or where literacy levels are low, or for those who lack confidence or have poor mental wellbeing).

5.3.19 By introducing enabling mechanisms such as Community Connectors in spaces that people can use to come together, the capacity to self-organise, and perhaps to eventually become part of the provision ‘ecosystem’, should increase. Currently there seem to be many in East Wirral and those other pockets who are stuck at the lower end of self-sufficiency, resulting in greater demand on social and other public services, and insufficient demand for leisure services. We need interdependence more holistic approach to enabling access in order to reverse this, increasing participation by using LLPC services as one of the means to getting there. Clearly this approach is also sensitive to macro factors such as decent housing and access to good jobs.

5.3.20 Figure 8 below shows how individuals and communities in each of our ‘self-sufficiency’ categories are likely to respond to LLPC offerings, and to efforts to increase footfall or customer spending in traditional marketing-led approaches:

\(^2\) Community Connectors initiative is part of a Wirral aspiration to move towards stronger residents and neighbourhoods. This programme builds on the Asset Based Community Development work that has been carried out in the Borough by using caring and knowledgeable people to connect residents into their community and activities and help them to overcome barriers that get in the way of participation.
5.3.21 In short, enabling participation becomes a central aspect of overall efforts towards making service delivery effective in meeting needs and sustainable over the longer term.

**LLPC and life stage preferences also influence service use**

5.3.22 There are other contextual drivers that influence service use. There is a suggestion from the research that LLPC preferences vary from area to area and are influenced by other factors such as age and life stage. For example, the Tennis Centre is sited in an area (Bidston and St. James) with a lower preference and demand for tennis, and might be better placed elsewhere – such as West Wirral (if user research supports it). Instead local preferences in Bidston and St. James and other areas such as Beechwood include sports such as boxing, football and contact sports. It is likely that there are many hidden preferences, and variability by age and life stage, as well as those specific examples that interviewees have told us about. There is likely to be latent demand for new or different services that is well-understood locally, but has never been considered by the Council, and engagement with community groups and other agencies is a key to unlocking this information. Preferences, and indeed barriers to access, might relate to the offer itself, or may relate to enabling factors such as transport and time.
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Needs Area 2: Need for connections, beneficial and reciprocal relationships

5.3.23 Key points summary for Needs Area 2:

- Many of challenges cited by GPs, Police, Health, DWP, and education specialists require positive relationships in order to support change
- Authentic positive relationships are a vital means of helping people to achieve social wellbeing and build social capital. Reciprocal relationships in which both parties are a useful aid in helping people to maintain positive self-regard and to flourish. In general people feel discomfort with accepting ‘charity’ and would rather offer something in return
- Interviews covering Wirral’s Community Connector programme supports these findings and show signs of yielding positive results for residents
- Marmot’s research in the 2010 report ‘Fair Society, Healthy Lives’ recommends universal services with proportionate degrees of support according to need. Our research finds that people who need additional support want services that make them feel normal rather than singled out for special attention
- These findings show that if LLPC services are to be used to their full potential then service wrappers, such as social prescribing, using link workers, community transport initiatives or Community Connectors are vital
- Service delivery professional such as GPs often also want to experience joined-up relationships within their practice in order to make outcomes easier to achieve
- A system based on co-location and service integration may bring significant benefits
- Those arguably most in need don’t always have positive relationships with public agencies

5.3.24 Needs Area 1 described the importance of personal guidance for access to leisure, and as a means to help people thrive, and that those that suffer from health inequalities are least likely to participate in LLPC activities despite the fact that they might help with their health and wellbeing. Linked to this a common finding in the research was the importance of beneficial relationships in order to help people thrive in life, and particularly to support them through challenging periods in their lives.

5.3.25 People who are experiencing long term challenges are often either ‘off the radar’ of LLPC (isolated elderly, carers, those ‘parked’ on long-term income benefits) or end up in repeated interactions with other services (GPs, hospital, schools, police). GPs are struggling with short appointment times that limit their ability to deal with health problems which demand social solutions and supportive (but dependence-free) relationships. It is estimated nationally, that 20% of patients consult their GPs for problems which are primarily social in nature, and that a large proportion of their health outcomes are a result of social and economic determinants of health. In addition services, such as IAPT³, intended to support mental wellbeing are struggling to keep up with demand.

5.3.26 Police and schools are trying to manage and respond to behavioural issues such as Anti-Social Behaviour (“ASB”), that need deep engagement with local families- a significant proportion of ASB in Wirral starts before the age of criminal responsibility. However those families are often struggling with

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³ Improving Access to Psychological Therapies, the NHS programme started in 2008
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multiple challenges and can lack the necessary aspiration, capability or role models to support their young people through periods when they are most vulnerable.

5.3.27 The DWP (“Department of Work and Pensions”) is anticipating that many of the ‘forgotten' unemployed on long-term benefits, in areas such as Birkenhead, will need new kinds of support when the changes to Universal Credit are rolled out across Wirral in November. They voice concerns that with a reducing number of Job Centres across Wirral the resulting increase in support needs won’t be met with sufficient resource, and will result in high transport costs as a result of having to travel further afield for the regular check-ins that the new Universal Credit changes will bring in.

‘Relationships are the forum for change to take place’

5.3.28 External research shows the importance of beneficial relationships in helping people to thrive. Authentic and supportive relationships help people to build social capital, drawing on the resources that flow through networks of relationships such as knowledge, advice, information, goodwill, help, emotional support, goods and services. Whether those relationships come through family, peers, mentors, or authentic relationships with staff in organisations does not matter – what matters is that they are there and can be nurtured.

5.3.29 Research also shows that the provision of information such as public health campaigns rarely results in people forming helpful new habits and behaviours in the absence of additional supporting and enabling activity. If Wirral is to improve outcomes and drive down the use of intervention services (and increase use of LLPC services equitably) then one of the routes towards enabling participation will be through beneficial relationships.

5.3.30 The local GPs interviewed during our research reflected that any kind of positive, therapeutic, social relationship may well help patients to make improvements more quickly than a 9 month wait for an over-subscribed IAPT (“Improving Access to Psychological Therapies”) service.

Reciprocal relationships are better still

5.3.31 If those beneficial relationships are reciprocal this is all the better. Reciprocal relationships involve each party contributing to the relationship, and placing some reliance on the other. Research shows that reciprocal relationships help people to maintain positive self-regard and that being able to make positive contributions to others is critical for people to flourish.

5.3.32 The research in Wirral showed that there is a reluctance to engage in some forms of support – whether the isolated elderly, of those in food poverty – as a result of perceived lack of reciprocity. Support can feel too much like hand-outs: an humiliating reliance on charity. Service designs that feature relationships at the heart of them need to build in reciprocity where they can. Good examples are summarised in Appendix L and include: The Good Gym, Unseen Tours, and Casserole.

5.3.33 The Community Connectors programme probably has the potential to play an important role in achieving this. Orchard Surgery in Wirral South, for example, has just started trialling more integrated used of Community Connectors and though only live for a few weeks, the trial is already considered to be yielding results.

5.3.34 Some professionals such as GPs, also feel they have lost the benefit of professional relationships with other disciplines within their workplace as these have been squeezed out by increasing centralisation and specialisation. Connecting patients to other forms of support is more difficult now than it used to be and there is support and interest for co-located and integrated models of service delivery within GP
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practices through models such as a social prescribing. GP surgeries function as businesses so there would be a need to explore how best to co-locate for mutual benefit, perhaps linking into the two primary care federations in Wirral.

Proportionate Universalism

5.3.35 Marmot introduced the concept of proportionate universalism through his health equalities research. His work found that targeted services for those most in need were unlikely to yield sufficient results. Instead he advocates for a system of universal services, that have inbuilt proportionality. All have access to the same services: it’s just that some get more because they need more, or have access especially facilitated.

5.3.36 This fits with findings from this research on how people aspire to connect to services such as those provided by LLPC. Those who can be considered to have particular or additional needs share the universal desire for their needs to be met in ways which still make them feel like everyday members of society. Families in crisis don’t want to be channelled into services for troubled families, for example; food bank recipients feel discomfort at having to seek food hand-outs; those who have a disability and those who act as carers want to participate in society through meaningful employment, good health and access to mainstream leisure pursuits, not to be diverted exclusively into ‘disability sports’ or activities.

5.3.37 This gives much pause for thought around when and why ‘targeted’ services become separate. The language of ‘targeting’, ‘referral’, and ‘needs’ are all defined by people’s deficits, yet people mostly want to feel normal and included in the mainstream. Clearly there are times and circumstances where a specific facility and specialised forms of support are needed – such as stroke rehabilitation, or cancer support. Even within these there are initiatives to normalise these services, such as Maggie’s Places for cancer support which create normal homely environments that set themselves apart from the clinical nature of hospitals (there is a currently a trial of a pop-up Maggie’s Place in Clatterbridge hospital.)

5.3.38 When thinking about services the implication is a need to realise the concept of universal provision by enabling all to access service, regardless of starting position, rather than to design a specific service in order to manage a deficit. For example, a focus on connection to employer networks instead of (or in addition to) automatic benefit support, or providing curated library collections for areas where there are lower literacy levels than average.

5.3.39 During the research there were clear signs that the system of provision of social support would benefit from a radical rethink, and not just a cosmetic re-packaging. This has implications for the LLPC portfolio of services – not only with regard to how provision could meet these needs but also for the use of buildings in communities and how they relate to other services to create more joined-up approaches in place-based models of support. All of this gives rise to further implications about choices of business model and the access they afford to resources, freedoms and flexibilities.
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**Needs Area 3: The need for equal voice (being heard and having influence) and agency (being able to determine one’s own future)**

5.3.40 Key points summary for Needs Area 3:

- Helping people to grow and access services is not enough on its own.
- There are a number of areas within Wirral in which people feel they lack voice and agency and have poor life prospects, particularly Birkenhead, New Ferry, Town Lane and Eastham.
- Surveys in Wirral show that generally people don’t feel sufficiently consulted or engaged in civic decisions (though current strategies are already seeking to address this).
- Expanding the Asset Based Development approach currently delivered through the Constituency Connectors can help to give people agency.
- Additionally the LLPC portfolio can be used to support this through the use of libraries or other buildings as community hubs, giving over areas of maintained land for community use, and giving more voice to communities for place-based decision making.

5.3.41 The research shows that many of those in deprived areas feel they lack a voice and agency to influence their circumstances. This sense contributes to feeling bleak about life and impacts residents' chances of success. They become less inclined to engage with support, falling into a downward spiral. Many feel forgotten and left behind. These include those in Birkenhead’s Rivers Streets, New Ferry, Town Lane estates and Eastham estates where residents feel there has been no significant change to employment prospects since the collapse of former industries and that new employers coming to the area – such as call centres – offer poor prospects for job progression or coming off in-work benefits.

5.3.42 The work of the Constituency Managers appears to be a useful route to accessing local assets and helping to enable community organising at a grass roots level. Some areas and groups are more mature than others and so need different levels of capacity building (Greasby and Irby, or West Kirby compared with Moreton or New Ferry for example.) Buildings and places, such as community centres and libraries are considered vital homes for such community organising.

**Needs Area 4: Hyper-local delivery versus rationalisation and centralisation**

5.3.43 Key points summary:

- There is a tension between local provision as opposed to rationalisation or centralisation.
- Centralisation and rationalisation are seen as routes to improving an offering and developing centres of excellence.
- Localised services are considered essential, in particular those that help achieve immediate, everyday social outcomes – such as providing places and activities for the isolated elderly, young people on the edge of ASB, those on benefits who need to check in regularly.
- There is also a strong sense of pride and local identity across constituencies, wards, estates and streets. This can engender support but can also give rise to a tribal or isolationist approach.

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4 Very close to where people live, in terms of physical distance, or time to get there.
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- Services which are essentially relational in nature (libraries or employment enablement for example) need to remain hyper-local, however these could be delivered differently with flexible building use patterns if cost savings or efficiencies are required.

- There are other services which people are willing to travel for – such as the Hive, archive services, or those services which are used rarely by any one individual.

- Transport was regularly mentioned as a barrier, particularly in Wallasey – sufficient connectivity and affordability is key to accessing services.

5.3.44 A challenge for the LLPC portfolio is not just deciding what services are required but also where best to deliver them. For largely historical reasons (a merger of four separate local authorities into one), there are more Council premises and services in Wirral than might be expected for a Borough of its size. This creates a confusing starting point to looking at where services need to be accessed.

5.3.45 The research found that there is a tension between local provision and rationalisation, or centralisation. It was common for those interviewed to feel that for a small area there were too many civic buildings and provision (and in particular many separate civic buildings) and that some degree of rationalisation could result in better all-round provision. The Hive was cited several times as example of provision that was enabled by pooling budgets (and attracting external funding), and had resulted in a better offer, more suited to the needs of today. To date the Hive seems to be succeeding in attracting young people from across Wirral to use the facilities, with a rapid growth in membership and usage.

5.3.46 Some arguments for rationalisation and centralisation relate to Wirral’s role and responsibilities as a part of the wider Liverpool City Region. We have heard during interviews of some services that could arguably be improved if provided at regional level (e.g. Domestic Violence support or stroke rehabilitation). By pooling resources and expertise, such a service becomes more sustainable but entails a commitment to residents outside the Borough as well as inside.

5.3.47 It makes sense for some strategic positioning to be on a wider scale than simply within the peninsula. The choice here would be to either differentiate Wirral's focus from those of neighbouring 'competitors' or deliberately to complement those offerings – in both cases, drawing interest from other localities whose interests aren’t met locally. This particularly holds true for areas in which Wirral is seeking to become a hub, Centre of Excellence or similar, which would require attracting inward investment and participation as well as ‘domestic’.

5.3.48 In other instances localised services are also considered essential – for example Gautby Road Youth Club where the staff live locally and have been able to have real influence over young people’s choices in life, or Pensby library in Wirral West that acts an important location for the isolated elderly. The earlier theme discussed the importance of beneficial relationships as a source of good social outcomes and these types of relationships need to be locally placed.

5.3.49 Some hyper-localism is born out of strong identities being forged within local areas. People generally feel a strong sense of pride, loyalty and association with the particular area that they live in and are less willing to travel outside of their locality to access services and facilities or spend their leisure time in other areas of the Borough. This was a frequent theme in our interviews and workshops, and it may give rise to high levels of duplication resulting in footfall (service users, customers, visitors) being spread between comparable sites for the same activity, ultimately contributing to the fact that some facilities and services are under-used and some may become unsustainable.
5.3.50 A number of other consequences arise in full or in part from the hyper-local approach:

- Natural and historical assets and other unique places of interest are not as well-known across the Borough as they could be;

- Individual initiatives, activities and services do not always scale easily outside their initial location (perhaps more true of community-led activities than Council-led), or lose impact by being duplicated exactly (and often unnecessarily) in an effort to achieve ‘fairness’;

- Money and resource spent on ensuring ‘universal’ provision of a service in a multiplicity of sites, each serving a small geographic base (for example, golf courses) results in being less available to provide specialist or ‘targeted’ provision in areas where needs, wants or market conditions would naturally expect or require it, particularly pertinent in competitive markets such as leisure gyms.

5.3.51 As such, changes in provision and service design need simultaneously to benefit from intelligent rationalisation - enabling local access and provision by taking new approaches to delivery, and centralisation where a much stronger offer can be created, and for which people are able and willing to travel.

5.3.52 There were many examples across the constituencies of local and hyper-local activities delivered by passionate individuals, volunteer groups, faith groups, community centres, and the third sector. These could be harnessed (and supported) to much greater effect, with the Council playing a lesser or greater role in co-ordination as necessary.

**Needs Area 5: Beauty as a public asset**

5.3.53 Key points summary

- Beauty and dilapidation in Wirral were significant and complementary themes in our research

- Investment in beauty brings about social and economic returns, including improving health and wellbeing, attracting employers and specific sectors, improving community cohesion and reducing ASB, and attracting tourists

- As such beauty – in both built and natural environments - can be thought of as a competitive advantage

- There is an overlooked aspect of beauty which is the meaning that is attributed by communities to the buildings, spaces and services around them – and which creates place attachment

- Strong place attachment results in better communities; conversely weak place attachment can result in ‘non-places’

- Authenticity and place attachment can be important to attract tourists and keep them coming back

- Participatory models of design, planning and use should be employed in order to create places that communities find beautiful, will use and benefit from.

5.3.54 Civic and natural beauty was a recurring and significant theme in our research.

5.3.55 Arguing for beauty at a time of an entrenched fiscal squeeze could feel like a frivolous requirement, but in fact research shows that beauty is an overlooked generator of a range of social and financial outcomes, including successful regeneration, and need not be costly.
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5.3.56 The LLPC portfolio (and wider council) are significant contributors towards Wirral’s beauty and appeal due to the scale and breadth of this portfolio.

5.3.57 Beauty in this context can be defined as a quality that attracts people to use places, makes them feel good about the place and space they are within, and as such facilitates the purpose of a place. It uplifts spiritually and emotionally, those who experience it, bringing wellbeing, and heightening the positive effects delivered in that context.

5.3.58 Beautiful or, conversely, run-down public buildings (and infrastructure such as roads) in Wirral were a reoccurring theme in our research. Some buildings were loved and used despite their appearance but there were suggestions that enhancing them could do more to support income generation (West Kirby Concourse or New Ferry Football Club, for example). For other buildings and services their appearance was described as a factor in lack of use (Beechwood leisure centre among others), newer facilities such as the Hive being seen in a positive light having combined a strong offer within an appealing design.

5.3.59 Beauty as a concept is perhaps more instinctively understood in our parks and countryside and in Wirral these are hugely valued spaces. The deep budget challenges in this department mean that some parks and spaces feel more run down, resulting in fewer people using them or feeling less confident to use them in some instances, bringing about a real need to find other ways to support park improvements and maintenance. In other instances the park or area of countryside is already well used and considered attractive but it was felt that there are missed opportunities to capitalise on these assets. In some areas, the local community, charities or Friends’ groups are already taking ownership of the appearance of assets such as parks, and there is undoubtedly scope for more of this type of activity.

Beauty generates value

5.3.60 All stakeholders value beauty, whether for residents, business and or organisations, or tourists, and many are prepared to pay for it directly or indirectly. Research by Gallup, CABE, Repubica, the Woodland Trust and a range of others show:

1. Health and Wellbeing – Beauty in places is associated with physical and mental wellbeing and positive self-esteem; in contrast ugliness in places is associated with depression. Natural beauty has been shown to reduce stress and promote wellbeing, active lifestyles, reduce obesity, and reduce isolation.

   The green space need not be grand - positive associations have been found simply with roadside trees and vegetation. Such is the appeal of natural beauty that attractive parks and green spaces are named the most frequently as the factor that would encourage people to kick-start a healthy
lifestyle. Closeness to green space is an important factor – the Woodland Trust found that when green space can be accessed within a 6 minute walk people are more likely to rate their health as ‘good’ or ‘very good’.

This is relevant to Wirral as there are communities whose residents are a significant way off achieving good health. Investment in beautiful spaces and places – built and green - as well as supported use is key. It also suggests that rather than investment being concentrated in parks, freeing up space so that everyone has an attractive space to use that is less than a (safe and appealing) 6 minute walk away would benefit many stakeholders.

2. **Attraction of employers and economic gains** – Research conducted by Richard Florida and Gallup showed that places with strong aesthetic qualities were the most important factor in attracting skilled workers (particularly in the creative sector) and deciding where to live. Important factors included culture, walkable neighbourhoods, parks and green spaces.

Improving public spaces within town centres has been shown to increase commercial trading by up to 40% as well as to attract investment. Businesses plans for locations often include evaluating quality of life for employees; units with attractive surroundings attract higher levels of rent; and in research small businesses rated parks and open spaces as their primary factor when deciding where to relocate; hotels are able to charge a premium for attractive views. In fact beauty and tourism go hand in hand – in the United States the Denver Parks systems contributed $18m (2009) to tourism. The 2015 Green Capital Committee report to Government set out a strong case for investment as a result of potential economic returns. As such beauty, through the LLPC portfolio – and wider (such as green walkways and built environment), can be thought of as a competitive strategy and relevant for Wirral as it seeks to grow its economy, attract sustainable employers – including the creative sector.

3. **Community** – Beautiful places can create community cohesion, stronger social networks, greater levels of social capital and increased community satisfaction. The evidence shows that well-designed areas instil pride in the community and result in a reduction of ASB and increase in areas being better maintained. In turn this boosts people’s outlook on their community.

These are all factors that surveys in Wirral show are important to address. The police and education professionals also cite ASB as their number one problem that eats into resources and that they’d like to resolve.

**Attachment to place**

5.3.61 What people find beautiful will be different for different spaces, places, purposes, and cultures. This is an important factor in considering models for managing the LLPC portfolio and enacting any future changes. There is one aspect related to the sense of beautiful places that is overlooked at peril – attachment to place.

5.3.62 There are 3 major components of places:

a. Physical form
b. Activity that takes place there
c. Meaning
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5.3.63 In general, more time and planning are given to the first two of these components and planners are often surprised at the strength of community feeling that results from overlooking the meaning that places have for people. Meaning relates to perception and psychological aspects – the emotional sense of place, which in turn creates attachment to place. Planners need to avoid removing or minimising characteristics that are meaningful to people. The libraries and parks in particular generate strong attachment to place, but we have also heard about particular buildings which provide the right kind of space at the heart of a community.

Participatory planning and place-making

5.3.64 Consequently participatory models such as community place-making, rather than top-down imposition of design, are essential if buildings are to be adopted and used by communities. This includes approaching difficult choices around the repurposing of buildings.

5.3.65 Participatory approaches are a ‘win-win’ situation as often there are a range of quicker and cost-effective solutions that can be employed to change the feel, purpose and use of an environment. In fact the place-making movement emerging nationally employs a method called LQC – Lighter, Quicker, Cheaper – in which communities are empowered to introduce a range of immediate and tangible improvements – such as seating, public art, community gardens, murals, outdoor cafes. This quickly changes the feel of a place and mobilises the community to work together and volunteer in other areas. Research has found that even micro adjustments can be cited as important in reducing local crime and vandalism. Wirral has already benefitted from hackathons, ideas festivals and the like, and is well-placed to make use of such participatory approaches.

5.4 Needs of stakeholders as contributors

5.4.1 In section 5.2.6 above it is recognised that existing Wirral residents and committees are not the only stakeholders whose needs can be met - in whole or in part - by the operation of the LLPC portfolio. Not only must other stakeholders be taken into account, but also it must be recognised that the changes in those stakeholders’ positions in turn affect the needs of Wirral residents and others that LLPC is focussed on. The following sections consider these stakeholders.

5.4.2 Wirral’s growth strategy includes a 5 year action plan comprising business support, transport, housing and planning considerations, including regeneration, and this will undoubtedly generate benefit. It will also have an impact on the needs profile of the Borough. For example, the strategic intent to change the nature of the A41 corridor from being largely industrial to being more residential will have an effect on the user base of services provided by the Portfolio in those areas.

Environment

5.4.3 In addition to being a key enabler of wellbeing and health outcomes for residents and visitors, the environment is a stakeholder in its own right. Affected by human activity it may grow, develop and thrive in the 3Cs framework (see 5.2.9) in similar ways to those described for Wirral residents. There is a layer of this stewardship function that is subject to statutory regulation and the law, demanding service quality and standards in operation or maintenance of open spaces and other environmental assets which must be adhered to. However this recognition of the environment as a stakeholder goes significantly beyond that.
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Business and Employers

5.4.4 Detailed attention has been paid in the Council’s Growth Plan for businesses, especially SMEs and Start-Ups, and there is an intention to provide access to skills, affordable premises, softer regulatory environments around short leases and pop-up premises for smaller concerns, for example. An approach linking new and emerging businesses directly into communities, such as providing skills and apprenticeship opportunities, will contribute to ‘provision’ landscape when it comes to addressing needs.

5.4.5 We note there are three particular needs arising from business growth plans, which could be supported from within the Portfolio:

- An SME incubator space – of necessity this will need to be low cost and with good transport links.
- A better and more co-ordinated capacity to attract events (of all kinds – music, arts, leisure, corporate) into the Wirral. The building assets within the Portfolio – if co-ordinated well, and provided with a single point of access for event enquiries – could help to support this need.
- The need to create an appropriate and pleasing LLPC environment for incoming employers.

5.4.6 Within this third element business growth has some specific aspects in which LLPC can help:

a) The need to attract a diverse base of employers, particularly those willing to invest in skills development and secure employment contracts
b) Employers need access to skilled staff that are keen to stay and work in the Wirral
c) Specific fields such as the creative sector have specific needs in order to be attracted to the area

Council Needs

5.4.7 Wirral Borough Council has well-defined strategies for development, growth and improvement. These strategies revolve around the 2020 Plan, with some looking farther ahead. Most are underpinned by the Council’s 20 Pledges, which we have continually referred to during our research. A strong theme running through the strategic vision is that of strengthening (reviving) the visitor economy, for which there is seen to be enormous potential, but which has been impacted in recent years, in part due to the investment ‘over the water’ in Liverpool One, and a reduced focus on tourist services.

5.4.8 If Wirral is to optimise its potential for a vibrant and strong tourism and visitor economy it is necessary to think about local assets (built, natural and tacit) as a stakeholder group in themselves. This allows business plans and budget allocation to place enough value on maintaining and preserving these assets, many of which are fundamental to the service provision opportunities we discuss below, as well as to a vibrant and sustainable visitor economy. Such thinking also lays the foundations for proper consideration of the elements of the Portfolio’s activities that are crucial to support service provision but highly unlikely to generate large amounts of income, and may well need to subsidised, even under a revised operating model. Some of these needs (maintaining public green (and blue) spaces as well as protecting areas such as Sites of Special Scientific interest (“SSSIs”), Ramsar sites\(^5\), Areas of Outstanding Natural Beauty (“AONBs”), etc) can also be listed as statutory duties, or at the very least duties of care.

\(^5\) Wetlands of international importance designated under the Ramsar Convention (www.ramsar.org)
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Tourism

5.4.9 With the growth in tourism such a key part of delivering the economic growth and additional employment that Wirral needs, it is essential that LLPC plays its part in delivering the tourism offer. The focus needs to be on

- an approach that meets visitors’ needs by recognising that their experience is key to their visiting and taking up services offered – first impressions count
- the ‘customer journey’ needs to be delivered and managed such that people visit, but then move through and enjoy multiple experiences whilst at a single venue, and also visit and travel through multiple venues or attractions;
- excellent signposting, and visit planning capability to enable visitors to find facilities and plan wider-ranging experiences;
- supporting services, such as catering, accommodation and merchandising that enhance the experience.

5.5 Opportunities: siting and delivery of services

5.5.1 The findings in Section 5.3 point to a number of opportunities to improve outcomes for stakeholders – as set out in Section 5.2, from improvement in wellbeing, to improving the economy, to growing the tourist offering.

It also finds that there are opportunities to save money and attract income through a range of means from co-location through to taking a more enterprising approach to the delivery of services and using proceeds to cross-fund the portfolio. Consequently there are also implied cultural and operational demands in order to capitalise on those opportunities – such as integrated service offerings, cross-ticketing, and giving over council-maintained land for community use. These are talked through in more detail at the end of this section.

There is one strong and clear theme in the research that joins these opportunities together: collaborative delivery models. These opportunities do not consist of small-scale piecemeal change but rather demand a significant evolution in the current delivery model for services.

This section sets out:

- The findings that point to collaborative delivery models (section 5.5)
- How those collaborative models could be delivered and the fit of the LLPC portfolio within those (5.5.4)
- And then describes the principle means that those opportunities can either save or draw in income to improve the financial position (5.5.14)

5.5.2 Collaborative delivery models and participation

The striking central theme in the research is the need for new collaborative models bringing together stakeholders who have an interest in improving outcomes for Wirral, whether those outcomes are socially focused on improved mental wellbeing or creating a stronger tourist offering. Clearly there is already much partnership based activity happening that is led by the Council, however this opportunity
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includes, but goes beyond, project-based partnership, new initiatives and co-location into whole place approaches. As such this has implications for the way in which services are located and delivered at a central and local level.

With whole place collaborative approaches, the area may be positioned to benefit from Central Government support as part of the devolution and localism programmes.

The theme of collaborative and integrated approaches to achieving models is not unique to Wirral but can be seen nationally in the growth of place-based approaches to enabling health and wellbeing, greater levels of participation, as well as regeneration and economic growth. The research found that the opportunity for collaborative delivery models is relevant for a number of areas:

a) **Collaborative action and community wellbeing** – the opportunity for wider partnerships and co-productive methods to help ensure the growth of individual and community health and wider use of the LLPC portfolio

b) **Combined LLPC Delivery Model** – where there is a growing trend for more joined-up cultural offers, creating appealing spaces that venture outside of traditional portfolio boundaries and consequently attract increased use, visitors, and spending

c) **Revitalisation and regeneration** – the use of the cultural portfolio and countryside to create offers which attract target sectors, employees, organisations, as well as to enable socially oriented approaches to issues such as homelessness

d) **Visitor economy** – Wirral's many cultural and heritage assets and a revitalised LLPC portfolio could be used to grow the visitor economy through the creation of a stronger offer in partnership with others

e) **Sharing economy** – by collaborating with its citizens, charities, social enterprises and businesses, Wirral has the opportunity to unlock more time, skills, resources and opportunities and spaces, from peer to peer support to creating employment networks

Each is discussed further below.

5.5.3 Collaborative action and community wellbeing

This opportunity is seen primarily, but not exclusively, at a local level within neighbourhoods, where there is an opportunity for the council to act as an enabler (rather than the main deliverer) in place- and people-based approaches to community wellbeing. In summary this involves:

- A different approach to the use of physical assets (buildings and spaces) through co-location of traditionally separate civic buildings, such as GPs, libraries and social enterprises, giving over some maintained land for community use;

- Joined-up approaches to wellbeing through integrated services by partnering with those co-located in shared spaces, using models such as social prescribing and Community Connectors (a Wirral Public Health programme);

- Using these re-energised places to enable greater levels of aspiration and achievement of goals;

- Achieving this through people- and place-based approaches to development (rather than service-led). This goes beyond consultation and into co-production, and demands a mind-set shift from ‘services delivered to’, towards ‘services delivered with’. This means resourcing capacity and
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relationship building and viewing places in their entirety (rather than through a lens of service portfolios);

- Whilst primarily local, these approaches could also be applied to the development of central places and spaces to ensure a balance of top down and bottom up;

- External research and trends support these findings -

One of the greatest opportunities presented is for changing the way in which we approach wellbeing of those in communities and of the communities overall. LLPC plays a vital role as part of this picture, but could do much more with an integrated approach, and would benefit in the form of a wider potential market in which to operate, and greater access to resources of all kinds.

External research and trends

This fits with national thinking where there a number of significant areas of work:

DCMS’s Culture White Paper and LGA’s People, Culture, Place: the role of culture in place-making, set out that ‘major change is underway as councils seek to transform the provision of cultural activity, working closely with their communities and partners. Against a backdrop of reduced funding, councils are taking a strong lead on activities that reach beyond their traditional role as cultural service providers. The Culture White Paper called for “more local leaders to grasp the potential of culture to achieve their vision for their community, and to put culture at the forefront of their strategies”. Councils are rising to this challenge by leading place-making efforts and finding innovative ways that use cultural activity to deliver key outcomes around: tackling disadvantage and social isolation, raising levels of aspiration and educational attainment, local economic growth, job creation and training, creating stronger, more cohesive communities, improving people’s health and wellbeing.

The Culture White Paper sets out 3 areas of impact:

a. Intrinsic value of culture in and of itself
b. Social value though improving health and attainment
c. Economic value through economic growth and job creation

It also states that the government’s devolution agenda in England will empower more local people to shape the future of their communities and wants to see cultural institutions, funders, in public, private, charitable sectors to work together to greater effect – as leaders such as Liverpool, Manchester and the Tees Valley are already doing. It reports that the Libraries Taskforce also shares this wider vision.

In setting out how cultural interventions can affect health and care outcomes, physical and mental health, the report calls upon commissioners such as CCGs and Local Authorities to move to a position where they are evidencing such interviews and where the relationship between commissioners and the cultural sector is much more collaborative.6

6 Manchester’s devolution model is re-orienting around place-based models to promote health and wellbeing. The Isle of Wight government has drawn together a number of services into one system- ‘My life, A full life’.

The King’s Fund is also advocating for organisations to work together in place-based systems of care, which means ‘organisations collaborating to manage the common resources available to them’ in whole-system intervention. The organisation quotes Atul Gawande who argued that ‘we are living in the century of the system in which individuals and organisations cannot solve the problems facing today’s society on their own, instead designing new ways in which individuals can work together in teams and across systems to make best use of collective skills and knowledge.’ With the evidence suggesting that ‘it is clinical and service integration that really matters, not organisational integration.'
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Within Wirral the four LLPC areas collectively make up significant numbers of public places in Wirral and therefore have the potential for great impact.

In addition the growth of digital technologies now offers new platforms, data sources and approaches to enable new models of delivery.

a) Sharing spaces and actions

The research identifies the need and opportunity for a range of stakeholders to share spaces, actions and responsibility for local outcomes that improve wellbeing of individuals in communities, which would harmonise with ABCD and Community Connector approaches. Stakeholders include; GPs, community organisations, voluntary groups, residents, local business, libraries, employment support services, and community leisure initiatives. Physically it means each of these partners co-locating, co-developing and shaping community hubs, and the initiatives within those, to take a predominantly social approach to helping others achieve and maintain wellbeing and social participation.

It is possible to adopt some of the behaviours and activities here without fully applying a community hub model, but it is more difficult, and likely to be more expensive, to achieve outcomes. Retaining and developing from that change is likely to be harder too, with a tendency for improvements to fall away.

Which buildings are used as hubs would of course differ from area to area. They may or may not be civic buildings, and could be a community centre, church building, a GP surgery or purpose-built. A pre-condition is that for local areas in particular the hubs need to be ‘owned’ by the community (and the partners).

Locally responsive and co-created - Each local hub would need to be responsive to local needs but might include; social prescribing, community gardening, job readiness, skills development, a curated library offer, social enterprise incubation, community kitchens, and similar. It is clear from the research that people value libraries and GPs for being welcoming and neutral places, and that these hubs would need to embody the same values.

All of these activities, in particular social prescribing, have been delivered in other areas and examples are discussed in the case studies in Appendix L.

Aspirational and comfortable places - These hubs must not feel like drab civic buildings where ‘services’ are delivered. They need to foster the spirit of co-production rather than feeling paternalistic. They need to be ‘porous places of possibility’ in what they can do and how they feel - which has implications for the design and facilities, but also the ambition.

Using parks and green spaces to enable wellbeing - Parks and green spaces based in local communities could benefit from place-based models of co-development with some dedicated space given over to enable the hub’s activities, such as community gardening and growing, as well as to play...
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and enjoyment, and some aspects of maintenance supported by hub-based volunteering programmes.\(^8\)

Some areas of parks as well as verges and patches of land could be given over to communities to look after. Allotments are oversubscribed in Wirral showing there is great demand for them. Community gardens play an important role in getting communities active, in social prescribing and in supporting mental health. Beechwood, an area which seems ripe for a hub-based model of delivery, seems to have demand for allotments – it is surrounded by verges and open spaces that could be given over to community growing.

Capacity building

At the heart of this approach is building capacity amongst individuals so that they are able to take as much charge over their overall wellbeing as they can, whether physical or mental health, employment and income, or participation. There is also a role for these stakeholders to join together to influence macro conditions, for example – working with employers in the area to influence the nature of employment contracts.

There are several organisations in each constituency who are already making steps towards these types of approaches – albeit without the full integration of services. Orchard Surgery in South Wirral is trialling the Community Connectors programme to help respond to patients’ broader social needs. Whilst in its infancy the approach is already yielding results for them. The surgery is part of Primary Care Wirral, a GP federation in Wirral. There is a sense amongst this network that the system needs major change and is shifting in the direction of social models, in line with a general national trend.

Place-based approaches - There are many community centres, faith groups, sports clubs, and others who are taking place-based approaches to meeting community needs in each of the constituencies, who could be partnered with (for example, Beechwood Community Trust, Eastham community centre, New Ferry Football club, and many more). This thinking complements and builds upon the hub models already being considered by the library portfolio.

Smaller hubs would need to be locally driven. In some places the first step may be co-location, in other areas a number of complementary services are already co-located (such as West Kirby Concourse) and the next step would be to make improvements in order to enable a collective approach.

The advantage of whole place approaches is that participants can jointly bid for a wide range of funds and seek commissioning for services such as employability and health support. Currently services such as the libraries are enabling some aspects of employment support (IT for job searches), but not enough to be commissionable.

Other locations for informal or pop-up hubs are places that sociologist Ray Oldenburg calls ‘third places’ – cafes, schools, pubs, care homes. Places the community is fond of that could host activities.

\(^8\) A university of Missouri study showed that neighbourhoods with a community garden are more socially stable than those without. Those with community gardens only lose 6% of their population compared to 13% from those without community gardens. Liscard and some other areas in Wallasey have a more transient population and less integrated community than others. Maintained land could be given over to these more fragile communities to help anchor and integrate new residents. Enabling community gardens would confer other social outcomes – the Human Development project in Chicago studied the impact of collective efficacy – through initiatives like community gardens – and found that these stimulated shared expectations and cohesion and result in reduced rates of violence and physical and social disorder.
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The GPs interviewed felt that these kinds of places could be used to much greater effect together with mobile and peer to peer approaches.

5.5.4 Collaborative LLPC delivery models

Here the collaboration is between the whole LLPC portfolio working as one to reach, engage and co-deliver outcomes for Wirral residents and others. They are more effective and more cost-effective.

Sport England research asserts that it is difficult to fund solo delivery places sustainably. Consumer research shows that people want experiences rather than services, and this trend has been growing for some time. For provision this means creating more imaginative blended offerings that are right for the local, national and international markets.

Examining a number of other case studies it is clear that there is also scope to consider blended cultural offerings in shared spaces for central and perhaps main offers. For example blending library, performance, eating and drinking, bookshops and other forms of leisure that cut across public, private and social spheres.

There are notable examples in the UK and internationally:

- The Chester Storyhouse which houses a theatre, a boutique cinema, arts centre, a restaurant and 2 bars. In its first month of opening it issued over 1000 new library cards.
- The Beany House of Art and Knowledge in Canterbury which is housed in a listed building, has recently been renovated to house the library, museum and art gallery.
- Ler Devagar (Portuguese for ‘Read Slowly’) in Lisbon, is housed in a converted factory and features a huge book store, art gallery, and hosts lectures, concerts and other performances, as well as a weekly Sunday market. It acts as a big tourist draw.
- Aarhus’s (Denmark) new central library has been reconceived as an urban media space that supports transformation of its citizens and includes hubs for fiction, news, music, exhibitions, democracy and community organising.
- Richland Library in South Carolina has been reconceived as the Library as a Studio and features open meeting spaces, space for conferences, classes, rehearsals, outdoor space for children, digital offerings, crafting rooms, a pop-up space, recording studio, and networking centre.

Collaborative approaches help increase visitors to green spaces and models that include enterprise help fundraise to support the upkeep of parks and countryside. For example; Mile End Park, Post Office Square in Boston, Gifts for Parks in Vancouver. It is notable that as well as becoming local assets these places are also becoming tourist destinations in their own right – a strategy that would fit well with Wirral’s rich heritage assets.

Collaborative approaches also harness people’s time and skills, voluntary groups, friends groups, and individuals – supported by models such as Volunteer Makers (Port Sunlight Trust is currently piloting this Arts Council funded initiative), time banking, and not for profit partnership models.
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5.5.5 Collaborative action in revitalisation and regeneration

It is clear that the LLPC portfolio can play an important role in the revitalisation and regeneration of Wirral.

It can meet needs for existing residents, and act as a catalyst for further community building. It can create a desirable environment to draw in tourists, and businesses as well, all of which supports job creation and economic regeneration.

Growing visitor numbers - Revitalised central offerings (as described in point b) have the potential to grow their local user base, and attract visitors from further afield. Outdoor spaces can play a role in regeneration through greater collaboration, such as staging of local and national events, hosting social enterprise cafes in parks, and areas of high visitor footfall, all the way through to developing visitor accommodation offers such as Musholm, The Good Hotel, and The Eden Project.

Enable social approaches to regeneration - The Good Hotel model draws one third of its workforce from the local community – people who are unemployed and need skills development – trains them in the hospitality industry before then giving them a 3 month contract providing practical work experience. At the end of the contract the hotel supports staff into the hotel industry through its network of hospitality contacts and is then ready to take on the next set of apprentices. The hotel's food and furniture are all locally sourced and all profits go back into its core social purpose. Initiatives like this could be used to increase footfall to Wirral, improve employment outcomes and prospects locally. Additionally they could be used to create an income for parks and countryside through cross-subsidising – which is an approach taken by Mile End Park, as well as Coin Street Community Builders, both in London.

Unseen Tours is a social enterprise in London, which helps homeless and vulnerable people by getting them working as local tour guides in the area. The guides get to keep 60% of the ticket price and the rest goes to cover running costs. This is a great example of initiatives that have reciprocal relationships at the heart of them, making all parties feel valuable and valued.

House and bring together important sectors and individuals – By providing space and resource to those that contribute towards regeneration, for example spaces for creative start-ups who play a well-documented role in regeneration, spaces for collaboration between sectors (local business and social enterprise), spaces for self-organisation and grass roots action, space for incubation.

Attract employers through a green offer - Parks could work in partnership with the development team to create a green offer for employers. This is not to give up park land for building but rather the location of ‘office’ space near green spaces designed for employee wellbeing. Recently there have been a number of higher profile eco-buildings for charity headquarters and Wirral could attract these types of large firms, that also offer skilled employment, and may well be more likely to partner in a wider sense.

5.5.6 Collaborative approaches to growing the Visitor economy

The visitor economy is clearly an important but currently under-served and growing market for Wirral. This gives the opportunity to create differentiated offers across Wirral for different profiles of visitors.

Research shows that there is a growth in the number of ‘staycations’ in the UK, as well as growth in short breaks, in addition there is a growth in the number of tourists who expect their hosts – such as hotels – to behave in environmentally sustainable ways.
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Wirral is geographically well positioned to capture more of the tourist market and has a sufficient number of other attractions nearby to draw people in. Collaboration with the LLPC portfolio of services and other stakeholders could mean that differentiated tourist offers could be developed, with the portfolio of services benefiting from new forms of income, for example:

a. cultural offers and experiences
b. outdoor holidays
c. the green market
d. breaks for families with additional needs

The LLPC portfolio can develop programmes to improve customer experience and customer journey at three levels:

- single visit
- multi-site over a day, and
- extended stays

This also demands working closely with the Wirral Development Company, those tasked with tourism, social enterprise the LLPC portfolio, the creative and digital communities, and volunteering groups could help accelerate the growth of the visitor economy.

5.5.7 Collaborative approaches to growing the Sharing economy:

Communities across the Wirral have untapped capacity to enhance the meeting of needs that the LLPC portfolio can achieve. Over the last decade sharing models intended to capitalise on this hidden economic and social capacity have been developed in other areas, and offer insights into how the Wirral might develop its own sharing economy strategy in order to support the delivery of services for less. These include:

- Sharing of time – in volunteering, peer to peer support
- Sharing of spaces – ‘meanwhile’ spaces, pop-ups, underutilised spaces, co-occupation
- Sharing of resources – goods, food, money, skills and expertise.

The advantage of this in terms of meeting needs arises at two levels

- Bringing resources to supplement those of the care service provision
- Achieving outcomes by bringing volunteer resource to help, and by the volunteers themselves gaining in wellbeing through finding that they are needed

There are a number of steps that Wirral can take:

- Grow the number of volunteers across the portfolio and redefine their role and the management of the volunteer pool to make them more effective and achieve better outcomes
- Grow the work of the constituency committee managers
- Continue to test and learn from the Community Connectors programme and scale this up
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• Develop social relationships with locally based businesses
• Use local hubs to stimulate and manage this activity
• Allow temporary use of vacant premises for range of initiatives such as start-ups and social enterprise

5.5.8 How collaborative models could be delivered in the LLPC portfolio

The libraries team has developed elements of a new model for the delivery of library services. With large and smaller libraries, some at community level, and some pop-ups and other local outreach facilities, the outline of a multi-level offering, with the larger supporting the smaller, and the smaller reaching into local communities to improve accessibility, is there. Taking that a stage further and at the same time responding to the collaborative outline in 5.5, this structure features a central library, 3 main libraries, and a range of local libraries – some of which stand alone, others sit within blended hub spaces with other organisations (such as One Stop Shops) including being hosted by community centres. Local provision is also enabled by ‘outreach’ provision in the form of pop-ups and other outreach type services that are highly targeted towards the priorities of local areas. An overriding principle here is to separate the service from the building, and to think more flexibly about taking the service to the places where local people naturally go, or to which they would like to go.

This would respond to our research findings, principally:
• The needs of stakeholders in the community for improved outcomes
• The growing trend of combined cultural offers
• The need for collaborative and place-based delivery models

There are many elements in the proposed libraries structure that could be adapted and applied to the LLPC portfolio more generally. There are four elements are particularly pertinent:

a. The hub concept – which could be applied from central to local delivery
b. Separating the service from the building – sharing spaces
c. Taking a people- and place-based approach - differentiation of services
d. Different scales of delivery – enabling central and hyper-local approaches

Hubs, as a means of enabling collaborative delivery models, are likely to foster people- and place-making approaches at a local level, the delivery of better services, co-location and associated cost savings, improved tourist offer at a central level, attraction of a greater range of income sources from commissioners, grant funders, the private sector, and other sources.

The potential uses and options are explored in brief below.

5.5.9 The Proposed LLPC Hub Model

In considering this, it is key to separate the existing sites and facilities from the positions and purposes of each element in the model. A leisure centre, for example, whilst providing a wide range of wet and dry facilities, may be a “Central”, or a “Main” or a “Midi”, or even house more than one in terms of community service and outreach.

Under this model there are four levels of offering, each fulfilling a function in relation to the collective offering to Wirral-wide, and local as well as visitor, communities, and each networked with, and
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supporting the others. Each may present one type of LLPC service (tennis courts, green space, or nature conservation, for example) or may contain co-located multiple elements of several or all, with other agencies there too.

The structure is represented in the diagram at Figure 8. Each element is described below, before drawing them together in an expanded diagram at Appendix M.

![Diagram of outline network of hubs]

5.5.10 The Central Hub

The central hub(s) offering services for which people need to be willing to travel, including from afar – such as Liverpool, and the wider region, as well as attracting national and international visitors. The Central hub could be a stand-alone cultural offering, and therefore probably a specialised offering such as a large leisure complex, a specialist climbing wall, or a sports and holiday resort for people with disabilities (see Musholm case study) for example.

These stand-alone LLPC offerings would be blended with aligned experiences that visitors typically seek such as cafes, restaurants, related shops, and the ability to host events to support a cultural calendar. Ideally these aligned experiences would be delivered from a healthy ecology of social enterprise, local small business owners/sole traders, as well as larger businesses, in order to boost the local economy. There is scope for sensitive use of partnerships, values and principles in choosing such participants.

A central hub could also be a blended LLPC offering, for example housing a library, art gallery, cinema, a makers space, a fitness centre, access to gardens or a science attraction. These central hubs could also think more widely and host desk space for creative SMEs, or enable local civic action through provision of space, tools, and networks.

Crucially these spaces would be designed to be accessible to those who are often excluded from cultural offerings: those with different physical norms, those suffering from poor mental health, addiction, low income, unemployment, and homelessness, for example. Better still these central services could fully embrace these groups by going beyond accessibility and recognising the skills and
assets that they could bring to cultural offers – such as the Good Hotel and Unseen Tours described in Appendix L.

All of these examples are being delivered elsewhere as towns and cities re-think their libraries, arts centres, sports centres, and public spaces, such as:

- The Aarhus library - library, urban media space, fiction, news, music, exhibitions), Chester Storyhouse (theatre, library, boutique cinema
- The Word South Shields - library, exhibition space, FabLab and 3D printers, TV and Radio Studio, IT suite, café, roof terrace
- Ler Devagar – very large bookstore, exhibitions, performance, gallery, events, café, weekly market

Some of these are described at Appendix L, highlighting which features of the model they exemplify.

There could be several central hubs with different offerings, which in itself should encourage mobility across the peninsula. Clearly the number of central hubs and the nature of the blended cultural offering should be determined by thorough market research and co-production with Wirral residents. Wirral residents collectively own the local culture, traditions, and understand what is unique and valuable and co-production with them (including re-purposing buildings) will ensure a unique and local offer, rather than one which is imported in from somewhere else and feels like top-down gentrification.

As with the development of the Hive, establishing strong central offers may lead to some specific services being available in fewer locations than at present, but crucially, these are the services for which people are generally willing and able to travel such as family history research, archives or special exhibitions.

### 5.5.11 Main/Locality Hubs

The main or locality hubs provide services and facilities for which people are willing to travel a little further, this includes residents, but also tourists – those who want to experience the local cultures and how they vary across Wirral.

The blended offering found here connects into the central offering but is also firmly community-oriented in its approach, offering facilities and services that are too local for a central offering, but larger (or more specialised) than services that would be found at a neighbourhood level. Examples are; a bigger book collection, a local series of one-off or regular events, a community cinema club, a larger community garden initiative – such as a community orchard, or specific facilities for social enterprise/new business incubation, or where it makes sense to cluster facilities as part of a larger locality offer– for example a commercial grade kitchen for people starting up small businesses and social enterprise around food. Facilities such as these could be multi-purpose to ensure payback – for example they would also enable the hubs (and connected parks) to be rented for events such as weddings, product launches, and company away days, provided that the spaces were attractive and flexible.

A natural benefit of such differentiation is that Centres of Excellence will become established, allowing a greater expertise to develop which can be drawn upon from other locations across the Borough – either in the form of mobile or pop-up services, or in sharing expertise and resources more flexibly.

As such the hub nature could come from the flexible community-led use of space, or (and) it could also co-locate cultural services. This could include sports and leisure co-locating with libraries – there
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are examples of civic buildings that have been developed with this in mind, for example Vodskov Culture and Sports Centre (Denmark), which acts as a library, culture hall, fitness centre, after school centre, and kitchen/dining room, or Hebburn Central (UK) which is a combined library and sports facility, together with a children’s play centre, a café, a digital media and events spaces, and council customer service centre.

There are already well established and valued main offers for libraries and leisure centres across Wirral. Clearly there would need to be a process of local co-production to establish how to make the best of these places and where there are merits in; drawing in other partners/co-location, enhancing the use of space within their existing envelope, enhancing the spaces through more significant works, through to opportunities to start afresh if needed and achievable, and making best use of local resource and time.

5.5.12 Midi- or Neighbourhood Hubs

Enabling participation - The primary role of Neighbourhood hubs is not to deliver specific portfolio services, though they will do this - their primary role is to act as places of connection, aspiration and care: to enable participation. Rather than being centred around a portfolio of facilities they have people and place at the centre of their strategies – creating initiatives, services, or simply spaces that help people to meet their needs, foster a sense of belonging, and enable the community to shape the place that they belong to.

The hubs are geared towards enabling participation, the growth of supportive social networks and enhanced wellbeing within the local community – from residents, to business, to schools. They will be led by local communities through approaches such as Asset Based Community Development.

They embody holistic service delivery - Each geographic area will have different needs but the potential partners for co-location here include: library provision (geared to local needs and connected into other programmes), some form of employment and self-development provision (jobs, growth in jobs, starting businesses and social enterprise), benefits support, GP and wellbeing practice, other allied health professionals, housing, initiatives to support sharing and collective approaches – such as bulk food ordering, sharing tools, community food initiatives, uniform swaps, etc., community sports and leisure, facilities for attracting local businesses (in order to broaden access to employer networks), community gardening, and community cultural initiatives, as well as enablers such as Community Connectors or Link Workers.

The idea is that these partners are not simply co-located but rather they are all inter-connected around the purpose of creating healthy communities and healthy people. GPs will be able to connect patients into community programmes and networks and better prevent and manage long-term health conditions such as depression, diabetes, heart disease, or poor mobility. Hospitals will be able to discharge patients back into a support network for rehabilitation. A social enterprise or community organisation at the centre can develop beneficial relationships with local employers to influence pay and policies, Community Connectors can connect residents into leisure facilities or gardening groups.

They are warm and welcoming places reaching out and encouraging people in - These services intricately involved in addressing underlying social needs are delivered far closer to the neighbourhoods in which people live. They aim to embody the neutrality and sense of a safe place that research shows that people feel when they visit GP surgeries and libraries. Our research suggests a high degree of attachment to some buildings that ‘suit’ the community.
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The hubs may exist in a building that is not traditionally ‘owned’ by one of the LLPC services – such as a library – or indeed by the Council – but will be a building or space which is familiar and feels friendly, safe and comfortable for those who have need of those services, as well as attractive and welcoming to others who are there to do other things. Conversely it may be that there is a much loved council building and facility that is able to grow into a neighbourhood hub. Surrounding green space can be given over to enable community initiatives such as community gardening.

Potential for commissioning and cost sharing - Within this model there is potential for commissioning specific services from employability, to health recovery, the ability to generate income through social enterprise approaches, and share location costs with partners.

Where might this be suitable in Wirral: The creation of vibrant hubs would benefit all residents in Wirral. Areas which would particularly benefit are those where suffer from the greatest social inequalities and need authentic to enable participation and improvement in wellbeing. The recommendation here would be to pilot the approach in a selected number of areas in partnership with GPs and to learn from this before enabling the model to be adopted and adapted by other areas.

This approach is not a panacea but rather a structural backbone. As such it doesn’t preclude having standalone services, such as libraries or leisure centres, in areas where it makes sense to do so and where the services, and buildings are well-used and loved.

5.5.13 Micro - or Hosted hubs

These are the so-called ‘third’ places that naturally lend themselves to pop-up services and include cafes, pubs, care homes, bookshops, schools etc. These can act as centres for outreach activity and mobile work – such as the work of Community Connectors. They are deeply embedded in hyper-local communities, flexible and highly tailored to their setting. We have heard for example about a bookshop in New Brighton, which already engages in community activities.

The diagram below (Figure 10) adds more colour and detail to this concept showing what blend of activities could be available at each of the levels as well as citing case studies or locations that already have blended offerings by way of example. This is shown in larger size at Appendix M, followed by a table with a little more detail on each of the case study examples.
5.5.14 Opportunities for improved financial position

Across the LLPC Portfolio we have heard about some common challenges and areas of opportunity, and some synergies between the separate service areas. These fall into two main groups: income generation challenges and opportunities, which might be addressed by working in a more integrated manner across the Portfolio and with external partners; and cost saving challenges which suggest a need for economies of scale. The opportunities set out in the previous section fall into these two main groups and can be further understood in their financial effects as follows:

5.5.15 Cost savings

A. Co-location and place based delivery - Co-location and integration can happen at local and central levels, the savings of co-location are more likely to arise at a local level where the research shows that there are numerous separate council and public buildings which have potential to co-
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locate. Savings arise from building maintenance and running costs including some shared resourcing. These are new models and while there are strong signs of interest in co-location and service integration for the sake of improved outcomes – for example from GPs and public health, the infrastructure and ring-fenced funding are some way off being able to organise around these new models.

B. Reduced spend through accessing latent assets - building up volunteering capacity, ‘in kind’ contribution from organisations such as use of space, funding and resources swell the availability of time and human engagement, whilst looking differently at sites and facilities, and sharing across the LLPC portfolio and with other agencies enables savings on maintenance of these.

5.5.16 Increasing income

C. Attracting finance and funding – the ability to apply to a wider range of grant and capital funders – particularly for cross-cutting initiatives – the DCMS, Heritage Lottery Fund, Arts Council England, Sport England and others all have programmes of funding running to support the development of culture, arts and sports. Taking a neighbourhood approach to deliver holistic end to end support opens up more commissioning pathways such as from Public Health and DWP for social prescribing, and employability support. It also offers the ability to develop more diverse commissioning and income streams, including private social sector partnerships. This model can be seen in The Bromley by Bow Centre's employability programmes and social enterprise incubation – which is supported by Barclays and by private equity firm, Investec. Having enabled over 60 social enterprises, with have combined turnovers of £5m, Bromley by Bow are now considering models which allow them to make a return on social enterprises that they help set up and ploughing those returns back into the work of the centre.

D. Expanding the addressable market - there is a real opportunity here to increase income through the creation of vibrant spaces and service offerings that attract greater use of services, higher footfall, and increased spend from residents, business and tourists. At a central level this could include, cafes, restaurants, hire out of spaces for events - weddings, product launches, business use, events, tourist offers such as accommodation, and rental income. This increased spend would also generate benefits for the wider Wirral economy as a whole. Customer experience, and customer journey (staying longer, using more, returning) are key here to developing market potential.

Clearly there are a number of critical success factors in terms of culture, skills, operations and structures in order to be in a position to capitalise on these opportunities whilst ensuring strong social outcomes for the communities in Wirral. These success factors are explored in brief in 5.5.17 below.

5.5.17 Opportunities to achieve economies of scale across the Portfolio

The detailed needs analysis in the previous chapter sections points to a number of opportunities in response to the overall objectives of increasing revenue across the portfolio and/or identifying cost savings and therefore reducing LLPC reliance on Council subsidy.

The following table analyses these opportunities in the four broad types of cost saving and income generation described in Section 5.5.15 and 5.5.16 above, and discusses the benefits and outcomes arising from each; the relevance of each to Wirral (in terms of general ‘fit’ with the needs we have
identified); and the enablers or critical success factors that are required to implement each one. Within our discussion of relevance we have highlighted specific examples of where – based on our research – we believe the opportunity would benefit Wirral. Clearly community based research would need to take place before any further decision making - the examples here are illustrative and based on the area needs as we currently understand them. The critical success factors are categorised as Physical or operational; Cultural or behavioural; and Structural, financial or legal.

A. Cost Savings: Co-location and whole place based approaches

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Critical Success Factors and Requirements</th>
<th>Fit with Needs</th>
<th>Wirral locations which could most benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrated Neighbourhood hub and local green parks/spaces</td>
<td>• Attractive and welcoming building in good condition, preferably close to, or capable of being integrated with an entry level fitness or leisure facility, and with spaces or rooms designated for use by community groups, classes, and clubs, attractive co-working spaces, or as public spaces to sit or meet • Shared reception space and appropriate spaces for community connectors • Green space from local parks and public land for community gardening • Location close to those in most need or transport routes</td>
<td>As a universal and welcoming space fits with all needs in the community. Particularly addresses unmet needs – catering for those farthest away from ‘thriving’. Co-location makes services easy to reach, and minimises delays between connecting up services Crucially, the model serves ‘mainstream’ services, but makes them accessible by all, rather than by targeting discrete services into segregated needs groups. Where appropriate, the hub could incorporate a community garden, event space, craft clubs or other activity aimed at using arts and leisure as a service. These could attract volunteers, experts and mentors who both benefit from and contribute by providing expertise.</td>
<td>All constituencies, however there are a number of places that have potential for early adoption and high impact: • Moreton - where several buildings are currently under-used, and regeneration is needed • West Kirby Concourse, which already has groundwork laid through co-located services but the building has potential to support co-delivery • New Ferry - where the Constituency managers are working closely with the community including the football club to develop community facilities, as well as regeneration work following the gas explosion</td>
</tr>
</tbody>
</table>
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<table>
<thead>
<tr>
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</tr>
</thead>
</table>
|             | • Funded/volunteer role to help make connections, navigate systems and services, put social prescribing into practice  
• Resource to co-ordinate non-permanent activities, room bookings, and volunteers, as well as pop-ups in other neighbourhoods and places – such as care homes, cafes, community buildings. | Hubs give conditions that help to build capacity, capabilities and agency in service users, whilst:  
• Rationalising staff costs/extending opening hours with same costs  
• Increasing footfall (potential to capitalise on customer journey)  
• Releasing under-used buildings | • **Liscard or Seacombe** - which suffer from more transient populations and need an anchoring hub to support and root new residents – the library currently does this as best as it can within its current remit.  
• **Greasby and Irby and Hoylake** – which already have vibrant self-organising communities and could adopt the approach quickly  
• **North-End/St. James** – which has been described as lacking in hope by ethnographic research and already has some co-location  
• **Bromborough** where Orchard Surgery has GPs looking at alternative solutions.  
• **Beechwood and Woodchurch** – which are in need of reimagined offers, and have strong social organisations and community minded GPs |
|             | Ability to conduct or access to market research | Certain needs groups are less likely to benefit from a Hub model and need separate offerings – those with social anxiety issues, or sensitive challenges such as domestic abuse, and perhaps young people. | |
| **Cultural or Behavioural** | • Strong creative vision – and ability to create vision co-productively with communities – acting as an enabler  
• Trusted identity and branding – sufficient engagement with the community to ensure a sense of ownership  
• Enabling and welcoming space – how people are treated is important | For Parks and Countryside savings include reduced maintenance costs on small areas of green spaces and parks. The savings here won’t be large scale but will be part of an overall contribution. | |

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<table>
<thead>
<tr>
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<th>Fit with Needs</th>
<th>Wirral locations which could most benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Enterprising approach – able to see and act on opportunities and grow networks</td>
<td></td>
<td>• Leasowe – which is already of focus of regeneration, and would benefit from reimagined offers.</td>
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<tr>
<td></td>
<td>• Have ambition for residents</td>
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<td></td>
<td><strong>Structural, Financial or Legal</strong></td>
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<tr>
<td></td>
<td>• Freedom and flexibility to enter into reciprocal or hosting arrangements with GPs and non-Council services</td>
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<tr>
<td></td>
<td>• Investment to re-purpose premises</td>
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<td></td>
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<tr>
<td></td>
<td>• Fluidity of budgets to pool administrative and operational functions</td>
<td></td>
<td></td>
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<tr>
<td><strong>Central and Main cultural hubs and parks</strong></td>
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<tr>
<td>Blended cultural and sports located in the same building, often united around a common theme, where boundaries are fluid and service users are encouraged to move between them. Research would be needed but for illustration spaces; could include; Libraries, exhibition space, event space, making spaces, museum, science space, active leisure space, cinema, restaurants.</td>
<td>Can work with Council and non-Council provision, integrating offerings and making them less ‘civic’, attracting new users. Done well, these spaces become destinations and attractions in their own right</td>
<td>Each of four constituencies already has cultural assets that could be built upon.</td>
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</tr>
<tr>
<td></td>
<td><strong>Physical or Operational</strong></td>
<td></td>
<td>• Birkenhead is appropriate for central offers that blends a library, digital, archive, event, cinema, museum, makers spaces, cafes, restaurants etc.</td>
</tr>
<tr>
<td></td>
<td>• Attractive and authentic buildings and complementary services or activities</td>
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<tr>
<td></td>
<td>• Shared entrances and spaces to encourage cross-fertilisation</td>
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<td></td>
<td>• Increased knowledge of reception or welcome staff across facilities</td>
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</tbody>
</table>

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<table>
<thead>
<tr>
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<th>Wirral locations which could most benefit</th>
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</thead>
</table>
| Central and main parks, and larger green spaces could be appropriately developed around as stand-alone offers, or with other cultural provision and could range from bird-watching hubs and cafes, rangers tours, through to larger café, restaurant and accommodation, specialist holidays. | • Specifically purposed spaces as well as flexible spaces - for example for larger scale events, including for hire, making spaces, co-working spaces. Ultra-flexible space for Main size offers.  
• Central space and room hire and enquiry  
• Shared data, booking and ticketing, marketing systems  
• Ability to maximise valuable data for customer management, skill in customer communications  
• Pooled volunteers, as well as specific volunteer offers to attract a wide range of volunteers  
• Shared income generation resources  

**Cultural or Behavioural**  
• Community leaders or grassroots organisations to contribute to vitality of space  
• A focus around which to build a theme | Social benefits arising from cultural offers; mental and physical health, employment (direct and indirect), skills, cohesion, growth of social networks.  
Encourage travel across constituencies and reduce isolation.  
Cost savings on shared central facilities and operations, ability to do more strategic development as a result of shared resource, shared maintenance costs (including parks)  
Cost saving on parks maintenance through cross-subsidising or through income, particularly where cultural offers are co-located with parks – either permanently or through events.  
In outside spaces in particular, the addition of a confident guide or activity leader such as a countryside or park ranger enables greater participation and ‘permission’ to use the space | • **The East side** has an industrial heritage that lends itself to sensitive repurposing of buildings and structures  
• **New Brighton and West Kirby** - Areas with an arts focus – which cater for different audiences  
• **Both Dee and Mersey sides** - Areas with a strong historical or industrial heritage focus  
• **West Kirby** – an area with an nature and ecological focus, as well as watersports –natural offers and sustainable accommodation – such as Eden Project Hotel  
**South Wirral** would lend itself to aspirational specialist activity and holiday offer for disabled families – such as Musholm |
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<tr>
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<th>Critical Success Factors and Requirements</th>
<th>Fit with Needs</th>
<th>Wirral locations which could most benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Ability to build networks across community, organisations locally and nationally, including private sector</td>
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<tr>
<td></td>
<td><strong>Structural, Financial or Legal</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Investment to re-purpose premises</td>
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<td></td>
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<tr>
<td></td>
<td>• Fluidity of budgets to pool administrative and operational functions</td>
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<tr>
<td></td>
<td>Ability to attract income from a wide range of sources</td>
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#### B. Cost Savings: Accessing Latent Skills and Assets

<table>
<thead>
<tr>
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<th>Fit with Needs</th>
<th>Wirral locations which could most benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sharing time – through development of volunteering offers, and enabling peer-to-peer support.</td>
<td><strong>Physical or Operational</strong></td>
<td>Enables development of supportive and reciprocal relationships</td>
<td>• Within the Neighbourhood hubs to enable social prescribing/communtiy connecters and constituency managers, wider sharing of goods, skills, and time, within the community, enable opening and maintenance of hubs</td>
</tr>
<tr>
<td>Sharing spaces and buildings – meanwhile spaces, pop-ups, co-location, hosting initiatives – such as social enterprise incubators.</td>
<td>• Resourced role, connecting in with networks such as Wirral Connect and Friends Groups</td>
<td>Can be tied into development of skills and entry/re-entry into the work, as well as incubation of social enterprise, social connection in retirement.</td>
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</tr>
<tr>
<td></td>
<td>• Expertise to develop offers for different groups and manage</td>
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<td></td>
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<tr>
<td></td>
<td>• Database to capture details and enable signposting and match volunteers</td>
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<th>Wirral locations which could most benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sharing resources</strong> – goods, food, money, skills, expertise – peer to peer, but also drawing others such as businesses, educational establishments.</td>
<td>• Easy to use multi-media comms and access</td>
<td>Enables some services to remain open, meet extra demands, or extend opening hours, reduce burden on Council</td>
<td>• Within Central and Main hubs/main cultural offers to support delivery of cultural offers from acting as curators, guides, workshop supports, through to creation of digital assets for Wirral such as apps for residents and visitors</td>
</tr>
</tbody>
</table>
| **Sharing vision and insight** – both staff and volunteers, and community co-developing ideas and focusing, enabling services to be more relevant in meeting need, and with more community buy-in. | **Cultural or Behavioural**  
- Proven skills to manage volunteers and develop engaging offers.  
- Community leaders or grassroots organisations with proven ability to deliver  
- Latent demand in the community and/or scope to expand existing offerings  
- Ability to form networks with business and other organisations  
- Enterprising and nimble  
- Willingness to step back from direct delivery | Enables users to access provision who might otherwise face obstacles to service use.  
Treating the supply of and demand for volunteering opportunities as one pool, matching volunteers to places and offers. | • Within Parks and Countryside, via Friends groups or otherwise. |
|  | **Structural, Financial or Legal**  
- Data sharing agreements  
- Ability to change regulatory conditions locally  
- HR/Regulatory expertise | Increases awareness of what is involved in maintaining facilities. Increases engagement and sense of belonging, which can help to drive down ASB and abuse of public spaces.  
Responds to findings in the Residents’ Survey that 48% of residents would volunteer if they knew what was available. | • Within organisations to support CSR |

Building skills, self-esteem and capacity for work, whilst showcasing services and familiarising people with new areas and facilities.
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</tr>
</thead>
<tbody>
<tr>
<td>Codes of practice, etc.</td>
<td>Can increase awareness, familiarity and footfall and provide opportunity for additional spend and participation in nearby venues, food outlets, etc</td>
<td>Can open up opportunities for grant funding.</td>
<td>Provides a framework for businesses and organisations to engage with their community</td>
</tr>
<tr>
<td>Service Level Agreements in some cases</td>
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<tr>
<td>Health and Safety requirements in some cases</td>
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<tr>
<td>Insurance in some cases</td>
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<td></td>
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<tr>
<td>Ability to benefit from grant income</td>
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**C. Increasing Income: Attracting Finance and Funding**

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Critical Success Factors and Requirements</th>
<th>Fit with Needs and Potential Benefits for Wirral</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant funding</td>
<td>Physical or Operational</td>
<td>For application across the portfolio – creation of diverse and more sustainable income streams.</td>
<td></td>
</tr>
<tr>
<td>Commissioning or co-funding</td>
<td>• Pooled/joined up grant application resource</td>
<td>Grant funding - Particularly for cross cutting initiatives – from DCMS, HLF, ACE, Sports England, Heritage Lottery Fund, environmental organisations, Socially oriented grant funders</td>
<td></td>
</tr>
<tr>
<td>Socially oriented external finance</td>
<td>• Ability to manage income streams include enterprise</td>
<td>Commissioning or co-funding - From public health and GPs for social prescribing and rehabilitation programmes, DWP/employability programmes, possibly local employers for mental wellbeing and health, police for ASB reduction</td>
<td></td>
</tr>
<tr>
<td>Cross subsidising</td>
<td>• Management of range of funding programmes – philanthropy, crowdfunding, socially oriented funds, grants, commissioned services etc. including reporting.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Rental income</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Capital funding</td>
<td>Physical or Operational</td>
<td></td>
<td></td>
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<tr>
<td>Corporate sponsorship and Philanthropy</td>
<td>Cultural or Behavioural</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Ability to develop relationships and manage a</td>
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<table>
<thead>
<tr>
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<th>Critical Success Factors and Requirements</th>
<th>Fit with Needs and Potential Benefits for Wirral</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Crowdfunding &amp; donations</strong></td>
<td>range of funds and income streams.</td>
<td>Socially oriented finance - Supporting specific programmes, activity, builds, centres, events. From private firms who have social mission built into their aims</td>
</tr>
<tr>
<td></td>
<td>• Enterprising approach</td>
<td>Cross subsidising - Using income generated directly from use of asset (for example camper vans in parks, cafes, restaurants) or using income overall to cross subsidise to support maintenance costs of buildings and parks.</td>
</tr>
<tr>
<td></td>
<td>• Ability to move quickly</td>
<td>Contributions - From those benefiting from asset – new builds around parks, employers around parks.</td>
</tr>
<tr>
<td></td>
<td><strong>Structural, Financial or Legal</strong></td>
<td>Rental income - From units, premises, rooms, desks, facilities within buildings and around parks.</td>
</tr>
<tr>
<td></td>
<td>• Clear larger-term stability of operation and finance</td>
<td>Capital funding - For major builds and refurbishments of buildings and parks.</td>
</tr>
<tr>
<td></td>
<td>• Longer-term grant funding commitment by Council Sites held on long-term tenures, with some able to act as funder security</td>
<td>Philanthropy - Attracting donations from philanthropic foundations and individuals. Our experience shows that individuals often want to gift tangible legacies such as buildings.</td>
</tr>
<tr>
<td></td>
<td>• Strong leadership and management</td>
<td>Crowdfunding &amp; Donations - Using crowdfunding to fund specific campaigns that are suitable for crowdfunding.</td>
</tr>
<tr>
<td></td>
<td>• Strong, operationally-focused management information (accounts, etc)</td>
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<td></td>
<td>• Ability flexibly to raise longer term external or community capital to invest in development of facilities and services.</td>
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#### D. Increasing income: Expanding the Addressable Market

<table>
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<tr>
<th>Opportunity</th>
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<th>Fit with Needs</th>
<th>Wirral locations which could most benefit</th>
</tr>
</thead>
</table>
| Creation of attractive and authentic places and spaces to visit (for residents and tourists and businesses), contribute towards and spend within. From neighbourhood hubs to main and central hubs. | **Physical or Operational**  
- Cross cutting support – comms, marketing, digital support, ticketing etc.  
- Insight – needs of segments and areas  
- Connected into work, insights and plans within wider Liverpool City Region | Visitors from Wirral, to international visitors attracted to visit - Increased number of visitors and users of services | Central cultural offers  
Main cultural offers  
Neighbourhood offers  
Central and main parks  
Countryside, large green spaces and coastline. |
| More enterprising approach to using assets (within a firmly pro-social approach) with strong food and drink offers, camping and accommodation, cultural calendar within LLPC portfolio | **Cultural or Behavioural**  
- Place based development  
- Ability to identify and respond to opportunities with a social enterprise type mind-set  
- Responsive  
- Able to work within diverse partnerships – including with communities – avoidance of gentrification | Attention to pleasurable experiences from food and drink offers to events - range of activities, events and opportunities for visitors to spend. Increased average spend | Attention paid to areas of current high visits or those of high potential.  
Focus on peak moments –, such as spaces where visitors first arrive, clustering a number of things to do together, appealing accommodation offers, food and drink, connections between places – such as green walkways. |
| Use of data, segmentation to address potential and lapsed users/visitors and comms to manage customer experiences, effective pricing models | **Structural, Financial or Legal**  
- Structure confirming consistent longer-term control of sites  
- Ability to work flexibly and with agility  
- Ability to raise capital for investment | Attention to cultural factors, green spaces, regeneration of spaces, attracts employers and creative sector - Wider economic effect | Specifically mentioned in the research:  
Country parks  
Birkenhead  
West Wirral, Hillbre, Wirral country park and wider Dee estuary, Thurstaton.  
Mirror NCS use of West side on Wallasey coastline  
Hoylake  
SSSIs on East and West Arrowe Park |
Section 5

Needs

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<th>Critical Success Factors and Requirements</th>
<th>Fit with Needs</th>
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5.5.18 Potential Barriers to Success

From the Opportunities Analysis, it can be seen that a number of the Critical Success Factors listed are common across multiple opportunities. The lack of some of these have been raised to us in our research as being barriers – both perceived and real - and these are discussed below:

a. Holistic, needs-focused culture and mindset that moves away from pricing focus on service provision and efficiency towards needs and accessibility. Market awareness becomes not only minded to compete, but manages and develops relationships across the Wirral to maximise take-up whilst optimising impact in terms of meeting needs.

b. Ability to work in formal or informal partnership with other delivery agencies in all sectors. This would require appropriate contractual agreement, in order to manage change and flex within partnerships and to accommodate changing capacities. Potential mechanisms include:
   i. Framework agreements
   ii. Service level agreements

c. Flexible and agile decision-making and autonomy over inclusion of specific services, blending of services across Service Line boundaries or tailoring services and activities to meet identified local needs or demands). This would require freedom from:
   i. Statutory Council-based requirements (potentially, in some instances)
   ii. Council process for decision-making, which is not focused for quicker, and market-facing decisions
   iii. Political influence and priorities
   iv. Service line-specific budgets, and accountability, which do not treat LLPC as an enterprise

d. Ability to raise grant funds, capital for investment, cross-subsidise services and generate profits, including entering risk-sharing arrangements.
   i. Ability to bid for project funding, and capacity to develop and manage applications
   ii. Ability to raise additional (non-Council) capital to co-invest for growth
   iii. Take advantages relating to charitable status

e. Ability to pool (non-financial) resources across Service lines, for example sharing administrative staff, centralising external room hire across the Portfolio’s buildings, supporting a centralised volunteer network, hosting peripatetic or mobile workers (eg, to enable outreach provision), etc. Note that appetite for changing roles appears to be mixed. We heard in our workshops that
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Attempts within a Service line to rationalise costs by asking staff to take on additional tasks had not been successful. One reason for this could be that the tasks were not in line with the grade or experience of the employees concerned. Sharing certain tasks across Service lines enables greater efficiencies within grades and skillsets. This might entail:

i. Changes to contracts, job descriptions or conditions.

ii. Collaborations and task sharing agreements with organisations beyond the Council

iii. Risk sharing, swapping or sharing mechanisms

5.5.19 Section 5: Case studies

In Appendix L eight of the comparable projects referred to in this chapter have been expanded into case studies which give a more rounded picture of each and its impacts. The appendix notes in outline a number of further relevant projects, matching them to the different types of model mentioned in this chapter.

1. Bromley by Bow Centre
2. Chester Storyhouse
3. Beaney House of Art and Knowledge
4. Ler Devagar Bookshop
5. Baltic Village CIC, Liverpool
6. The Good Hotel
7. Eden Project Hotel
8. Mile End Park
Section 6
Asset Mapping

6.1 Introduction

6.1.1 This section considers where the council’s Libraries, Leisure, Parks and Culture facilities are located, and how and for what they are currently used. It falls into four sections:

1. Introduction to the asset mapping tables in Appendix E and F
2. Key themes emerging from the mapping
3. Challenges posed by the mix, location and utilisation of the assets
4. Opportunities for improvement

6.1.2 We have used both a narrative grid and a pictorial map to highlight the different themes, challenges and opportunities emerging from the mapping of the portfolio of assets. This has allowed us to ‘take stock’ of what exists already and what could be done to improve access to these facilities and services, bearing in mind that the Needs Analysis has identified various barriers to access, ranging from the physical (location and access routes), to price, timing and methods of communicating about what is available – not to mention emotional and psychological barriers for some people, notably (but not exclusively) in the most challenged beneficiary groups.

6.2 The mapping grid (see Appendix E)

6.2.1 The mapping grid is first split into the four constituencies, and then into the wards within each (6 wards in Birkenhead constituency, 6 wards in Wallasey, 5 wards in Wirral South and 5 wards in Wirral West.). It lists all principal locations or facilities within the scope of the project, but does not provide fine detail such as individual tennis courts or football pitches, grass verges, or small plots of green space. Assets are listed in order of leisure facilities, libraries, parks and countryside, arts and culture and community centres (among other facilities).

6.2.2 For each principal location or facility the grid describes four aspects:

Site Value
This covers building condition and any necessary refurbishment or capital works, and uses condition surveys of the council assets, land values and property value figures.

Utilisation
This shows the number of people visiting the facilities, where these are known; the number of individual items borrowed (in the case of libraries), the number of unique borrowers and the number of public access PC sessions provided (this does not include the self-service PCs).

Facilities
This includes a summary of the space available, including rooms or space for hire, the cost to hire it and whether there is a drop-in, ICT or café option within the facility.

Current Service Provision
This outlines what services are delivered at that location, split into the four service areas, consisting of activities for the under 5s, such as Bounce and Rhyme or storytelling sessions at libraries, ‘ageing well’ provision including craft clubs or organised walks through countryside and open spaces; provision for the unemployed such as ICT usage for job searches and services or activities for those with special needs, like ‘active swimming’ classes in leisure centres.
6.3 Key themes emerging from the mapping

6.3.1 On analysing the mapping grid, four key themes emerge.

a) Theme 1: High condition survey costs

A review of the asset condition surveys shows that there is an investment of at least £18m needed over the next 10 years to maintain assets at a minimum standard and to refurbish those that are no longer fit for service.

When breaking this down, 13% of the assets in the portfolio have costed repair surveys of over £2m, 17% have between £1m - 1.99m and 13% have repair costs between £500k and £999k.

Confirmation or update of these figures is expected, but has not yet been received by us from Assets & Transformation teams.

The repairs highlighted in the relevant reports have different degrees of urgency, and the condition survey expenditure may vary for some sites dependent on future use, however the overall picture is one of significant maintenance liabilities.

b) Theme 2: Underutilised assets

Based on the information and data provided to us, we can see that a large number of the library facilities in particular appear underutilised. For example, Higher Bebington Community library is underutilised for visits (17,409), for unique borrowing (3,607) and for ICT logins (1,090).

However, the overall picture of under-utilisation hides significant variation between sites - there are some very popular well-used facilities within the portfolio, such as Bebington Central library which boasts 117,114 annual visitors, 26,511 unique borrowers and 13,059 ICT logins and Bebington Central is very close in proximity to the community library (a 20 minute walk), suggesting that the community can support one, but perhaps not two libraries with similar facilities in the same area.

Our research has identified a number of reasons why facilities are underutilised, including:

- Awareness and overall demand: Not all local people have the desire to use a library or to visit a leisure centre, and those that do are not always aware of the location of their nearest facility or the services it offers;
- Misaligned provision: The range of facilities or services in a particular location may not match the needs or preferences of its local user base, or be of sufficient quality or appeal for people to travel to from further appeal;
Section 6
Asset Mapping

- Presentation, aesthetics and perception: The presentation of the building may be off-putting - for example a building may look and feel ‘municipal’ so not in tune with the desired lifestyle experience; area of green space or countryside may look poorly maintained, which creates a perception that they are not safe or are in some way threatening. This holds true for access routes to otherwise attractive premises;

- Location: The building may be too far away from where potential users live or may not be well served by public transport. Our map shows that some facilities are a bus ride away and not within walking distance, automatically making the location harder to reach for some groups (there are a number of wards where access to cars is low); and

- Accessibility: Some public spaces are close by to residential areas, but it is not always obvious how to access them. We have been alerted to a general deficit of ‘wayfinding’ signs and routes (including lighting) which affects locals to a certain extent and also inhibits the extent to which visitors are able to move around the Borough and discover all it has to offer.

c) Theme 3: Existing service provision

Services are being provided across all constituencies but a key challenge is whether the ‘offering’ in each ward, area or constituency meets the needs and preferences of its potential users, and furthermore, whether it is accessible to those users it is designed to attract. The Needs Analysis chapter (Chapter 5) explains in more detail the imperative to, "get the delivery and provision right for each area as a whole." and suggests that the system of provision could benefit from a radical rethink, not only in terms of how provision could meet the communities’ needs but also in respect of how buildings can be used differently to create more joined up approaches in place-based models of support.9

The Needs Analysis introduces the concept of Community Hub models being created across functions (both Council and external) and co-locating services. There are elements of this type of provision happening in Wirral, although this is patchy. For example, West Kirby concourse already has co-location of GPs, health, and library provision, together with a community centre, and is proving extremely popular.

Moreton ‘merged’ library offers a good range of activities from its building, including a children’s area, ICT drop-in, Police drop-in, ASBO room and a focus on employment and skills services. There is obvious scope to take this model further in this particular example, as separate facilities including a family centre, community safety hub, medical centre and ambulance station also operate from separate buildings in the immediate vicinity of the library. Rationalising the building assets in this location and the services provided from each would provide more attractive and accessible services as well as being likely to reduce building maintenance obligations.

Beechwood benefits from a number of services close to one another, a strong community centre and Community Trust, and plenty of green space, as well as a GP deeply interested in community health and social prescribing.10

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Some of the activities and programmes offered by Beechwood library are delivered by staff who work onsite or by volunteers, for example, the Baby Bounce sessions which are delivered by community librarians. A large number of the programmes are arranged, organised and led by other external services and organisations including, Wirral Adult Learning and the Reader Organisation, demonstrating partnership potential for co-ordinated provision targeted at local needs.

d) Theme 4: Access to space and room hire

The mapping grid highlights untapped opportunities to hire out rooms across the portfolio of services, and there is scope for more consistent hire rates, and better co-ordinated space management and room hiring. A strategic approach to coordinating space and room hire should include a review of market rates, since we have been told that libraries are renting out rooms at well below competitor rates, and other facilities such as the Williamson often provide space for free. This should not mean that free space is no longer offered at all but that it is done in a more focussed way.

All of the constituencies boast Council assets, which have spaces or rooms designated for use by community groups, classes and clubs, or as ‘free to enter’ public spaces used by people as and when needed. We found that usage varied from ad hoc to organised, regular meetings, and from personal use (somewhere to sit and read a paper or have a cup of tea) to group use. Usage for commercial purposes – including by third party organisations or businesses – provides greatest scope for generating additional income, whilst sensitivity is needed when charging community groups for room hire – too high a tariff may be unaffordable and could undermine the benefits provided by those groups in terms of meeting social needs.

6.4 Specific Challenges

The following specific challenges arise directly from the above themes:

6.4.1 Challenge 1: High maintenance costs

It is widely acknowledged that there is a huge challenge in both cost and effort in maintaining buildings, public spaces and countryside to a high standard. Maintenance costs include running costs, repair costs, staffing and energy. We have been told about numerous specific challenges including maintaining a leaky ceiling, repairing unsafe floors and dealing with damp and mouldy walls. There is also some feeling amongst our interviewees that the maintenance estimates we are working with are low, and that more work is actually needed than what is included in condition survey estimates. This of course, would need further verification, but the fact remains that the asset portfolio – which includes some ageing buildings – carries a large financial burden.

In terms of meeting preferences and creating warm, welcoming spaces that attract residents and visitors alike, there is in some cases a challenge to move away from a traditional municipal look and feel, and to create modern state of the art facilities. Whilst traditional is good in some cases, those facilities that are competing for customers with private sector offerings will be under increasing pressure to update to fresher, more modern buildings with state of the art facilities. This is most starkly felt by leisure centres who are now competing with budget gyms and no longer operate exclusively in the lower priced end of the market.
6.4.2 Challenge 2: Meeting the needs of service users

In the context of service provision the Needs Analysis has identified some local variations in preferences and needs. One example of this is within the Leisure portfolio, and specifically leisure centres. Wirral has 12 outdoor gyms located in Wirral’s parks. Not everybody wants to use a conventional gym, and some are more likely to do exercise outdoors because they feel less pressure there than in an indoor gym. For those people, access to outdoor gyms close to where they live is important, but the choice to replace a traditional leisure centre with outdoor provision is one which needs to be carefully and very locally decided.\textsuperscript{11}

Research both here and in our wider experience shows that ‘pathways’ to exercise and leisure are important to those who are starting from low levels of physical activity. Outdoor exercise opportunities are just one way that beginners can move towards more active lifestyles, but it is important that these first steps can naturally lead onto the next level of activity when participants are ready and able to do so.

6.4.3 Challenge 3: Location and signposting

The locations of some of the assets are unhelpful when it comes to driving additional participation – some are difficult to get to for non-drivers and others are a little ‘off the beaten track’. Tourists to Wirral will be unlikely to ‘stumble across’ the Williamson Art Gallery, for example, because it is situated in a residential area, away from the centre of Birkenhead and with poor public transport links. The Floral Pavilion is right at the end of New Brighton pier and the area around it is quiet and dimly lit.

In some cases the location challenge is relating to where a central facility has been sited. For example, the LTA Tennis Centre is in an area (Bidston and St. James) with a lower preference and demand for tennis, and might be better placed elsewhere in Wirral, where there is a demand for it.

Our map of the Borough illustrates that in some cases simply providing a building does not meet the needs of those living in highly deprived areas. Other access factors need to be considered, such as signposting to available local facilities which could benefit specific needs groups, making individuals aware that other facilities exist, as well as clearly explaining proximity and ease of transport to alternatives. In the centre of the map, Beechwood and Woodchurch have under-used libraries and leisure centres, which appears to make little sense, given the size of the community, however the motorway runs through the middle of these areas, possibly making access from one to another an issue, and undoubtedly presenting psychological if not physical barriers.

6.4.4 Challenge 4: Fragmented room hire and unused space

During our site visits we saw a large number of unused rooms in buildings such as Wallasey Central library and Birkenhead Central library. These buildings are Victorian, and are not uniformly well maintained. Consequently there is unused space and rooms being used for storage, including of archives.

In order to optimise use of these rooms – and potentially to generate income from space hire, a further challenge around signposting and advertising the facilities and providing administrative resource. This notwithstanding, there is a clear opportunity to review that space is on offer, and to decide an appropriate tariff, keeping pricing competitive but reasonable and affordable, especially to local start-ups, businesses and volunteer groups.

\textsuperscript{11} http://www.slough.gov.uk/leisure-parks-and-events/outdoor-gym-locations.aspx
6.5 Opportunities

Six separate opportunities arise from the asset mapping work stream:

6.5.1 Opportunity 1: To improve the look and feel of the buildings

This opportunity is in part already being taken up with development plans in place to rebuild or relocate some of those buildings that are no longer fit for purpose as part of wider regeneration plans. These projects enhance the opportunity to review future plans for those assets which have high repair cost liabilities, or are high in land and property value.

It is possible – to varying degrees, depending on legal structure – to apply for new grant funding and other income to help fund the repairs to buildings which need it and those deemed worth repairing. More ambitious projects, such as a move towards co-located services or fully blended Hub-based service delivery could benefit from new funding sources including grants or external and partner investment to cover design and development. Consideration should also be given to facilities that can be refocused and repurposed, thereby reducing overall costs in relation to income.

6.5.2 Opportunity 2: To increase utilisation of facilities and services

A review of what is on offer at each of the facilities would help to ensure that provision meets the need of the community, especially when paying close attention to an area’s preferences and hidden needs, as discussed in detail in the Needs Analysis. To continue the example of the LTA Tennis and Sports Centre in Bidston - repurposing this to provide 3G football pitches has already been identified as more closely matching local demand. This kind of local ‘targeting’ – led by an understanding of needs, not by a standard provision blueprint, is likely to generate a higher level of take-up.

Opportunities also exist in developing new sources of income by actively removing access barriers, particularly where there a building, service or open space is underused. This could be achieved in a number of ways, such as:

- providing support to build confidence;
- improving knowledge of offerings and cross-selling; and
- addressing insularity and transport difficulties and ensuring routes to and from facilities, as well as buildings themselves feel safe and welcoming and well-suited to their intended users.

Pricing can present a real barrier to some people’s ability to partake in an activity, and this is where our central understanding of ‘accessible and affordable’ offerings is key. There is an opportunity to develop a pricing model which is inclusive, not exclusive, and which enables access for the less well-off without stigmatising or marking those people out as being different. A Wirral Residents’ discount card is a good example of how this can be achieved, if its cost is differentiated according to need.

One message that has been repeated in many of our interviews is that facilities need to be more flexible to changing needs, and this presents both a challenge and an opportunity in terms of multi-use spaces and remaining aware of how markets (potential users) are developing and changing. A marketing or horizon scanning activity working across and beyond the portfolio would help to ensure timely development of services and pricing models.
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6.5.3 Opportunity 3: Coordination of service provision

There are other opportunities arising from better co-ordination - of deeper engagement with ‘grass roots’ organisations and co-production on an area by area basis (rather than on pivoting around individual buildings or Service Lines).

Wider co-location of services is certainly possible, building on existing initiatives such as in West Kirby Concourse. For those services which aren’t co-located, a view should be taken as to what is needed and what opportunities there are to co-locate and thereby create space or resource to provide additional services that are currently missing from the area, but for which there is latent demand.

Our Needs Analysis section interviews\(^\text{12}\) suggest that there are small areas where there are more civic buildings and duplicated provision than the local community can support, and a degree of rationalisation could result in better all-round provision. Contrary to perceived belief, our research suggests that local attachment is to services provided and not often to a building in and of itself (with some exceptions), therefore we believe rationalisation and co-location is a real opportunity – and one which reflects wider trends nationally.

6.5.4 Opportunity 4: Better co-ordination of spaces and room hire opportunities

We have already mentioned the opportunity that exists to improve revenue generation by better managing and more competitively pricing room hire activities across the portfolio. A further opportunity arises when we extend this to commissioning and co-locating non-Council services to be delivered from within Council buildings. For example, in Moreton ‘merged’ library we already see rooms for CAB (“Citizens Advice Bureau”), a specially designed ASBO room, space for Connexions, Reachout, Age UK, Tesco’s and a police drop-in. Better commissioning and co-location of services facilitates closer working with partner organisations, and can lead to cost savings through reduced overheads and multi-skilled staff.

Community hub models take this one stage further by providing more organised space and room hire – for example, supporting SMEs (“Small and Medium-sized Enterprises”) and new start-up businesses, perhaps providing centralised business and legal support in the same building. Thinking this widely enables the Council to contribute to the wider economic health of Wirral, by optimising access to and use of its building assets.

6.5.5 Opportunity 5: Development of cross-portfolio initiatives

Current provision is through individual Service Lines, each of which has ideas about how to improve or drive up footfall, but which are limited by staffing and resource levels as well as decision-making boundaries. Collaborating across the portfolio to cross-fertilise ideas and develop multi-disciplinary offerings is an opportunity that will enable better rounded services and activities, and also to develop a joined-up contribution towards Wirral’s tourism strategy. Well-designed and co-ordinated visitor experiences will attract more people to participate in community and cultural activities, events in the parks and promotion of Wirral’s wealth of natural assets like Wirral’s Green flags and heritage sites or Active Wirral for health and wellbeing.

\(^{12}\) Page 14 – Needs Analysis section 6, para 2
6.5.6 Opportunity 6: Moving beyond buildings

By planning based on local needs, there is an opportunity to look at strategies moving beyond buildings to digital and local outreach services. This can be achieved by either expanding on current outreach provision, like the Home Reader service or by developing new ideas, such as delivering health and wellbeing advice or financial literacy sessions from local centres.

By targeting services where they are needed, and freeing providers from the constraints of operating from any particular building the ‘reach’ of services is likely to be extended, and by definition, the benefits and positive outcomes increased. Our Needs Analysis highlighted that many of the services currently available are – as yet – out of reach of many residents, but strategically addressing the barriers to access we have described above will, over time, lead to a larger proportion of customers, as they move from not participating, through guided introductory activities and on to self-motivated usage of facilities.
Chapter Summary

7.1 Introduction, Strategic Objectives and Priorities

7.1.1 This section looks at the business and operational aspects of the four areas of the LLPC operation. It first considers overall strategic priorities arising from the Needs Analysis and other review work then, taking each area in turn (and looking separately at the Floral Pavilion and the Williamson within Cultural Services) considers:

a) in brief what the service involves;
b) the market in which each sits;
c) the strategy in, and general developments of, these areas;
d) pricing and viability;
e) delivery aspects;
f) staffing model;
g) potential enhancements;
h) performance measurement;
i) assets.

There follow two further sections: concerning Cross-Portfolio Initiatives, and Supporting Infrastructure and Leadership.

7.1.2 Whilst this section does repeat some of what is in section 5, on Needs, it does so with a view to adding detail around the opportunity and the potential future delivery of services. As such it provides a foundation for the Analysis section that follows on from Finance.

7.1.3 The Needs Analysis points towards a conceptually different approach to LLPC provision. This can been seen at three levels, each of which demands a change in approach:

**Level 1: Conceptual and Needs-focussed**

**From:** Needed services placed reasonably locally and delivered cost-effectively

**To:** Aspirational, beautiful and welcoming places to which people want to go.

Where people find their needs are met and where they are listened to

Where ideas are needed and developed.

**Level 2: Structured for Accountability**

**From:** Basing services in the buildings in which they have always been based, even though this puts off some customers.

**To:** Hub model, balancing size and style of location to make services available and to remove barriers to access, whilst concentrating and co-locating services for efficiency.
Level 3: Service Design and Delivery

From: Standalone delivery to traditional models of services within existing silos with piecemeal innovation. Generally only where easy to deliver and not requiring further investment.

To: Services designed around needs and desirability amongst existing and new customers, focusing on customer experience, satisfaction and journey, and utilising property and other assets as enablers rather than as boundaries.

7.1.4 This, in turn, demands changes in approach to planning, developing, managing and approaching LLPC. It needs to become, and operate as, a socially-focussed enterprise, embedded in, and listening to, its communities; leading, organising and co-ordinating agency responses; and maintaining accessibility and relevance of services at micro, midi and macro community levels.

It then needs to embrace the four opportunities highlighted in the Needs Analysis at Section 5:

a) Savings through co-location and integration;
b) Reduced spend through latent (unused/under-utilised) assets;
c) Increasing the addressable market;
d) Attracting finance and funding.

7.1.5 In all this, the original vision stands as outlined in the Phase 1 report for this project, that the model developed should:

a) be both universal and targeted;
b) recognise that what the public wants and needs has changed and will continue to change;
c) be financially stable;
d) be locked into servicing the community and in which the community has an involvement and a clear voice.

7.2 Libraries

7.2.1 Outline of Libraries

The libraries provision in the Wirral comprises a mixture of larger central and main libraries, community libraries and combined facilities spread across the four constituencies, but focused on areas of higher population. With the larger, and some of the smaller facilities housed in traditional, often Victorian buildings, estates maintenance is a significant issue, and the buildings may be unsuitable for the services now being delivered from them. These comprise both traditional book lending and information, and broader community services to support people with digital access, finding and accessing wider health and community services, together with opportunities for direct delivery of community support for parents with young children for example.
7.2.2 Market Review

As outlined in the Needs Section 5, there is widespread understanding that there needs to be innovative thinking around libraries, both in terms of how to meet the community’s needs, and also with different operating models and diversification of funding. The ambition is set by the Libraries Deliver report published by the Department for Culture, Media and Sport in December 2016, which makes clear the important role that libraries have in delivering services in the following four areas:

- children and young people;
- active learning;
- active citizenship; and
- active ageing.

The report talks about the role of libraries as community hubs, with planning based on local needs, including co-location with other Government and partner services, also moving beyond buildings to digital and outreach services.

With a role far beyond the loan of books, libraries delivering a “comprehensive and efficient” (“the statutory requirement”) service are a natural venue for community activities and signposting, and with staff seen as trusted and impartial advisors there are opportunities to build on this. By working in a co-ordinated way with other services, they can act as a community hub, providing services such as physical and mental health advice, employment and training assistance, while also raising awareness of community events and local assets to residents and tourists. By developing partnerships with other services and investing in volunteer recruitment, retention and development, libraries are finding innovative ways to deliver sustainable services.

Examples of libraries undertaking these types of roles in other regions include:

- Northamptonshire Library and Information Service which has an increasing role in health and wellbeing, having been transferred to a CIC co-owned by the Council, NHS and University.
- Greenwich Libraries being run by GLL, showing the link between provision of libraries and leisure becoming closer, with some co-located facilities.
- York Libraries, operating centralised hubs with police and other agencies.
- Wigan Libraries moved back into the Council to better enable them to be community hubs.

7.2.3 Strategic Development

There is a need to define the Wirral library offering in order to provide clarity as to what is, and should be, included within this service, assisting with the development of a comprehensive, cost effective library service that is designed for modern day needs and expectations. In fact, it needs to look beyond library provision and seek new ways of providing services for local residents as a whole, designed to
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meet needs through integrating and co-locating services, rather than through a silo approach to delivery.

This plan builds not only on our Needs Analysis, but also on the report commissioned by the Council in 2017 from Shared Intelligence, which highlights the potential for developing a new operating model to more effectively meet the range of local needs of residents, providing greater outreach and transforming the libraries into community assets for the future. The range of activities that happen, or could be provided by staff and volunteers, includes the following examples which target particular groups, in addition to providing general services:

- Unemployed: Printing benefit forms, literacy, numeracy and job seeking skills;
- Pre-school: Bounce and rhyme, mother and baby support groups;
- Ageing well: Venues and community groups to address social isolation
- Special needs: Autism and dementia groups, referrals from DWP, YMCA, GPs, ‘blue badge’ applications, Job Centre Plus;
- Visitors and tourists: Local information, assistance with hotel bookings etc.

In addition to developing partnerships with local businesses and community groups, consideration should be given to incorporating the Community Coordination functions within the libraries service, or co-locating them using a community hub model. With Wirral having successfully transferred 15 community centres into the community, there is real scope and interest for greater community engagement and involving resident groups such as Big Local which is piloting in Beechwood, Ballantyne and Bidston is important in understanding what is needed in the various areas.

Below is an illustration of a future possible format drawn from discussions to date, with reference to the Shared Intelligence report.

Key principles are:

- To focus on activities and services provided by the library function, rather than premises;
- More access points for library services, but using a flexible model that mixes better equipped central and main libraries with a network of local access points;
- Further development of the community outreach services in the areas of health and wellbeing, digital, etc. together with e-books and the home reader service;
- Flexible, modern day spaces for use by the community, co-located or nearby to other services and facilities;
- IT innovation and advancement including superfast broadband, wireless printing, 3D printing etc.;
- A wider range of community events and activities, café offerings, and business hubs to be developed based on the Needs Analysis;
- Development of a community ownership model, with a high level of engagement of local residents and groups. This has been discussed before with groups and while there is interest this needs clarity from the Council as to the offer;
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- The need to recognise that people identify with very local areas even though these may be just a mile or two apart. Services offered by libraries are different in different areas, and need to be more readily accessible than services delivered through many of the other LLPC premises.

Four service delivery models are proposed, balancing ease and speed of access to community offerings with library services that people will be happy to travel for when needed.

a) Central and Main Libraries

The Birkenhead redevelopment will include a flagship Central Library, which in parallel with the two or three main libraries could include the following services (and others):

- Reference service
- Archiving service
- Digital services
- Business hub
- Programme of community events
- Film clubs
- Memory boxes

Several of these (the first four, for example) are capable of attracting new income streams, or taking existing funded services and re-housing them (archiving).

b) Community Hubs and Health and Wellbeing Centres

These will be either within existing library premises, or co-located with other services such as community centres, leisure centres and retail spaces. They will provide the following services, delivered primarily by Council staff:

- Community support and signposting
- Meeting room space for community activities
- IT drop-in areas
- Health and wellbeing activities
- Reading and literacy
- Digital literacy
- Economic development
- Culture and Creativity

- Skills development
- Communities
- Learning
- Volunteering
- Cafes
- Digitising
- One Stop Shops in some libraries
- Any others?
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The Health and Wellbeing Centres would focus on co-ordinating and helping with access to, local health and wider wellbeing services. They would be run jointly with health commissioners and perhaps others such as police and community safety organisations. Community Hubs, by contrast, will tend to focus more on community access to books, information, safe social spaces, culture and creativity and community-based activities.

c) Community Run Libraries

The intention is to develop a way forward for libraries to be managed by the community, whether located in their own premises or co-located, embracing the enthusiasm for community ownership and volunteering. Some will operate with minimal central involvement (the simple Community Managed Model). Others will be delivered by volunteers within the community, but benefit from central support from salaried staff and main facilities, principally in the areas of:

- Branding and the positioning as being part of a wider Council service;
- Provision of know-how and expertise around format of services and their delivery, and new ideas and opportunities;
- Stock management and other supplies and support services.

Other development possibilities include:

- Eco Communities social enterprise in London talks about libraries being ‘the community on your doorstep’ – providing learning, computing, money management, language to write, work skills;
- Involve University of the Third Age - brings together retired and semi-retired – self-governing and whatever they are interested in, for lifelong learning.

This could also include the use of Open+ technology to provide 24 hour access to books and community space, opening up the service to a wider group of people than would usually access the library, with members of the community making the space personable, using their time and skills for support and activities rather than administration. These groups could staff the library on set days, so that those who are not able or do not feel comfortable accessing an empty building would be able to access the services at published times. Careful placement of lighting, together with CCTV, will be important in successful engagement with these facilities by the community.

There is also potential to use this technology in the other library models, extending availability of the services. 13 Although unstaffed libraries may not deliver well to residents’ needs where loneliness and the need for human interaction is a key issue.

d) Outreach Services and Other Models

This includes a number of physical library outreach models, bringing a variety of information, learning, access and books services into the hearts of communities. They can easily include other agencies' services (e.g. community police support), with shared costs, or can involve corporate sponsorship for specific locations or periods.

The physical outreach models include:

- **Concessions**: where a small “branch” function is located in dedicated space within another’s premises (e.g. in a leisure centre, a parks building, an office block or shopping centre). The size and staffing depends on what is needed and appropriate. These may be rented space or rent-free as part of a wider effort to draw in traffic;

- **Pop-ups**: temporary facilities in a local park or public space, or in another organisation’s premises. They can be easily relocated and may be themed or focus on particular services;

- **Blended space**: forming a variation on the Community Hub model, but focused on drawing new service users into engagement with services such as the Storyhouse in Chester discussed in Section 5.

The physical libraries may be supplemented by:

- E-books access via the Borrow box and Overdrive platforms;

- A potential to expand the Home Reader service to care homes and housebound, operated from Bebington Civic Centre by 1.5 staff and 5 volunteers on an annual cost of £30,000, delivering to 500 people and 12+ nursing homes;

- Community events and activities coordinated by librarians, supported by the friends groups;

- Digital events;

- Schools’ Library Service (SLS) funded by the Schools’ Forum at a cost of £7.89 per child for the standard service, operated by Wirral Traded Services.

### 7.2.4 Pricing and Viability

The existing library provision has an annual cost of £4.3m for 24 libraries across the Borough. The plan is to shift to a more cost effective, outreach-based model which would deliver more, through a higher number of local access points, at a lower overall cost.

The majority of library revenue is from fines, though this is declining as it becomes easier to renew online. While there has been discussion as to whether to drop these, given the associated administration costs, it is expected this would result in higher losses, and hence increase the cost of Council funding.

There is potential for additional revenue from the digitising service, memory boxes for dementia, film clubs, technology, digital events and small business advice amongst others – all of which build on ideas raised by the Libraries Team. Room rentals are another form of income which could be increased to a commercial basis though library premises are seen as community facilities, so there is some sensitivity around this. However, the areas for significant revenue growth are in commissioning and co-locating of services with Government and partner organisations. For example the Health Service asked for library staff to be trained as health champions providing informal education in harder to reach communities, meaning they know how to support schemes like Reading for Health.
7.2.5 Practical Delivery Considerations

Some specific practical points arise here:

- **Community Spaces**: The plan is to provide modern day community spaces that are modular and flexible, moving away from the traditional quiet library, to one where there is strong community engagement across all ages;

- **Community Engagement**: The plan is to link to existing community groups with regard to co-location and running of services to ensure the facilities are embedded in the area, with local pride and energy;

- **Safety**: The objective is to provide safe, vibrant community spaces across the Borough, which people take a pride in and look after. This will be through a combination of co-location with other services and facilities such as police, retail, good lighting and CCTV;

- **Staffing**: At present the staffing model requires two staff on site during opening hours, with volunteers running additional hours at some sites. With a move to a flexible balance between direct community engagement, management and support of third-party operated services, increased volunteer support and working with co-located integrated facilities, a change may be required to this standard;

- **Schools**: Any reliance placed by schools on existing services, as well as the ability of schools (with appropriate provision for safeguarding) to host library facilities needs to be taken into account;

- **Opening hours**: Community libraries will probably continue to be operated at 18 hours per week, though this will be reviewed with the staffing and volunteering model, and the outreach facilities probably lend themselves to increased opening hours;

- **Open+ access**: This needs further research and discussion. It is an approach that divides opinion, having been used successfully in Scandinavia with some UK councils exploring the technology to avoid library closures. The capital cost is £16K per library, and it is estimated that 1.5 days of librarian time would be needed to provide 3 half days a week support;

- **Grants**: Bid writing and marketing support is needed to access funds for the community whether from grant-makers or corporate funds. This could be done collectively across the four service areas. Currently a librarian does this and builds rapport with the trusts on behalf of the Libraries service;

- **Technology**: This needs review and assessment of opportunities, perhaps linking with the Cultural offering and archive tourism at the Williamson;

- **The need for digital support expertise (probably 2 FTE’s) and an outreach/development/marketing manager for the pop-ups and concessions all of which (including sponsorship) could be net contributors to income.**

7.2.6 Staffing and Volunteering Model

With 86 FTEs and 50 volunteers and an operating cost of £4.3m, a review of the staffing structure would be appropriate, to understand appropriate roles and responsibilities for the updated library service.
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A staffing review should also include the requirement for two members of staff on duty at all times, together with roles and responsibilities to provide clarity on what activities each role should undertake. This need has arisen due to some confusion after the merging with the One Stop Shops.

The staffing structure should also be reviewed in light of a coordination and outreach service to determine if there is a more effective way to use resources for the benefit of the community. Specific points that should be included are:

Library staff to be focused on outreach and community engagement;
- Volunteer coordination and support needed;
- Rather than needing two staff on duty at all time, transition to one member of staff and a volunteer (but this will need to be discussed with the trade union);
- At present volunteers are used to run additional hours rather than supporting the formal open hours, or additional services such as digital;
- Absenteeism; and
- Bid writing role – at present this is done by a librarian who writes well, but additional skills or training, and combining this with similar functions in the other parts of LLPC could make the whole more effective and efficient.

Library Friends Groups

There are several Friends groups operating at libraries across the Borough, generally involved in some kind of fundraising to support extra services and activities over and above care service provision by the Council.

The library service has produced guidelines to help in the setting up and running of local groups. Each group has its own constitution, with clear aims and objectives, decided in consultation between Friends and library staff. A small committee meets regularly to coordinate activities and make decisions.

7.2.7 Performance Measurements

There is a need to clarify the objectives and usage of the libraries, understanding the true value beyond the traditional measurements of book loans, logins and Wi-Fi usage, in order to focus and make best value of these valuable community resources.

Performance management then needs re-scoping based on the revised activities, but could usefully embrace:
- numbers of visitors to facilities, where this is practical to measure;
- numbers accessing information, and types of information accessed;
- numbers accessing books or e-books, music and other media;
- numbers participating in groups or other activities.

As a general principle, performance measurement needs to be useful (informing real decisions, such as staffing levels), natural (incorporating the measurement itself into core processes wherever possible) and designed to drive the right kinds of behaviours in those performing the measurement. For example,
a measure around collecting overdue book fines within given timescales could lead inexperienced staff to focus on collecting a fine, rather than on supporting better use of a service.

It also needs to embrace perception surveys by service users and non-users covering:

- why they do/don’t use facilities;
- what would make that use easier/more useful;
- how they feel about it;
- how they gain from it.

### 7.2.8 Asset Infrastructure

A review of the asset condition surveys shows that there is an investment of £4m needed over the next 5 years. This is discussed further in section 6.

Any restructuring of the libraries needs to consider carefully the 2009 Charteris report *A local inquiry into the Public Library Service provided by Wirral Metropolitan Borough Council* which considered that the Council failed to make an assessment of local needs, particularly with regard to children and deprived communities, with an absence of a strategic plan for the library service, including outreach. The needs analysis done for this project goes a long way towards answering this, but its findings used to underpin the detailed review of individual library functions, and the Assets mapping needs to be used in assessing local accessibility.

The concept of flagship libraries has been discussed and is to be explored further, in conjunction with a plan for the community libraries as hubs for their neighbourhoods.

**Geographical Segmentation**

The Needs Analysis together with the mapping exercise is being developed to review library provision, with library utilisation information included in Appendix E to show the book loans, Wi-Fi usage etc, though it is recognised that this does not provide the full picture of activity and value, or the level of need with usage falling in line with funding cuts.

### 7.3 Leisure

#### 7.3.1 Outline of Leisure Provision

Leisure comprises a wide range of facilities from seven full wet and dry leisure centres (including the Europa Pool with its water slides) through tennis courts and football pitches to the four golf courses, and the West Kirby marine lake. Some of the facilities are in good or excellent condition and cater for a wide range of traditional sports activities. Others (for example the Wirral tennis centre, the Europa pools, or the Leasowe Leisure Centre) are in need of significant capital spending to put them back into appropriate condition, and even more to develop them to deliver new services.

#### 7.3.2 Market Review

Public leisure centres performed well around the time of the 2012 Olympics but now face the challenge of sustaining those gains, during an increasingly challenging environment. While leisure centre and pool admissions remain resilient, they are increasingly reliant on core users as the overall customer base continues to shrink. Centres with wet and dry facilities are faring best as customers seek value for
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money. Operators need to address negative perceptions around overcrowding, pricing and sociability to widen their player pool, together with exploring technological options to enhance the customer experience.

With most councils reducing their subsidy to leisure centres by 30-60%, many are outsourcing but there is a limited number of good providers who are in high demand. The largest leisure social enterprise is GLL which has developed a successful network of leisure centres and libraries across the country. However there are other examples such as Halton Borough Council which has brought leisure centres back in-house after outsourcing to DC Leisure for 10 years, and is now working with specialist support to achieved greater efficiency savings. Everybody Sport and Leisure spin out of Cheshire East, and has been successful across staff engagement, delivering outcomes, and financial sustainability through bringing in income from other commissioners working with local area developers around new sites, and becoming highly competitive in their market. LiveWire Warrington is an example of where a Council has transferred leisure and library services to a CIC, with lessons to be learnt from them, including their consultation process with regard to library closures.

Target Market

Within Wirral, Leisure membership has been driven primarily by demand. The proposal now is, in addition to improving customer experience (and revenue opportunities) with existing customers, to encourage people to participate who wouldn’t usually attend. This is by encouraging them to try new sports and activities, particularly focussed on the Council pledge areas.

The table below summarises the Market Segmentation Report on Wirral, showing the cluster needs in each of the areas, helping with the development of services based on need. Offers targeted at particular demographics can help with this, such as offering taster sessions, discounts on short terms passes and family activities to encourage involvement at a young age in an effort to develop healthy habits and increase the likelihood that the children of today become customers in the future.

In addition, there are options to use discounted schemes such as “Kids for a Quid”, “Join Now, Pay Nothing” to bring in new audiences and maintain membership levels through seasonal peaks and troughs.

This table uses customer category titles from the Market Segmentation Report: they are not titles arising from our Needs analysis, although similar themes are shown in both.

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14 Formed by the merger of Greenwich Leisure Ltd and Nexus Community in 2011, GLL is an independent social enterprise running over 230 leisure, and some libraries, services across the UK as well as some health and education joint ventures.


16 Market Segmentation: Mapping Sports and Physical Activity in Wirral, produced for the Council by the Merseyside Sports Partnerships
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<table>
<thead>
<tr>
<th>Leisure Centre</th>
<th>Typical customer categories of the 19 Sport England Segments</th>
<th>Clusters in terms of obesity mapping</th>
</tr>
</thead>
</table>
| Europa         | Local old boys  
Older working women  
Later life ladies  
Pub league team mates  
Retirement home singles | Cluster 1: High intent to change but fears being judged; lacks confidence  
Cluster 3: Low recognition of children’s weight states; low intent to change and likely to deny that problems exist  
Cluster 5: Low intent on diet but significant intent to change on physical activity; focus on increasing activity levels and educate on portion size |
| Grange Road West | Comfortable mid-life males  
Early retirement couples  
Competitive male urbanites  
Stay at home mums  
Empty nest career ladies | Clusters 1 & 3 as above  
Cluster 4: Low level of obesity but amongst those that are reluctant to change; generally though this cluster has a healthy lifestyle |
| Guinea Gap     | Local old boys  
Older working women  
Twilight year gents  
Middle England mums  
Supportive singles | Clusters 1,3 & 5 |
| Leasowe        | Retirement home singles  
Local old boys  
Older working women  
Later life ladies  
Early retirement couples | Clusters 1, 4 & 5 |
| Oval           | Comfortable mid-life males  
Early retirement couples  
Twilight year gents  
Middle England mums  
Retirement home singles | Clusters 1,3 & 4 |
A particular challenge at the Oval is how to make leisure affordable and accessible to the local residents, with many of the existing customers coming from further afield and driving to the centre to use the facilities.

The leisure centre demographics table below compiled from Council re cards shows membership by age range across the leisure centres (assuming that where they registered is their home gym). It shows:

- 23% of members are in their 20s;
- 22% are in their 30s;
- 20% in their 40s;
- 17% in their 50s; and
- 9% in their 60s.

Most centres are approximately in line with this though, with West Kirby leaning towards a slightly older demographic curve and Europa younger, as you would expect from the type of facility.
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Leisure Centre Membership Summary

<table>
<thead>
<tr>
<th>Leisure Centre</th>
<th>0-19</th>
<th>20-29</th>
<th>30-39</th>
<th>40-49</th>
<th>50-59</th>
<th>60-69</th>
<th>70-79</th>
<th>80-89</th>
<th>90-104</th>
</tr>
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<tbody>
<tr>
<td>Guinea Gap</td>
<td>308</td>
<td>698</td>
<td>607</td>
<td>573</td>
<td>526</td>
<td>275</td>
<td>84</td>
<td>11</td>
<td>0</td>
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<tr>
<td>Leasowe</td>
<td>161</td>
<td>853</td>
<td>806</td>
<td>688</td>
<td>540</td>
<td>217</td>
<td>62</td>
<td>6</td>
<td>0</td>
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<tr>
<td>Oval</td>
<td>121</td>
<td>936</td>
<td>950</td>
<td>869</td>
<td>596</td>
<td>312</td>
<td>90</td>
<td>13</td>
<td>1</td>
</tr>
<tr>
<td>West Kirby Concourse</td>
<td>264</td>
<td>1,122</td>
<td>1036</td>
<td>1178</td>
<td>1122</td>
<td>638</td>
<td>192</td>
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<td>Woodchurch</td>
<td>189</td>
<td>240</td>
<td>191</td>
<td>252</td>
<td>213</td>
<td>104</td>
<td>42</td>
<td>7</td>
<td>0</td>
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<tr>
<td>West Kirby Marine Lake</td>
<td>0</td>
<td>2</td>
<td>4</td>
<td>15</td>
<td>10</td>
<td>3</td>
<td>0</td>
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<td>0</td>
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<tr>
<td>Tennis Centre, Bidston</td>
<td>38</td>
<td>359</td>
<td>360</td>
<td>398</td>
<td>336</td>
<td>141</td>
<td>47</td>
<td>16</td>
<td>0</td>
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<tr>
<td>Europa Pools</td>
<td>141</td>
<td>1,117</td>
<td>1059</td>
<td>711</td>
<td>558</td>
<td>250</td>
<td>101</td>
<td>13</td>
<td>0</td>
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<tr>
<td>Beechwood</td>
<td>0</td>
<td>41</td>
<td>34</td>
<td>32</td>
<td>16</td>
<td>16</td>
<td>3</td>
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<td>Arrowe Park Golf Course</td>
<td>0</td>
<td>13</td>
<td>16</td>
<td>18</td>
<td>29</td>
<td>40</td>
<td>18</td>
<td>3</td>
<td>0</td>
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<tr>
<td>Brackenwood Golf Course</td>
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<td>1</td>
<td>2</td>
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<td>2</td>
<td>5</td>
<td>1</td>
<td>3</td>
<td>0</td>
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<tr>
<td>Hoylake Golf Course</td>
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<tr>
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<td>5</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Competitor Analysis

The Competitor Analysis table in Appendix G shows the range of local competitors as benchmarks, together with regional and other well established examples including Fusion, North Lanarkshire Leisure ("NLL") and GLL. It shows not only the membership fees as input to the pricing review below, but also offers and deals for affordability and to attract new members including:

- NLL’s PasSport scheme - a concessionary scheme discounting the monthly membership fee from £34.99 to £22 per month, advertised in its promotions as less than £1 a day. Couple memberships are also available at £63, with the potential to add a youth membership to either for just £7 per month. NLL are also offering all memberships as an annual pass at a ‘12 months for 10 months’ rate, with the PasSport scheme at £200 per annum. These are all points identified for consideration by Wirral, attracting new and younger audiences, in addition to improving financial stability and cash flow. However, it should also be noted that NLL are still dependent on £10m per annum of council funding to provide this level of affordability;

- GLL shows a much more complex membership fee structure for its nationwide coverage, being the largest leisure social enterprise in the UK. It has different packages, prices and terms at each centre, depending on quality and range of services included, eg, gym only, gym and classes, gym and swim, gym and health suite (including sauna). They also offer packages and deals such as “kids for a quid” which are brought in at different times based on how busy the centre is at different times of the year;
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- Fusion has a bonus card scheme which is available to anyone claiming any of a comprehensive range of benefits, where the initial card purchase is £2.60, entitling users to a reduced rate on activities. Cheshire Leisure also has a concessionary leisure card scheme offering 40% off the full peak rates.

7.3.3 Strategic Development

The Department for Culture, Media and Sport’s Strategy paper, Sporting Future: A new strategy for an active nation, raises the important leadership role that councils play in forging partnerships, unlocking barriers and improving the local sport delivery system. It talks about prioritising work to engage those who engage in sport less than the average population, with sport becoming more demand-led, recognising the different motivations, attitudes and lifestyles, reaching out to those who do not get involved because of practical, social or emotional barriers.

The Wirral Partnership (senior leaders from Wirral Council, Police, Fire, CCG, Met College, Community Action and Chamber of Commerce) has agreed a 2020 vision and Leisure Strategy for Wirral, which mirrors and endorses this and the subsequent Sport England strategy Towards an active nation. This talks about applying the principles and practical learning of behaviour change, focusing on the following seven areas of:

- tackling inequality and overcoming barriers;
- getting the right offer for children and young people to lay the foundations for them being active through their lives;
- volunteering as a dual benefit – both as an enabler and to the volunteer as part of a modern lifestyle;
- taking sport and activity to the mass market, including digital accessibility;
- supporting the small-scale talent pool;
- local delivery based on the unique structure, relationships and geography, building long term collaborations;
- investment in multi-sport facilities, together with a community ownership of the local infrastructure.

This proposal builds on these approaches, and the opportunities highlighted by the Needs analysis particularly with regard to the following:

- Starting with local insight, it is based on an understanding of what the local community needs and wants, thinking about the whole area and how facilities work together, rather than looking at the needs of an individual building or sport;
- Facilities are designed to welcome customers and help them to have a great experience, with multi-use facilities to make it easy for families to be active in the same place;
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- Co-location of sport alongside other services such as schools, libraries or doctors’ surgeries, providing a focal hub for the community, which has been shown to help a significant increase in activity;
- Community engagement and ownership of local assets, together with the concept of ‘fit villages’;
- Working with partner organisations to develop creative ways to support more of the residents in accessing leisure centres, including local schools and colleges to encourage participation in leisure and sport from an early age.

With leisure services needing to be more entrepreneurial, responsive and innovative, responding to customer’s needs and expectations, while becoming financially self-sufficient, Wirral’s transformation programme started in 2013. This has reduced the net subsidy by £2.8m, and this proposal builds on that ongoing work. The draft business plan for 2017-2021 includes the following objectives and plans to reduce the subsidy to zero by 2020. The immediate plans are examined further in 7.3.9 below, and in the financial analysis at section 8.

The following is an extract from the Council’s leisure strategy:

1. Making physical activity the ‘norm’ – making those currently inactive, active and physical activities a normal part of their everyday life is the greatest challenge for this pilot and one which will create the largest amount of work in terms of planning and identifying short, medium and long term goals and targets. As detailed within this bid, there is a commitment (through the Wirral Plan) for the right agencies to work together to achieve common and wider outcomes. We will also have to work closely with individuals and communities in terms of genuine engagement and build a deeper understanding of the potential audiences and their needs. We envisage the GP’s and Schools within the targeted areas playing a big role in this transformation and education thereof to give the programme some meaning and life.

2. Working with Governing Bodies of Sport to develop facilities that communities and individuals want – we are prepared to work with Governing Bodies of Sport in the above transformational journey and their buy-in and commitment will be an important factor in the cementing of some of these partnerships.

3. Leisure Centre finances to be cost neutral by 2020 – we are already on a transformational path as part of this outcome, with the next phase being about identifying facilities and programmes that individuals and customer want. As mentioned previously we have engaged a Leisure Development Partner to assist in this process, but because we don’t know what’s required we can’t put a figure on how much it’s going to cost. The principle of providing services differently has been accepted by senior officials throughout the organisation.

4. Consequential Outcomes – we are anticipating that there will be some change within public facing services that would be classed as transformational, but we haven’t come across it, or detailed it, just yet because it hasn’t happened! E.g. co-location of services. Some services might find that their outcomes are serviced best by being co-located in one new, busy central ‘hub’ rather than in the same old building that they’ve used for the past 100 years! What effect will new facilities have on anti-social behaviour in and around the areas chosen?
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5. **Market Segmentation** – we have previously commissioned and the County Sports Partnership (Merseyside Sport) to do some market segmentation work in terms of mapping sports and physical activity in and around our Leisure Centres. We used this data at a local level to alter programmes within the Leisure Centres to reflect what the data was telling us.

6. **Uscreates ‘Physical Activity Insight Programme’** – as mentioned within this document, we have commissioned this piece of work to gain a greater understanding of the barriers to participation within known, hard to reach groups. We have used this data in terms of developing and shaping our current Leisure Strategy and, in particular, our GP referral thinking.

7. **Benchmarking / Examples of good practice** – we are constantly benchmarking ourselves against neighbouring Authorities and Peer Group Authorities and going to view other leisure provision to see how they have used insight work to change what they are doing, or have done.

8. **Working with our Leisure Development Partner** – this is an extension of the above, but it’s specific to working with one particular partner. Alliance Leisure have completed a number of facility change projects around the country and we are now visiting other facilities that they have been involved with to see how they have used insight data to change facilities.

Key strategic improvements for incorporation from our review are:

- Review of private and public leisure provision to make it affordable and fit for the future needs of our residents, removing barriers eg, social isolation, formal vs informal activities, etc;

- Membership packages to be restructured so that fees reflect the quality of the facilities, while ensuring affordability for all through the use of more granular packages and discount cards. Having increased fees as part of the 2017 budget, the next step is to review the package structure and admission hours for off peak membership which are out of line with usual practice;

- Notice periods should be extended from 2 weeks providing more certainty of revenue streams, and avoiding cancellations based on season, holidays etc. A notice period of several months with an option to suspend will reduce financial risk, with short term options provided;

- Development of the centres into vibrant places encouraging healthy eating, exercise, social activity and community volunteering, with funding from Health, GPs, Schools, Police and other agencies. Linking with parks and countryside for outdoor activities, this can include young people and the elderly, assisting with aspiration and isolation respectively;

- Redevelopment of some of the Centres, for example, Europa Pools which accounts for 30% of the cost of the leisure service, into a multi-sports complex as part of the Birkenhead redevelopment. For Leasowe, there is a plan to reduce the deficit to zero by changing the offering following work with Alliance Leisure, including a running track around the centre, adding playing pitches and conversion of the badminton courts;

- Promotion of the ActiveWirral campaign based on small changes, including walking and cycling, working with partners to further develop cycling and walking networks, together with health initiatives to promote walking and other low-level, consistent exercise such as the pilot led by Dr William Bird which has delivered value in Reading and other areas (“Beat the Street”);

- A review of the Golf offering, increasing beginner and family friendly facilities to draw in new and younger players; reviewing investment in this area;
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- Opportunities for development also include pathways based on GP referrals, adult social care partners and offerings designed to include the disabled, together with leisure holidays including golf and sailing. The team are already in discussion with the Director of Public Health and the NHS Wirral CCG with regard to GP referrals, and with Adult Day Care Centres, with the Leasowe Centre being altered to help with this. There are also discussions on building a Football Centre of Excellence for adults with disabilities, working with Sports Governing Bodies to develop a vision for future provision;

7.3.4 Pricing and Viability

With a membership fee package that covers all facilities, with price only varying based on peak/off peak, and additional niche benefits, there are few add-ons for the centres to upsell. It is known that some customers bring in personal trainers and this service could be included into packages, with analysis of competitive charges.

Further details of opportunities for pricing review are included in Appendix Q.

Customer Journey Analysis

Customer Journey as in other areas, looks at how the visitor moves from one activity to another, gaining in health and wellbeing, but also spending to support services, as they go. It covers:

- moving from one thing to another on a single visit – for example, going to the café and for a swim after a gym visit, or taking an extra class;
- moving to another site or event on the same day, or as a prompt to visit another day – perhaps starting off in a local outreach provision for health and wellbeing, having felt a leisure centre “wasn’t for them”, and then being encouraged to try more formal offerings.

Improving Customer Journey in a deliberative, sustainable manner involves more than thinking about whether a café can work at a given location. It involves understanding what needs to a customer is trying to meet, and facilitating that, not just with providing services and facilities, but in signposting them, and guiding their journey between them. Customer choice is a key part of this, so that they can pick a pre-designed journey, or design their own, taking in a variety of elements. With that context, the ability to eat and drink at leisure facilities is fundamental, so excellent, tailored catering facilities are integral to the package.

At present the only significant catering is at Europa and West Kirby, which are basic offerings, and could be made more attractive features of the complexes. According to the 2013 leisure review these both operate at a loss with staffing costs, high cost of goods, poor portion control and wastage resulting in gross profit percentages much lower than industry norm. 

New café facilities are opening at the Oval, with transferred staff operating it through outside contractors, Pelican Rouge. Enhanced by association with a new fitness suite, this endeavour hopes for a good take-up, but is still not looking to make any contribution over its direct costs.
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7.3.5 Practical delivery considerations

- A cultural shift is needed to focus on provision of services rather than facilities, with greater focus on the customer experience and journey, and investment in reception areas and changing facilities;

- Upgrade of facilities is needed with the age and condition of the buildings, away from the "municipal look and feel”, with consideration given to finding an investment partner. However care needs to be taken that additional capacity is not taken up by people on free or significantly reduced pricing. In addition it should be recognised that the local provision of leisure facilities is high which means they are competing in a relatively small marketplace, and with potential for new competition entering the market;

- Development of facilities in Beechwood is needed;

- Membership cancellations currently run at 6% and 8 months which is better than average but the sales and retention team are looking to improve on this;

- Bid writing capacity is needed for grant applications such as for new facilities for users with special needs at Europa, potentially from Sport England’s community asset transfer fund. This could be combined with similar functions in the other LLPC services;

- Leisure Services are delivering some services of interest to health commissioners but these are not income-earning. GP referrals and PHE funding need developing, and should focus on fundable areas of need (such as Stroke Rehabilitation, Diabetes, Dementia Care, and COPD);

- Staffing costs are high relative to similar facilities elsewhere

- Catering is impacted by the cost of these wage enhancements, meaning the cafes are only open at peak hours and even then run at a loss;

- The level of staffing depends on the layout and needs at each centre with rotas allocating sufficient staff at particular times to cover demand and classes. Not all areas are staffed, and under 14s are only allowed into the gym with an adult or when a qualified instructor is on duty;

- A challenge that will be removed within an ADM is where the service management are using council support services for finance, budgeting, IT provision and others which are not tailored to or fit for purpose for leisure management, and not able to be controlled by leisure management as regards costs or service standards;

- Golf course maintenance needs to be improved, either by upgrading the skills and equipment in-house or outsourcing, potentially using the services of local private golf courses;

- Europa is running at deficit, which equates to 30% of the overall controllable revenue budget;

- High sickness levels are a particular issue that needs to be addressed at an average of 12.5 days per year, which is then covered at enhanced rates. Sickness absence is generally long term and more research into underlying issues is needed;

- IT requirements need replanning, and investment, these to include website, and CRM systems.
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7.3.6 Staffing and Volunteering Model

Experienced staff need to be introduced across the centres at all levels in order to facilitate cultural change and skills development required from a more responsive and commercial service which meets the needs of increasingly discerning customers. According to the DCMS report (see 7.3.3), the workforce needs to show strong leadership and inspire confidence not only in customers but also in those they are seeking to influence such as healthcare professionals.

Wirral Borough Council is proposing a staff charter, empowering staff to take responsibility and act in the interests of community, for example with sport vocational training in collaboration with Wirral Met College and building on an existing apprenticeship programme.

There is a management team of 4 running the service, with senior roles already included within the 2016/7 budget for review:

Senior Manager Leisure Services  Culture equalities diversity officer
Leisure Operations Manager  Lead assessor/relief team leader
Leisure Manager  Project coordinator
Sports Development Manager  Team leaders and Duty officers
Engineering Offices  Business systems administrator

Consideration should be given to introducing appropriate role models for young people, assisting with the training and apprenticeship initiative, as well as general aspiration and mentoring.

With a new range of services to be delivered, development of skills and scope of work for individuals is likely to be necessary. With appropriate training, we anticipate that this will be welcomed.

7.3.7 Golf review

A number of golf reviews have been undertaken, including an independent review by Mark Smith in 2015, plus the recent STRI report (“Agronomy Report on the Public Golf Courses”). These have described the context of a tough golf market, with an oversupply of 18 hole golf courses in Wirral, combined with the courses and facilities not being maintained as well as they should be. Further comments on golf provision are at Appendix O.

7.3.8 Performance Measurements

The Wirral Leisure Strategy includes:

- increasing the number of adults cycling to work;
- increasing number of people cycling in Wirral;
- increasing the number of adults who participate in sport at least once a week; and
- increasing use of outdoor space for exercise/health reasons.
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Within the DCMS strategy documents the following KPIs are included:

KPI 1 - Increase in percentage of the population taking part in sport and physical activity at least twice in the last month
KPI 2 - Decrease in percentage of people physically inactive (KPI 1 and 2 from Sport England’s *Active Lives* survey)
KPI 3 - Increase in the percentage of adults utilising outdoor space for exercise/ health reasons (MENE survey)
KPI 4 - Increase in the percentage of children achieving physical literacy standards
KPI 5 - Increase in the percentage of children achieving swimming proficiency and Bikeability Levels 1-3
KPI 6 - Increase in the percentage of young people (11-18) with a positive attitude towards sport and being active (KPI 4, 5 and 6 from *Taking Part*)
KPI 7 - Increase in the number of people volunteering in sport at least twice in the last year (from *Active Lives* survey)
KPI 8 - The demographics of volunteers in sport to become more representative of society as a whole (from *Active Lives* survey and ONS population data)

Performance measurement should be focused on a new framework to be set around meeting the needs of the people of Wirral. Key factors to be covered should include:

- Universality of service – what is available and taken up where;
- Specific needs-based indicators for targeted provision covering:
  - Reach
  - numbers taking up services against target
  - improvement in health or other relevant outcomes
  - improvements in wellbeing (largely through self-assessment, perhaps through an app-based technology)

7.3.9 Planned Improvements and Developments in Train

The following are currently being pursued by leisure management.

a) Pricing Review

This happened with a change in pricing in March 2017. Early indications show both a rush to take out membership before the price increase, and a drop-off of membership since. This is thought to be due partly to timing differences, and partly from lapsed or occasional members being prompted to increase or cancel Direct Debits.

b) Call Centres

A call centre for customer liaison has just been established. Its remit is to follow up on lapsed memberships, and encourage renewals. With £120k additional financial support for the Council for year 1, this is expected to see payback as customer retention can then be better managed.
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Currently leisure has a database of 40,000-50,000 of which only 15,000 are members at any one time, so there appears to be an opportunity for improvement.

c) Tennis Centre
   A Sports equipment outlet is due to open in the Centre.

d) West Kirby Marine Lake
   There is a Sport England-supported scheme to update changing and catering facilities at the canoeing and sailing centre. This has been delayed, but is expected to generate increased user income and catering income from March 2018, with a particular focus on schools.

e) Early Opening Pilot
   This is being trialled from September 2017 at Europa and Concourse. It is not yet clear whether it will simply mean that existing visitors come at earlier times, or whether increased membership numbers will arise.

Sports Development Grants Funding
The 2016/7 list shows £150K for Wirral Sailing Centre from Sport England, £70K from Sport England for Satellite and Sportivate clubs, £135K from National Citizen Service for 16- and 17-year-olds, plus £129K in other grants.

A wider range of grants, from charitable foundations, as well as possible corporate sponsorship, is likely to be available in an ADM structure, as illustrated in 8.

- Asset Infrastructure
   A long term development plan for investment in the facilities is needed for the next 5-10 years, to fully understand the capital expenditure requirement. Figures within the model are based on the leisure condition surveys, but further work is needed to verify these, together with consideration of the following:
   - After significant investment much of the equipment is of private sector standard, but there is a "municipal look and feel" to the buildings;
   - Development of the reception and café areas to be more vibrant wellbeing centres;
   - Modern day community centre to be built at Beechwood, including a range of leisure options for all the family. Currently adult social services is using the centre during the day, together with a boxing project but no pool;
   - Woodchurch ‘dry side’ needs remedial roof attention and the cost could be prohibitive, given the benefit. Youth services provides income of 96k per year;
   - Europa to be reviewed as part of the Birkenhead development plan;
   - Golf course investment needed as described previously.
7.4 Floral Pavilion

7.4.1 The Floral Pavilion in outline

The Floral Pavilion is an entertainment and conference venue at the North of the Wirral peninsula comprising an 800+ seat theatre, a foyer plaza, bar, and four areas for general hire. Reopening in December 2008 after a complete rebuild as part of the £60m Neptune Project, it replaced earlier buildings on the same site dating back to 1913. It puts on a wide variety of shows, from comedy to popular opera, musical theatre and pantomime to wrestling. Conference hire is similarly diverse, with corporate events to community groups making bookings. The venue receives no Arts Council or other external support.

7.4.2 Market Review

In 2016, Arts Council England published a report Analysis of Theatre in England analysing trends and statistics in English theatre. This shows a range of issues including Local Authority funding reducing by 50%, the dominance of London theatres, and the importance of being able to generate private sector funding. This last is very unevenly spread across the industry, and is an area that the Floral Centre needs to develop.

Also interesting to note is that, while the largest group of theatre bookers is aged between 45 and 64, the largest growth rate is among the 18-25 age range. For the Floral Pavilion to be sustainable in the long term, attracting young adults needs to be an area of priority in its programming and marketing, developing the customer base of the future.

Many Councils have followed the approach of ‘spinning out’ local theatres to be owned and operated by their own trusts. Examples include Watford Palace Theatre which receives significant funding for its major refurbishment from Arts Council England, including £350K for an outdoor arts festival. While the closure of Sutton Theatre Trust shows that not all are successful (in this case due to an inherently non-viable theatre being packaged with a viable one, and no action being taken to close the former), it confirms the importance of seeking grants and private funding, together with strong business and financial management, and closing down services which are not commercially viable early.

Further comment on target market, segmentation and pricing are in Appendix Q.

7.4.3 Strategic Development

The Floral Pavilion cost £11m to build and we understand was the catalyst for a further £80m investment in New Brighton, an area now attracting 200,000 new visitors a year and an important part of the tourism industry in Wirral.
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The development of a business plan will clarify strategic priorities, explain the financial model and assess associated opportunities and risks. This will help with appropriate management and oversight, to ensure that resources are focussed, monitoring against the plan to achieve the following objectives:

- To provide affordable, fun and varied theatre and activities for the residents of Wirral, appealing to a wide range of interests. This includes a variety of ticket types, including discounted tickets for certain people, and a number of free performances;
- Appropriate financial and management reporting for running a theatre business, showing the profitability of the various service areas (e.g. theatre, conferences, weddings), together with social impact evaluation;
- Review of programming for long term sustainability and audience diversity, including contract arrangements to ensure the organisation is not at undue risk when booking a schedule of performances two years in advance. The breakdown of this by performance is not currently produced, we understand, so this key management is not available;
- Possibility of additional theatre usage to increase footfall and cultural diversity, with 69 days currently apparently unused per year. There also needs to be a review of the balance between performances and hires based on profitability which is still not clear based on figures;
- Improved customer experience with better food and beverage options for theatre-goers, events and conferences, plus local residents. Bar management and Carringtons contract to be reviewed with regard to terms and conditions and the feasibility of an in-house offering within an ADM, taking into consideration staff terms and co-ordination across the services;
- Growth of the conference, events and weddings business, increasing profitability;
- Development of unused space to bring in creative industries, building on the Momentary Art Project which is active in the area, and pursuing interest from film companies and the like;
- Building on the tourism in New Brighton, which already brings in over 1m visitors a year, with a strong coastal community team and community groups.

7.4.4 Theatre Utilisation Summary
Further details are shown in Appendix Q.

7.4.5 Pricing and Viability
Typical theatre tickets pricing follows though it varies by production. Some shows have a standard price per seat whilst others offer concessions to the Over 60s, Under 16s, Unemployed and Disabled.

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<table>
<thead>
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<tbody>
<tr>
<td>Standard Ticket</td>
<td>Typically £13, rising to £45</td>
</tr>
<tr>
<td>Concessions (not all shows):</td>
<td>Typically £10 or several £ cheaper</td>
</tr>
<tr>
<td>Family ticket (2 adults and 2 children)</td>
<td>Typically £48</td>
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These prices include VAT, which would not be required by any new charitable organisation given the cultural exemption due to non-profit status. However, the inability to recover VAT on the associated costs would offset that additional revenue, potentially having a neutral impact on profit.
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7.4.6 Practical Considerations
Commentary on these, and opportunities for improvement, is at Appendix Q.

7.4.7 Staffing and Volunteering
Additional experienced staff need to be brought in to grow the business, working with a strong Commercial Director across the portfolio. The current budget includes the following members of staff supported by assistants for backstage, box office and bar, together with 170 ambassador volunteers specially trained in dementia etc. and who won Volunteer Team of the Year, awarded by Wirral Tourism Awards:

- Theatre Manager;
- Operations Manager;
- Conference Development Manager;
- Technical Manager;
- Service Development Manager;
- Assistance Programme Manager;
- Assistant Theatre Manager;

Possible additional roles discussed but not included in the model are:

- Marketing and partnership development manager;
- Education/fundraising officer;
- Events manager including weddings.

A concern has been expressed regarding the limitations placed on the Floral by the Council with regard to remuneration. Council recruitment policies are believed to restrict the organisation’s ability to be competitive and flexible to market conditions when recruiting temporary and seasonal staff.

Consideration should be given to restructuring the management team to ensure appropriate focus on commercialisation of the entire venue, potentially with a Commercial Manager overseeing the business, and an Operations/Artistic Director overseeing the programme and performances. The Bar Manager is also the licensee covering weddings in the evenings and so unavailable during working hours to work with the Floral Manager on promotions etc.

7.4.8 Performance Management
This should follow industry standards for theatres and conference venues, focusing upon:

- Occupancy, including demographic segmentation;
- Ticketing spend and ancillary spend per head by type of show;
- Profitability per show;
- Bar and catering gross and net margins and turnover.
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In addition, customer satisfaction surveying should focus on:

- enjoyment of the shows;
- understanding and enhancing customer journey;
- enhancing wellbeing and quality of visitor experience, perhaps especially for events for targeted groups (e.g. autism friendly shows).

7.5 Williamson Art Gallery

7.5.1 The Williamson in Outline

The Williamson Art Gallery and Museum is both the collection of the vast majority of Birkenhead’s artistic works and historic artefacts, and the building in which they are housed. Opened in December 1928, and named after its benefactors, it is situated in the suburb of Oxton, away from the present visitor flows, and major thoroughfares. The collection is perhaps particularly known for its watercolours, including works by Rheam and Wilson Steer. These reflect the artistic heritage of the area through the impressionist and later periods. Other collections include important ceramics, and ship models both relevant to the area’s history. The Gallery, with the help and support of its Friends, puts on music concerts and other small events, as well as undertaking a range of outreach experiences for local schools.

7.5.2 Market Review

There is limited local competition in terms of art galleries until you reach Liverpool, which is well appointed.

Appendix G shows competition around the Williamson locally and further afield. We carried out research into all popular and accessible exhibitions in Wirral, Liverpool and out towards Knowsley and Chester. The strongest competition appears to be in Liverpool, with the Tate and Walker Art Gallery, both of which are very well known and have high visitor numbers.
7.5.3 Strategic Development

Williamson is a Grade 2 Listed building, opened in 1928 with 14 interconnecting rooms, one of which is used as a café. With 2,000-2,500 monthly visits, it houses a ceramics collection of national importance and one of the best British watercolour collections in the North West of England, as well as a maritime exhibition of particular local interest. It also has a venue for concerts and lectures, a meeting place for community groups, and hosts family art workshops, paid for adult classes, as well as schools visits, and partnership working in respect of Looked after Children and Young Carers.

A way forward is needed for the gallery as - while popular with the local community - after a series of budget cuts it is not operating sustainably, and the Council’s medium term financial plan is to reduce the subsidy to zero by 2020/21. The objective is to develop a way of keeping the local cultural interest and community engagement, while also extending the cultural offering for both residents and tourists. A challenge with the existing building is that while popular with locals, it is not well placed or accessible for larger audiences. In addition, the building is not suitable for exhibition loans from galleries such as the V&A and the Tate as it does not have adequate lighting and humidity controls.

Therefore, it is proposed that a modern, purpose built site be constructed in Central Birkenhead that will enable a wider cultural offering, while also benefitting from increased footfall as part of a redevelopment of that area. With the social programme for young people already having moved to the Hive, and the organiser now working from there, the existing gallery will be repurposed for young people or as an enterprise hub, while retaining its role as a community hub. Consideration will be given to retaining its role as a meeting place for local social and cultural events with public consultation, retaining the engagement of the local residents and Friends Group.

7.5.4 Pricing and Viability

The intention would be that the gallery would be free to all, with charges for specific exhibitions. A café, shop and events programme will bring in additional revenue, together with grant funding to support the gallery.

7.5.5 A New Model

The development of a new model for the Williamson – one that is sustainable, and brings value in enhancing the tourist ‘pull’ of the area – requires a radical move. A potential model might:

- Be centred on a proper examination of the connection of Birkenhead with the Mersey. Docks, shipbuilding and ferries would be seen from the viewpoints of Local Communities, the Navy and the Merchant Navy; and presented partly with models, photos and drawings, and partly with sound and light as living history experiences. This would be distinguished from, (and complementary to) Liverpool’s Maritime Museum;
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- Feature regularly rotated displays of art from the Williamson's own collection supplemented by loans from other galleries, some presented in general juxtaposition, and some in themed exhibitions;
- Host special exhibitions (such as the V&A Pop Art Prints) to be hired in. Pop Art Prints was hired at a cost of £6k plus transport for a 2-3 month run, so these exhibitions may demand an entry fee;
- Seek corporate sponsorship, particularly for special exhibitions, but also for general support to supplement an enhanced and focussed grant fundraising approach. This will draw on dedicated expertise, probably shared with others of the service areas;
- Require total space of 2,100 square metres, with 1,300 square metres of display space and 800 square metres of storage. Some re-planning is needed over items in the collection that are damaged and of little value;
- Be sited in Central Birkenhead in the proposed new development area, and would be a key part of the presentation of that. Designed and flexible gallery space with moveable walls, and adjustable lighting such as that used to great effect in the Kirkby Gallery in Knowsley, it would include areas for performance, equipped with 200-250 seats of retractable seating;
- Be combined with the Central Library, from where it could manage archives, and indeed take on the Borough Archives. Grant funding or sponsorship could be raised to support their indexing and conservation. Somerset Heritage Trust has state of the art facilities to care for the archives of both Devon and Somerset. Accessible to the public and a modern and attractive building, they are a key part of the Trusts wider work to protect and celebrate the two counties' rich heritage;
- Enable archive tourism through a (sponsored) dedicated study space for researchers which could double up as private exhibition display space (again for event hire).

The modernisation of facilities for the Williamson gives the opportunity for embracing not only flexible display space, but also following trends in the cultural space usage outlined in section 5, and embrace:
- thematic combination of media (physical, digital, light and sand-based etc.);
- multi-use space;
- bringing art display closer to the visitor who comes for other purposes;
- making display available selectively online as well.

7.5.6 Practical Delivery Considerations

- The gallery is currently open to the public from Wednesday to Sunday, with staffing 7 days a week enabling private and school events;
- With a strong and engaged Williamson and Priority Friends Group of over 400, which rose to 700 when the gallery was under threat of closure, it is important to seek and gain their support and input for any new, enhanced Williamson offering;
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- As a benchmark, the concerns regarding closure of the Williamson have been listed below, noting that this proposes a new model and not a closure:
  - Cost of mothballing collections/buildings of up to £200K pa;
  - Bad publicity;
  - Impact on third party tenants e.g., Oxton Books;
  - Problems finding suitable alternative uses of building;
  - Loss of successful and cost effective support children and young people including young carers;
  - Loss of economic support for local ‘makers’ and artists;
  - Undermining the cultural offer that contributes to inward investment and place-making.

- Work is needed to check loan agreements to see if there are any restrictions on existing items with regard to relocation or display conditions;

- Ensuring there is enough space for display and storage;

- The move needs to be supported by resource being put into archiving and referencing materials, as well as due regard to maintaining museum and gallery accreditations. The referencing and documentation needs to be started early;

- Title to the collection needs to be considered as to whether there are any restrictions on relocating it more centrally, although it would be unusual for there to be problems in this area.

7.5.7 Staffing and Volunteering

At present there are 8 FTEs employed in the gallery, and these would be transferred to the new facility, where a new staffing structure would be developed.

7.5.8 Performance measurements

Performance measurement needs to be focused, both before and after a move, around:

- Number of visits to the Gallery (excluding virtual visitors)
- Number of unique users visiting the website
- Number of visits by children under 16
- Number of overseas visits
- Number of facilitated and self-directed visits to the Gallery by visitors under 18 in formal education
- Instances of visitors under 18 participating in on-site organised activities
- % of visitors who would recommend a visit
- Number of UK loan venues
- Self-generated income – admissions
- Self-generated income – trading
- Self-generated income – fundraising
In addition, customer satisfaction and influence data would be collected, considering such aspects as:

- Enjoyment;
- Awareness of key social issues;
- Attitude changes through the visit.

### 7.6 Parks and Countryside

#### 7.6.1 Parks and Countryside in Outline

Parks and Countryside comprises large municipal parks such as Birkenhead, smaller green spaces, grass verges, and wildlife habitats including areas of shoreline. It also includes closed municipal cemeteries, and the four crematoria, and oversight and general maintenance of allotments. The grounds and landscape maintenance staff also maintain the golf courses.

#### 7.6.2 Market Review

Parks are good for social, environment and economic wellbeing, together with being important community spaces of which people can be proud of. However the Heritage Lottery Fund reports how public parks are under threat with budget cuts, and NESTA’s *Rethinking Parks* publication describes a range of innovative models for ensuring the funding of the parks and the expansion of their role within the community. Identifying priorities such as changes to park management systems, encouraging support partnerships, diversifying funding and exploring new activities and opportunities, it includes a range of examples from across the country.

Many UK parks are already generating income through concession stands, festivals and concerts, with some also raising funds through sponsorship and naming rights. Securing partnerships between the private sector, voluntary sector and communities has been successful in regenerating areas within Cornwall, with Nottingham particularly successful in generating funding of £15m over three years in its drive to become self-sustaining by 2020. This has included entering the horticulture retail market, redevelopment of cafes and other concessions to increase spending within the parks, together with sports facilities and significant income from parking charges. These areas talk about the importance of an energised community which is passionate about parks, in addition to employing development managers and bid writers to attract funding from the private sector, Heritage Lottery Fund and the European Union.

In the context of a needs-based review of services, including parks and countryside, it is most important that the environmental dimension is not lost in favour of the social and economic. A holistic and multi-faceted preservation and development of the environment has multiple benefits, including:
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- enhancing the well-being and health of those that visit or live in it;
- supporting education of all ages;
- broadening awareness of self and others;
- acting as a 'draw' to visitors.

This is in addition to the preservation of wildlife habitats, and of flora and fauna of all types, and the maintenance of a balanced ecosystem affecting land use, water courses and other aspects. The existence of the river, the parks and countryside, and access to them has played a vital role in Wirral’s development and its success. Integrated with the other services, the Parks and Countryside operation has an active role in the area’s future success.

7.6.3 Target Markets

To achieve the Council’s pledges around health and wellbeing, it is important to attract new users to the parks and countryside given the potential benefits for physical and mental wellbeing. Research was carried out into park and non-park users in 2012\(^\text{17}\), with potential areas to explore including:

- Further promotion of the ActiveWirral campaign, including development of walking and cycling facilities;
- Health and wellbeing activities such as diabetes workshops (health walks), and mental wellbeing courses;
- Development of school holiday programmes to be explored encouraging children and families into the parks creating healthy habits;
- Play facilities (permanent or temporary) could be developed with some fees charged;
- The Council’s Playing Pitch Strategy should be considered in light of pricing and also potential funding opportunities;
- Crown Green Bowling, which is already popular in the Borough and well suited to all ages. In addition to the older generation, barefoot bowling is becoming popular for younger people, doing what footgolf has done for golf;
- Special needs groups could be considered to help with park maintenance projects, in addition to developing particular services to attract them to the parks;
- Harnessing the energy and commitment of existing Friends Groups is also important to help develop and direct funding for important projects for the community.

Parks can also help with tourism, bringing in additional money to the area, particularly given the natural and heritage assets of Wirral.

7.6.4 Strategic Development

The Wirral Leisure Strategy has ambition to promote and celebrate Wirral’s parks, coast and countryside for leisure activities, with two thirds of visitors using them for walking and exercise, one in 5 for cycling and one in 10 for playing sport. In addition to contributing to physical and mental health and

\(^{17}\) Wirral Open Space Assessment December 2012, Visitor Survey 2012
wellbeing, they also provide safe play environments for children, while contributing to community cohesion through shared space, organised games and providing a sense of belonging. High quality green spaces also contribute to economic development and tourism, making the Borough more attractive to investors.

The Parks Modernisation Project ran from 2011-2013 to establish a modern cost effective and efficient service comparable to that offered by the private sector. From there, the Open Spaces Strategy for 2014-2024 was developed following public consultation. In the following list of priorities, which have been identified from the Strategy, we give a greater focus to revenue generation, which was set out as a discrete point within the Strategy, as opposed to being the central thread running through it. Priorities are:

- To contribute to the good health of the population, working with schools, and organising health focussed activities for older people amongst others. Investment in keeping a person physically active for their life saves significantly in health service costs as well as in other areas;
- Development of the cafes, visitor centres and toilets as a priority as these facilities ‘set the tone’ and draw people in. Birkenhead and Eastham Country Park are target sites, with the latter needing to be put into a proper state for future use;
- Development of the food and beverage offerings within the parks which are currently limited, and which could include healthy living cafes, street food and others, as part of the overall catering and tourism strategies. This could be significant particularly when considering a calendar of cultural, music and sporting events, both for the community and high end customers;
- A review of the provision relating to sports facilities such as football and cricket pitches, together with golf courses, is also needed, both to ensure that maintenance is appropriate in the light of club charges and to bring in specialist skills to achieve the quality required by customers in a cost effective way;
- Investment in green flags, heritage sites and similar. as part of the overall tourism strategic and business case. In addition working with the tourism team to provide facilities for those on ‘staycations’ including people on lower incomes, including links to the Liverpool visitor experience, golf coast marketplace, coast, countryside and cuisine, sports and activity breaks;
- Allotment gardening has an important role to play throughout the Borough, helping people to grow their own vegetables, take part in healthy pastimes and share advice and support. The Council developed an allotments partnership strategy and improvement plan covering the period 2015-2020;
- Social enterprise initiatives to be explored could include: farmers markets, locally grown vegetables, and wood chip production.

With regard to costs, it would be beneficial to categorise the open areas into those of importance to the local culture and community, those of wildlife or SSSI importance, and those important to tourism. This will provide clarity and prioritisation for resource allocation beyond the overall ambition of quality, balancing the costs with wider benefits, including where lower investment in upkeep is acceptable. This is potentially an important part of a focusing of resources in order to get a refined model that invests at the right level in sites appropriate to their purpose and use.
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7.6.5 Pricing and Viability

Following recent increases in pricing, questions are being raised about the appropriateness of charging community groups to use amenities such as parks and beaches, with the fee of £75 being prohibitive for some groups, stifling community empowerment. This should be reviewed to raise revenue where appropriate, but in keeping with the overall strategy of meeting local needs, perhaps by offering waivers or discounts to local groups.

At present, catering facilities are limited to the Birkenhead Café and concession stands such as ice creams, with scope for improving the level and quality of food and beverage provision in the park, with concessions and street food which is affordable and healthy.

Introduction of pay and display car parking charges is being implemented into the Parks and Countryside car parks at Arrowe Country Park, Eastham Country Park, Wirral Country Park and Royden Country Park. However while this saving option will impact on the Parks Service, the income will not be shown against any of the Parks cost centres. It will instead be managed and accounted for via the Council’s Car Parking team within Traffic Management. This need for a more holistic cost and business control and accountability is commented-upon further in section 8.

The development of a calendar of cultural and sporting events, including music, plays, fairs and healthy living events would help to make the parks a more vibrant part of the community. Such events already find their place in Wirral, but co-ordinated planning could contribute significantly to the individual characters of each of the parks, and to ensuring that there is always ‘something going on somewhere’, encouraging mobility into and across the Borough as well as catering to local needs.

The allotment charge of £1 per week (50p for OAPs) should be reviewed in light of the amount of time required to oversee these plots and manage any neighbourly conflicts that arise, while recognising they are considered of particular benefit to the community, both with regard to mental wellbeing and the ability for deprived families to grow their own food or enjoy a garden of their own. We have not had feedback on this issue from the public engagement process by the Council, and have not benchmarked against other area facilities as this is too detailed for this report. We therefore have a limited view as to whether any change is appropriate here.

The crematorium is the main source of income for the Parks and Countryside business area, bringing in £2.8m of income, and prices were increased in April in line with the local market. The real cost of operating this service, including maintaining the grounds, should be assessed to understand the full business model. This has not been possible based on the information provided by the Council.
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7.6.6 Potential Revenue stream development

Opportunities for further development are considerable, but require both investment in resources (including people) to make them happen and capital investment in assets in some cases. A selection of the opportunities as an illustration of what might be possible is as follows:

a) Heritage Lottery Fund and similar grants

These would be available to support refurbishment of facilities, so improving accessibility, and works on the parks and countryside areas themselves to maintain and improve the sites, notably those with important heritage aspects.

b) Eastham Country Park

As a key birdwatching centre, this has scope for improvement. Toilet facilities, café and shop possibilities and reinstating ranger support would enhance the experience and generate income. By comparison, a lesser site in Sefton has had HLF support to develop its offering, and has benefited from a Development Officer with the time, expertise and focus to make improvements happen.

c) Go Ape franchise

This is a popular teenagers and adults climbing and treetop activity. Under the standard model, Go Ape enter a rental agreement with the host park and fit out a designated area for their treetop, net-climbing or zip wire experiences. Working well in areas with cafes and other park facilities, visitors pay for their experience. The host organisation earns a base rental and a share of revenue related to footfall. During our review, Go Ape have reviewed the area and confirmed, in principle, it would be suitable. We have passed the details and the proposal to the Council.

d) Forest Schools

These provide both access to open air learning in conjunction with schools, and organised training, development or ‘special day’ experiences for paying customers - either individuals or corporates. These may be delivered by the Parks’ own rangers or by an outside specialist operator, (rather as Go Ape works). They should link up with the leisure outdoors and outreach provisions. The schools provision should be (largely) free, although a specialist provision suitable for funding out of Pupil Premium or Premium Plus may be appropriate.

e) Catering

There is real opportunity here for a varied and carefully planned offering that enhances people’s experience. Whilst visitors could also be encouraged to bring their own food and picnic in the park, a visit can be enhanced by:

- supplementing a picnic with hot drinks or ice cream;
- a tea and cake or snack option;
- locations where a fuller meal is possible (such as those in Regent’s Park, London);
- a ‘dining with nature’ experience, perhaps like the Treehouse at Alnwick Castle.
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f) Camping
With limited accommodation in the area, and ample green space, this is a development opportunity. It comes on two levels, which can be evaluated in conjunction with the tourism development plan:

• well-appointed municipal camping (with toilet, shower and café facilities);
• ‘glamping’, with tent or yurt supplied, and dining and tent facilities on hand.

Either version should be cash generative, and improve customer journey.


g) Merchandising
As seen in the National Trust, a combination of selected shop sales with cafes at a countryside site generates income, and allows the spread of branded goods as keepsakes and marketing collateral.


h) Building refurbishment for alternative use
We understand that toilet and other built facilities at the parks and other managed public areas vary between acceptable and not fit for purpose. A number, perhaps a large number, need major or minor refurbishment to bring them up to standard to support visitor (and indeed staff) use. The level of such shortcomings are being reviewed by Council staff, and we await their response on this, which will then need further work to evaluate the costs associated with it.


7.6.7 Practical Delivery Considerations
Practical delivery points that arise include:

• Issue of charging community groups for use of parks, beaches etc is counter to trying to help these groups and has caused some concern;
• Revenue generation and financial sustainability is not a core focus in the parks service, nor do they have the resources to develop it;
• Management plans for estates also appear to be under-resourced, with too much falling on the Head of Service, with limited ability to delegate to an assistant;
• Wallasey beach – numbers of camper vans use this space, facilitated by online forums recommending it as a place to come. There is potential to develop a site for proper pitches with facilities for use by tourists and local residents as a low cost staycation;
• There is tension between Parks and Leisure as to who gets income from football pitches and tennis court hire;
• Consideration needs to be given to insurance costs for park maintenance given potential claims for car damage, glass injuries and other risks if run outside the Council;
• There are opportunities to build working relationships with schools and other council departments;
• We have heard concern from this operation that staff have ‘little or no control over certain aspects of our budgets’ and that this impacts opinions about performance and the ability to innovate.
7.6.8 Staffing and Volunteering Model

- Working under the Head of Service, there are Area Managers for Birkenhead, Wallasey, West Wirral, South Wirral, Cemeteries and Crematoriums, Technical Support and General Maintenance. It includes 10-11 team leaders from different backgrounds and they recently held an income generation workshop. We understand that the points raised in that are picked up in section 7.6.6 above.

- Annualised hours have been implemented. We do not have any feedback on the effects of this.

- The cost per hectare for maintenance is lower than the APSE benchmark for the industry. However, with the addition of some staffing as mentioned elsewhere in this section, and some investment in facilities and infrastructure, management advise that this is sustainable.

**Summary of APSE Parks, open spaces and horticultural services 2015-16 Issue 2**

<table>
<thead>
<tr>
<th></th>
<th>Average for service</th>
<th>Average for group</th>
<th>WBC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost per service per hectare</td>
<td>£5255</td>
<td>£4821</td>
<td>£2,734</td>
</tr>
<tr>
<td>of maintained land</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hectares per FTE</td>
<td>10.77</td>
<td>11.2</td>
<td>17.47</td>
</tr>
<tr>
<td>Staff absence</td>
<td>4.36%</td>
<td>3.69%</td>
<td>2.76%</td>
</tr>
<tr>
<td>Total staff cost as % of total cost</td>
<td>65.39%</td>
<td>66.09%</td>
<td>80.84%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>highest in group</td>
</tr>
<tr>
<td>Front staff costs as total</td>
<td>52.48%</td>
<td>53.82%</td>
<td>55.95%</td>
</tr>
<tr>
<td>Central establishment charges as a percentage of total expenditure</td>
<td>7.64%</td>
<td>5.34%</td>
<td>10.33%</td>
</tr>
</tbody>
</table>

- There are 46 friends groups who have a key role in promoting and maintaining the parks and assisting with a variety of conservation tasks. Green flag awards could be achieved without volunteers. Many also lead guided walks and raised funds. There may be opportunity to link these with others, and make more of the support they offer.

A key enabler in this development is to get the investment in the team right. It needs time, expertise and focus in sponsorship and grant fundraising, time and expertise at the strategic level to find and develop great ideas in conjunction with other services and agencies, and the resources on the ground to make things happen and liaise with the public. Realistically this demands:

- grant application, sponsorship, and fundraising capacity, perhaps shared with the other services, but amounting to 1 FTE. Typically these would be expected to generate at least 4 x payback but we could also consider centralising this role across the four service areas to maximise return on investment and expertise;
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- Development Officer capability covering biodiversity, sports, health and wellbeing; and community (2 FTE possibly) and the two points that follow. This links to the wider ‘programming’ capability that other areas have raised as a priority, and forms the basis of commissioning relationships and partner delivery;
- rangers or similar to support public use of and engagement with the facilities created;
- an increase in maintenance and repair capability balanced with the developments needed.

7.6.9 Performance measurements

With the planning in this area at an early stage, we have not had opportunity to discuss performance measurement with management. We would suggest that this is built around the following broad area, but considering how and what indicators are gathered:

Number of residents who regularly use the borough's parks and open spaces
Value of visitor spend in Wirral relating to Parks
Increase number of visitors to Wirral Parks
Increase number of events in Wirral’s parks, beaches and open spaces
Increase number of national quality awards for Wirral’s parks, coastal sites and open spaces
Successful signposting meaning that visitors go on to access other LLPC facilities and services.

7.6.10 Asset infrastructure

A categorisation of assets, together with a review of their maintenance programmes would be beneficial to make sure that there is effective use of resources across the Borough, looking at costs against the value of the assets. Considerations should also be given as to which areas remain in Council ownership, with some areas such as a ransom strip best retained.

Many of the parks, whilst benefiting from development of visitor facilities and services, should be locked into current use and prevented from redevelopment. This is important if an ADM model is being considered as a means of enhancing investment, utilisation, needs-focused operation, and service development.

7.7 Cross Portfolio Initiatives

In addition to the improvements possible in the individual Services within LLPC, as was highlighted in the Phase 1 report, there are opportunities for improvement which arise from operating LLPC as a single portfolio. These are described below:
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7.7.1 Catering

The catering offerings are very limited at present, and there is an opportunity to develop a range of attractive food and beverage outlets that not only bring in additional revenue, but enhance the customer experience, encouraging repeat visits, while promoting and encouraging healthy eating. Within the Council, in many settings, in house provision is not viable due to the level of Council policies and costs around evenings and weekend working, but as an ADM opportunities include:

- Developing the Floral Pavilion café and bar offerings for theatregoers and the local community. This includes reviewing building the customer journey, and reviewing event catering and pricing;

- Bringing the Birkenhead Park café in-house, turning it into an attractive café and meeting point for local residents and visitors, extending opening hours beyond 4pm into the summer evenings. This would promote healthy living within the park environment, while providing an outdoor meeting venue for local residents and visitors to enjoy;

- Expanding the food and beverage concessions within the parks to street food, providing an enjoyable, healthy and affordable way to eat out when visiting the park, and participating in sport and events. This could include the introduction of the food truck concept where different styles of food arrive in an area on different days, drawing people out of their workplaces for lunch in open spaces. Supported and licensed by the Council, it encourages young entrepreneurs to pilot ideas, potentially developing into innovative restaurants, as well as a basis for street food festivals in the region;

- Developing the leisure cafes from functional areas to healthy and attractive eating places for families and friends to meet as part of their visit. This includes the café/lounge at Arrowe Park Golf Course which has beautiful views over the park.

- Community projects in parks, gardens and allotments encouraging and raising awareness of the benefits of growing food and cooking from local ingredients.

The appointment of a catering coordinator to develop and oversee these facilities across the portfolio would provide the vision and expertise, offering distinct offerings for each environment and audience, avoiding the “Starbucks” effect, while providing value for money. The catering offering will also mesh easily with the friends group offerings which work well.

Such a service would need to overcome concerns about the risk of its being dependent on one or two individuals, together with potential health and safety issues of providing food and beverages to the public. However this can be explored, to develop something of positive value for locals and tourists, while raising revenue for investment in the services.

7.7.2 Funding and Financing

Addressing financing and fundraising across the whole portfolio enables the organisation to be more efficient in both. This comes in three ways:

- Looking collectively at financing need enables the organisation to select what is most fundable; internally funding what is less so; and to enable cross-subsidy between elements of the whole portfolio: one part that has periods of cash richness, say from up-front payments, can fund another that would otherwise have to borrow or seek external investment.
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This also develops into a more flexible approach to when funds are needed, and for how long, facilitating earlier release of funds and so, again, reducing costs;

- The fundraising itself is more cost-effective (in terms of cost per £ raised) for a larger fundraising, because of the core fixed costs of any process. So raising collectively for a group of purposes is generally cheaper;
- If there is the option of a larger single-source fundraising or a series of smaller ones, the ability to select sources from a wider range of options comes with it. This enables the organisation to access sources that a piecemeal fundraising might not, including some that bring benefits from enhanced footfall or influence with particular community groups;

This then demands a holistic approach, and even if specific people focus on specific service areas or demographic areas, a team, with a centralised and informed approach to grant fundraising and corporate sponsorship.

7.7.3 Community Engagement

Empowering and engaging the local community is essential to improving the health and wellbeing of the Wirral residents. Whether it be through participating in activities and events, or as an organiser or volunteer, individuals can positively influence their own lives, and those of their families, friends and neighbours. In addition to the direct benefits of the health, social and cultural activities, developing a sense of community and belonging is fundamental to wellbeing across the age ranges.

This embraces and enables the hub concept outlined in section 5, and can facilitate community libraries, co-located services and volunteer hubs amongst others.

It is proposed that a professional coordination team, supported by volunteers, is set up to facilitate this, creating an infrastructure to galvanise and coordinate people, resources and efforts within the community. By developing a volunteer recruitment and retention strategy, raising awareness, together with fostering partnerships with local groups, key individuals, and businesses, this group will act as a catalyst for a more comprehensive, integrated and sustainable set of services.

Focus will be on the following Council pledges, building on the current provision in the Borough which is summarised in Appendix C, and which is described as patchy and often reliant on individual efforts and one-off funding provision. A more strategic approach would look to provide these services within reasonable travelling distance to all residents, with the level and breadth dependent on local demographics and needs.

- Older people living well  e.g. digital skills, crafting sessions, pre-retirement courses;
- Children are ready for school e.g. music, stories, Bounce and Rhyme; parents and tots;
- Young people are ready for work and adulthood e.g. homework help, careers advice, foreign language, digital, ‘Fit and Fed’ clubs;
- Workforce skills match business need  e.g. jobseekers clubs, volunteering, readings and maths groups, ICT;
- Leisure and cultural opportunities for all e.g. outreach book service, events, special needs clubs for partially sighted etc.;
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- Wirral residents live healthier lives e.g. health promotion, sedentary and physical activities such as martial arts and keep-fit;
- Community services are joined up and accessible via One Stop Shops, councillor surgeries etc.

The engagement of young people will be a particular focus to achieve this, capturing both their enthusiasm to contribute, and the importance of involvement in cultural and social activities from an early age. Examples include attracting young volunteers aged 10-20 via Sport England grant programmes, together with partnerships with the National Citizen Service to build volunteering programmes which develop CV skills and experience for the unemployed.

Families will also be approached to help develop their local community, as will the retired (making use of their skills and time, while ensuring they continue to feel connected and a sense of belonging). Involvement can range from volunteering support with particular services to setting up informal groups at local cafes and meetings places around shared interests.

Relationships with local businesses will also be developed, both for financial and ‘in kind’ support for community activities, together with employee volunteering programmes to help with the organisation and running of local events etc.

Online platforms will assist with both volunteer coordination and awareness of services, together with facilitating connections within the community. An example is the planned web platform targeted towards older people to raise awareness of opportunities to socialise.

A calendar of events and activities will also be planned and publicised through a central website, with the use of technology and social media campaigns to encourage resident and visitor participation in arts, culture and heritage. These campaigns will also link with the range of active groups already in the area (Friends groups, Rotary, Lions etc), with targeted fundraising, around local community projects and needs.

7.7.4 Grounds Management

A collective strategy and approach to grounds maintenance will be possible, with maintenance focused on business and social purpose. This transition from Parks and Countryside maintaining the grounds and Leisure managing the business will help deliver quality, well-used facilities in a cost effective way, bringing in specialist expertise where appropriate.

This coordinated approach will also open up greater potential for cultural, community and sporting events within Wirral’s extensive range of parks, beaches and countryside. Focusing on the needs of local residents, together with increasing tourism, will lead to better prioritisation of resources and projects across the portfolio. This includes potential for hosting camping sites, encouraging holidaymakers to the area for affordable “staycations”, enjoying local beaches and countryside, bringing income and jobs to the region.

7.7.5 Signposting and Marketing

Successfully engaging people as active, local citizens, responsible for their social, health and cultural wellbeing, requires a holistic and integrated approach in communicating with them. Libraries as a trusted source of information for the community are well placed to assist with this. For example, a coordinated approach with Leisure and Parks could guide people with mental or physical health needs to engage in physical activities in a way that is accessible and encouraging, rather than a daunting trip to a
leisure centre. Leisure centres are also well placed, with potential for drop-in areas with information about training and volunteering opportunities as an alternative way of connecting with, and engaging with, the young and unemployed.

The shift from demand-led to needs-led services also includes a widening out of thinking with regard to markets beyond existing users. Well-designed marketing strategies become more important, reaching out to the various groups (families, elderly, unemployed, special need groups etc.) in a way that will appeal to those specific markets. This includes offers and discounts to attract people across the threshold, with young people as a particular focus given they are both future customers and where lifestyle habits at an early age are proven to impact life choices as an adult.

The approach to pricing will also be reviewed to recognise the full range of individual’s expectations and disposable income, pricing services on a commercial basis with a range of packages, concessions and discount cards to suit all budgets. This will include benchmarking with other organisations, adapting to industry trends and customer expectations.

We propose not just that a suitably interactive website is developed that encourages residents and visitors to use services, but also that one or more “Apps” is developed to help people plan and navigate their customer journey.

7.7.6 Community Space Management

A Facilities Coordinator will keep a register of the various venues and resources within the community, proactively ensuring space is well used, together with making them welcoming places to visit. A mix of free to use and private hire facilities, it includes the community centres, libraries, foyer at the Floral and meetings rooms, and should recognise the community needs of:

- Areas where people can come together to talk or carry out activities, e.g. Knit and Natter, Women’s craft groups, Floral choir, allotments;
- Places for people to go on their own, while feeling local and safe, and which are affordable and not too intimidating e.g. suitable for older women living alone, long term unemployed, people with anxiety issues;
- Higher end offerings for those who want them e.g. quality coffee, experts in art to talk to art galleries;
- Capitalisation of local assets and history – many assets hidden or not well enough publicised; tourism/visitor strategy.

These spaces could also include local business and social enterprises, whether cafes, rooms or other facilities that would be of use to the community, whether provided free of charge or for a reasonable fee.

This would also support the consistent management of pricing of space to maintain fair access, but not to sell too cheaply. We noted that currently space is being offered for free when there appears little social justification, or at day hire rates for a room of as little as £5.
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7.7.7 Events

A calendar of community and high-end events (indoors and outdoors) will be planned including healthy living, music and cultural events, attractive to both local residents and visitors to the Borough. Bringing together Culture, Parks and Leisure services, a strong programme will contribute to the local community’s health and social wellbeing, in addition to bringing in tourist money into the region, assisting with job creation.

Building on existing events run within the Borough, the plan would be to partner with the community groups that run these events such as Lions, Rotary, Liverpool arts, together with developing new events, attracting music concerts, plays, festivals etc. into the region, taking advantage of the region’s natural assets as settings.

7.7.8 New Commissioning and Partnership

There are a number of opportunities for developing new funded services for Local Commissioners, focussing on where the organisation can deliver services more effectively and at lower cost than other areas of the public sector. These include:

Public Health Agenda

- Education and awareness with regard to healthy eating and physical activity;
- GP Referrals, working with particular individuals;

Strategy for inclusion e.g. dementia, autism, LACs, specialised skills, disaffected children

- Community groups for specialised needs;
- Relaxed performances at theatre, with specially trained staff and volunteers;
- Golf lessons and days for special needs - Ernie Els Golf autism project, US golf initiative for dementia sufferers;
- Building of holiday homes for special needs, perhaps working with specialist support from organisations such as Dementia Adventure;
- Employment of people with special needs, encouraging other local employers to do the same;
- Outreach around the Williamson collection - Williamson staff spend time supporting schools, looked after children, under 5s and special needs groups.

Regeneration

- Birkenhead redevelopment;
- Attracting industries;
- Enterprise start-up.

Tourism

- Partnering with Visit Liverpool, Liverpool Culture and hotels in the region;
- Exploring opportunities with groups such as Dementia Adventure to develop and promote special needs holidays.
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#### 7.7.9 Tourism Strategy

The region has a wealth of natural and historic assets, with fierce civic pride, and there needs to be an appropriate marketing strategy based on what will draw visitors, capitalising on local assets and history. e.g. resurrection of the Leisure Peninsula, or developing a Borough-wide ‘dementia friendly’ reputation.

Opportunities include:

- Marketing and visitor information based on Discover Wirral (shorts breaks), and Wonders of Wirral (day breaks);
- Marketing holiday packages based on culture, golf, sailing, coast etc;
- Development and promotion of special need holidays e.g., dementia;
- Working with hotel companies and investors to address the accommodation issue;
- Working in partnership with Culture Liverpool to deliver major cultural events over the next five years;
- Working in partnership with Liverpool Film Office to identify future potential filming opportunities in Wirral.

#### 7.7.10 Specialist Group Tourism

Combining the priorities and opportunities of the four service areas enables an active collaboration with the Growth and Tourism offices and with local health and other agencies. In this way, specialist group tourism can be developed. This is both socially and economically focused, and looks to make holidays, respite and recreation possible, or to improve the quality of existing provision, for groups that need it. This sort of service is often eligible for funding through personal care budgets for the participants, or by the participants themselves.

Looking at existing local need, available facilities and funded opportunity but also as likely strong areas for tourism development, the following areas stand out as opportunities:

<table>
<thead>
<tr>
<th><strong>Dementia Care</strong></th>
<th>Perhaps working with National Charity Dementia Adventure or others to create dementia-sensitive facilities with dementia-aware staff across the area.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autism-friendly (also useful for ADHD, and trauma-related conditions)</td>
<td>These may be particular events (eg, theatre shows) with suitable accommodation, or other services. They can be expected, well marketed, to draw in customers from a wide area.</td>
</tr>
<tr>
<td><strong>Ageing well</strong></td>
<td>This would be a focus area missing across LLPC provision, building appropriate health-related provision, social networks combatting loneliness and other social challenges, live entertainment and events, and arts and cultural activities and enabling a graduated long-term involvement with a choice of access points.</td>
</tr>
</tbody>
</table>
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7.7.11 Collective and Supportive Infrastructure
To make this work requires the right support from management, focused on these businesses and operational areas, and their objectives as a socially-focused enterprise. It needs, though, to go beyond this, and embrace the ability to:

- co-ordinate services across the four areas, as well as across other agencies and communities;
- provide leadership and messaging (information) about needs and how to meet them across this wider area;
- co-ordinate with the Council on those programmes, and work with it to align social provision between them; and
- focus and report upon impact, in terms of meeting needs and creating positive outcomes for the Wirral community.

7.7.12 Customer Journeys – Day visits, Short breaks and Holidays
The public’s expectations of attractions and holidays has increased, with people expecting good food and beverage options, together with additional services which turn the trip from a simple visit to an attraction into an “experience”. Whether it be visiting a theatre or gallery, or a trip to a park or beach, there is a need to develop this - not only from a revenue perspective, but to enhance the attraction for repeat visits and recommendations.

Beyond looking within facilities such as the Floral Centre, this involves working with the Tourism Centres, looking at day trips, holidays and events, ensuring quality accommodation, together with appealing food and beverage across price ranges.

7.7.13 Training and Employment Opportunities
Multiple issues around lack of aspiration, high unemployment, education support, skills development and lack of employment opportunities create key challenges within the Borough. Consequently, there will be a focus on developing apprenticeships and training opportunities across the age groups. For example:

- Theatre apprenticeships giving experience across the various roles;
- Gardening/landscaping (Autism Together is a social enterprise offering landscaping across the Wirral);
- Engaging young people in the catering, leisure and tourism strategy;
- Development of role models within the organisation to help build aspirations;
- Repurposing unused or under-used assets to be focussed on job creation/apprenticeships where possible (e.g. Williamson repurposed for young people or enterprise hub);
- Collaborating with local research institutes to develop specialist or innovative solutions to the Borough’s challenges that can be exported elsewhere e.g. ageing well, inclusivity, special needs;
- Building on the initiative already in place to work with local employers for collaborative approach to increasing job opportunities;
7.8 Supporting Infrastructure and Leadership

7.8.1 Leadership and Culture

The Executive team will be appointed by, and accountable to, the organisation’s Board that will include representatives from the Council, local professionals (with relevant skills and networks), together with community representatives and stakeholders.

It will consist of a Chief Executive, Finance Director and Operations Director who will lead the transition to an outcomes – and needs focused Community – engaged organisation. They will be supported by appropriate, experienced management in:

- corporate sponsorship and grant fundraising;
- partnership engagement with health and other agencies;
- marketing, communications and promotion.

Introducing a responsive, innovative and performance-based culture will be a key challenge and focus area for the transition team, bringing in people with the skills and experience required for a successful social enterprise, while respecting the impact that the mix of cultures and values will bring.

Other key elements include:

- Buy-in and positive engagement from the Trade Unions along the whole journey will be key to success as the organisation evolves;
- Restructuring of job descriptions and management structures if, and as, necessary;
- Development of trainee and apprenticeship programme, together with skills development;
- Increasing importance of volunteers to help deliver services.

7.8.2 Financial and Performance Management

To support LLPC in managing social impact, resources and profitability, we recommend that each has its own financial budgeting and reporting, structured appropriately for the type of business. Structuring these as profit and loss accounts rather than the current revenue/deficit reporting provided by the Council will help shift the financial culture, together with the Directors having real freedom and accountability. Linking income to related costs provides clear accountability for both area and site managers. Reviewing and monitoring gross and net profits will also enable benchmarking with comparison organisations, assisting the performance culture.

Management information must be matched to the operations being managed and must be as close to real time as possible, rather than the 6+ week lag currently experienced. For example, a theatre such as the Floral should be monitoring customer journey, spend per head, capacity achieved per show and overall, returning customers, regulars bringing friends, and extra spend per head. This kind of
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Information is not currently available unless the Floral manager produces it outside of existing accounting systems.

The business areas will be managed based on a combination of financial performance and social impact measurements that will be developed to show progress against the organisation's social objectives. This will help manage the inevitable tensions between balancing community value with profitability.

7.8.3 Financing and Funding Strategy and Approach

Financing here is the means by which money is applied to support the purchase, maintenance or operation of assets, and the delivery of services. Fundraising is the means by which external capital is sourced to be used in this way. A strategic approach to financing and fundraising requires it to be approached both by looking at the organisation's needs and resources as a whole, and also by thinking about how sourcing funds and managing them differently may make wider goals, such as impact and agility, more achievable.

Specific approaches that can be used strategically in this area include:

- Adapting timing and presentation of a funding opportunity across the whole organisation to improve its fundability and match it better to particular funding sources;
- Taking a strategic approach to sources to increase partnering networks and influence as well as raise funds;
- Blending the fundraising with measures to enhance footfall, in the Floral Pavilion for example.

Bond fundraising is outlined in section 10.4.

7.8.4 Other key infrastructure functions

These need to be developed around the needs of the business and operations. Specific additional areas for focus include:

a) Communications and Marketing

Advertising is currently limited to the council website, with Floral and Leisure having developed their own and taken marketing in-house. This needs to be expanded to a holistic offering developing customer journey and signposting for visitors and residents alike. The Visit Wirral site is a potentially useful start but needs more resourcing and expansion to take it to this different level.

Parks would perhaps benefit from microsite based on the National Trust concept highlighting the variety of facilities and interesting things to discover, and enabling a deeper engagement of the public with the green space, flora and fauna around them.

b) Talent recruitment, retention and development

Relations with the Trades Unions are supportive, and an important pillar for future development. HR services are similarly supportive regarding compliance and paperwork, but recruitment and talent development are generally being done by Service Areas. These could be better resourced, and operating across the portfolio would bring both efficiencies, and opportunities to staff. Performance management happens at Service area level.
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c) Volunteer Co-ordination

In libraries, volunteers help with extra opening hours and IT/digital support, with some individuals supporting the reference library in Wallasey. Some volunteers run activities such as Baby Bounce and Rhyme.

Parks team leaders manage volunteers for whom the Council provides insurance. There is a strong and well established network of friends groups.

Volunteering provides a chance to gain experience and skills which could help access employment, and there is an opportunity to encourage more residents to get involved in local events and activities, helping to secure the future of those activities but also bringing benefit to the volunteer helping prevent loneliness and social isolation. 17% of residents volunteer at least one hour per week – while this is higher than regional and national averages, the Resident’s Survey suggests that 48% would volunteer if they knew what was available.

A useful measurement of any Volunteer Co-ordinator role would be to increase the proportion of residents who say they volunteer, and to increase the number of smaller facilities successfully run by community groups.

d) Technology

A detailed review of digital provision would be useful but is beyond the scope of this review.

e) Partnership Development

This requires outreach to other agencies, and balances a strong leadership and coordination role with listening, consulting, and drawing in ideas from local groups and others beyond the area.

f) Facilities Management

Facilities management would be better outsourced as otherwise it will be required to operate within Council priorities rather than business ones.
Section 8
Finance and Funding

Chapter Summary

8.1 Introduction

This section considers the financial results and forecasts for the LLPC portfolio, looking in sequence at:

- whether the Council’s budgets for the LLPC portfolio for 2017-18 is a reasonable reflection of what is achievable;
- how budgeting and accountability can be improved upon for the LLPC portfolio;
- what is potentially achievable over the ensuing two years; and
- the explanation of and illustrative figures for the enhancements that are potentially achievable in an ADM.

This section of the report is arranged in the following six sections:

8.2 Budgeting Approach and Process
8.3 Review of Prior Years Budget
8.4 2017/18 Revised Budget/Expected Outturn
8.5 Expected/Targeted In-House Case
8.6 Illustrative Further Enhancements in an ADM
8.7 Conclusions: Comparison of in-house and ADM

Through the majority of the sections, tables of figures are immediately followed by a table summarising the key points in it that are to be focused upon. These six sections cover the following:

Budgeting Approach and Process

A review of the budgeting process, timelines, involvement of managers and the approval process.

Review of Prior Years Budgets as a Foundation for the 2017/18 budget

A review of performance against budget for the prior years, with an analysis of key variances which provides evidence as to whether the budgets provide a fair reflection of the income and expenditure for the service areas within WBC. It considers whether all appropriate items are included within the budget, at a reasonable level. This is both a completeness and a presentational test and includes:

- Staff costs are appropriate for the service, including all enhancements, pension payments etc
- Other costs
- VAT and taxes
- Recharge costs as a fair reflection of Council Support costs, and reflect value for money (benchmarked against direct external sourcing)
- Capital Investment is fairly reflected based on property and business needs
  Note that the results of a further review of asset condition being undertaken by the Council had not been fed back to us at the date of reporting.
- Depreciation charges are reasonable
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- Working Capital adjustments have not been considered during this part of the review. It has been assumed that Working Capital will be provided by funds being received for services in advance.

2017/18 Revised Budget / Expected Outturn
Using the evidence from the analysis of the prior year budgets together with information from the Heads of Service the review provides an analysis of whether the 2017/18 budget provides a fair reflection of the future costs of the areas.

Expected / Targeted In-House Case
The revised budget is used to predict the future costs of the service areas up to 2020/21 to take into account the development of the current cost saving and income generating initiatives.

Enhancements Requiring the ADM
This section provides an analysis of the justification for the ADM enhancements and those for the in-house case inasmuch as they also apply to the ADM cases, this includes the underlying assumptions within each of the services, together with external and internal factors and risks.

Conclusions: Comparison of in-house case and ADM case
This draws out the conclusions from the rest of the section and feeds into sections 9 and 10.
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Finance and Funding

8.2 Budgeting Approach and Process

8.2.1 Wirral Budget Process  The budgeting process is co-ordinated and managed by the Finance Department. The main assumption is that costs will be kept within the previous years’ totals. There are few changes between 2016/17 and 2017/18 with the main changes being:

8.2.2 Payroll costs  are updated with the agreed pay rises and other changes.

8.2.3 Central Management Recharges  A recalculation of this figures has occurred in 2017/18. Further detail is required but it appears that Central Costs are to be allocated to some central departments reducing the amounts recharged to operational centres. Overall there is a reduction of approximately £340K between 2016/17 and 2017/18.

8.2.4 Income  There is a focus on increasing revenue in each operational area. These ideas are incorporated into the departmental budgets. It is noted that these are included on a full-year basis where in reality implementation will occur during the year and therefore only some of the benefit will be achieved.

It is also noted that income targets from previous years are included, even where these have not been achieved.

8.2.5 Timetable  The budget process commences in June or July of the previous year when the area managers are asked for business case proposals for cost saving or income generating ideas. These business cases are submitted in October, and in December the business case proposals are agreed. Authorisation for the changes is carried out in two stages with approval by cabinet in February and, if necessary, full council approval in March. This results in a delay in implementing any initiatives as approval must be given before proceeding with the business case proposals.

• October  • December  • January  • February

If new initiatives require full council approval it is not normally possible to implement them before the beginning of the financial year in April.

8.2.6 Comments and Observations

The budgeting process is not considered appropriate for business of this type and size. The key considerations, covered in more detail within the main report and conclusion are:

• The approval process is protracted, not enabling detailed planning and implementation of new initiatives to be started until after the February Council meeting;

• A more detailed review of actual expenditure should be carried out to form the basis of the following year’s budget. Currently replicating the previous year’s budget, with adjustments, results in a budget that does not reflect the actual income and expenditure profile with continuing variances being reported; and

• The Heads of Services are only involved in the submission of cost saving and income generating ideas. Involvement in the full planning process would enable a better understanding of their business area and improve decision making.
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8.3 Review of Prior Year Original Budgets

This is explained in nine sub-headings:

1. Budget Version Review
   It is noted that budgets are updated during the year and a review was carried out to understand the reason for this and the implication for any analysis.

2. Wirral High Level Budget Review
   Wirral Finance provided a high-level analysis of the budgets from 2015/16 through to 2017/18. A review was carried out of this analysis to assist in understanding the reliability of the budgets as a basis for decision making and any implications that may affect the 2017/18 budget.

3. Review of overall budgetary control
   As a result of the analysis, a commentary on the reliability of the budgets as a basis for decision making.

4. Prior Year Budget review of each area
   An analysis of the prior year budgets for each area within the project along with a commentary on the major variances and any carry forward to the 2017/18 budget.

8.3.1 Budget Version Review

During each fiscal year there are a number of changes made to the original budget. The finance department explained that these are done at the request of the service area managers and are done to reduce the number of variances that are continually reported.

Summary by Area
The following table is a comparison between the original budget and the final budget version. Overall the total budget does not change materially. The table shows the total changes by area and the analysis of the type of adjustment.
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Most adjustments do not materially affect the overall budget costs. The 2015/16 and 2016/17 staff costs adjustments are as a result of the staff saving target.

Key Features

- Significant Depreciation Adjustments
- 2015/16 adjustments mainly staff savings adjustments
- Minimal operating income and cost adjustments.

The table shows the following changes made to the original budget:

2015/16: The main change between the budget versions is in the category of staff costs. The original budget included a target saving of £1.8M which had been increased from the original budget.

2016/17: The original budget for 2016/17 included the £1.8M savings target from the prior year. This was subsequently reversed because it included savings already applied. The other adjustments total a net £200 with the other main adjustments being to management recharges and depreciation.

These changes are not done consistently across each area. There are a minimal number of adjustments made for Parks and Floral. The process involves the managers requesting changes across expense and income categories to ensure that the budget more accurately reflects the actual costs of each area. This has only been done in a few cases for Parks and Floral Pavilion. It is also evident that not all analysis codes are changed. This results in recurring variances. The information from this reallocation is not carried forward into the following year resulting in variances recurring where expenditure is stable.

2017/18: The original budget has been subsequently change for depreciation and recharges. There are few changes to the operational costs or income for these areas.
8.3.2 Wirral High Level Budget Review

A high-level analysis was carried out by the Finance Department which is shown here with comments and observations. A larger version of this table is shown at Appendix M.

**Variation Summary**

<table>
<thead>
<tr>
<th>Reimagined Area</th>
<th>2015-16 Outturn</th>
<th>Variance</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
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<table>
<thead>
<tr>
<th></th>
<th>2016-17 Outturn</th>
<th>Variance</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2017-18 Outturn</th>
<th>Variance</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

NB. The budget target changes each year therefore a reducing variation between years does not necessarily mean a worsening performance as it may be that the budget target has been altered.

**Key Features**

- Net Cost above budget for 3 years
- Expected Outturn for 2017/18, £935K above budget

Source: BWB from WBC Finance Budgets
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Observations

The analysis reflects the Council’s view of controlling expenditure at departmental level. The analysis omits a number of other variances such as:

- Parks 2016/17: The positive variance of £92,000 is explained as being a result of additional Cemeteries and Crematorium Income. However the overall variance is more complex and does not show that there were positive variances on Crematorium income of £184K in 2015/16 and £196K in 2016/17, which are offset by other adverse variances; and

- Leisure: It is noted above that there were previously unachieved budget savings of £350k, which were due to not pursuing a previous budget saving option. This item is a cost within the Leisure budget. The explanation does not adequately reflect the reality where income in 2015/16 was in fact £292K higher than budget.

The budget variance analysis also exposes the lack of profiling of income generating initiatives resulting in variances each year. Generally new initiatives are budgeted for the full annual effect without taking into account the time lag as a result of implementation and growth. The Council’s view is that, although there may be adverse variances in the first year of the revenue generating initiatives and projects, these deficits will be resolved in the following year when these initiatives are in operation for the full financial year. However, if these are not achieved, the additional income target is carried forward which results in continuing adverse variances.

The schedule also shows the expected outturn for 2017/18. It is noted that there is an anticipated overspend of £935K, which is compared to the result of the analysis of this paper shown in section 8.3.2 Review of 2017/18 Budget.

8.3.3 Review of overall budgetary control

Budget Expenditure and Income Category Analysis

The budget process uses the previous year’s budget as a basis and this is amended for known changes. A review of the 2015/16 and 2016/17 budgets shows that there are few changes to the previous year’s budget.

- Parks: Between 2016/17 and 2017/18 there are only 3 expenditure accounts (out of 36) where the budget is changed increasing expenditure by £31,200 (excluding staff costs and recharges). No consideration is made of the variances in setting future budgets. (e.g. Council Fleet Hire Charges where the budget has been £305,600 for the 3 years reviewed despite there being a positive variance of approximately £110K in 2015/16 and 2016/17).

- Leisure: Similarly there are only 7 accounts where the 2017/18 budget is different than the prior year budget resulting in a planned decrease in expenditure of £61,900. However in 2016/17 there were adverse variances on these accounts (Premises and Other Costs) totalling £517,249. This includes the £348K forecast saving for a previous initiative that did not go ahead which is included in each of the 3 years reviewed. The conclusion is that costs across these categories are understated by approximately £500K.

This is summarised in the following table and shows the total variances on premises and other costs for each area. Overall the total adverse variances on these account codes is £915K in 2015/16 and
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£1,150K in 2016/17. Therefore, prima facie, there is a recurring overspend on these expense codes of £1M per annum.

The 2017/18 budget shows forecast expenditure across these categories of £9.6m which is only £0.2M higher than the 2016/17 budget. However there were adverse variances across these categories of £1.2M. It can also be seen that the adverse variance in 2015/16 is £0.9M. Therefore unless there are particular reasons for these variances in 2016/17 such that they will not recur, and assuming there will be no further changes, it can be anticipated that there will be an adverse variance across these categories of approximately £1M in 2017/18.

### Premises and Other Costs

<table>
<thead>
<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Parks</td>
<td>3,031,600</td>
<td>2,966,577</td>
<td>65,023</td>
<td>2,835,500</td>
<td>3,030,320</td>
<td>(194,820)</td>
<td>2,866,700</td>
</tr>
<tr>
<td>Leisure</td>
<td>3,156,700</td>
<td>3,642,927</td>
<td>(486,227)</td>
<td>2,984,800</td>
<td>3,502,049</td>
<td>(517,249)</td>
<td>3,046,700</td>
</tr>
<tr>
<td>Williamson</td>
<td>115,700</td>
<td>181,668</td>
<td>(65,968)</td>
<td>105,200</td>
<td>173,773</td>
<td>(68,573)</td>
<td>109,700</td>
</tr>
<tr>
<td>Priory</td>
<td>46,200</td>
<td>83,982</td>
<td>(37,782)</td>
<td>49,300</td>
<td>54,409</td>
<td>(5,109)</td>
<td>51,600</td>
</tr>
<tr>
<td>Floral</td>
<td>1,901,500</td>
<td>2,332,935</td>
<td>(431,435)</td>
<td>2,055,900</td>
<td>2,231,902</td>
<td>(176,002)</td>
<td>1,995,800</td>
</tr>
<tr>
<td>Libraries</td>
<td>1,381,800</td>
<td>1,341,249</td>
<td>40,551</td>
<td>1,356,900</td>
<td>1,545,764</td>
<td>(188,864)</td>
<td>1,515,600</td>
</tr>
<tr>
<td>Total</td>
<td>9,633,500</td>
<td>10,549,338</td>
<td>(915,838)</td>
<td>9,387,600</td>
<td>10,538,217</td>
<td>(1,150,617)</td>
<td>9,586,100</td>
</tr>
</tbody>
</table>

Source: BWB from WBC Finance Budgets

### Total Budget Comparison

The following table is a summary of the budget and actual data taken from the finance system. Full tables including the analysis for each operational area are shown in Appendix I.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Parks</td>
<td>6,638,800</td>
<td>6,493,900</td>
<td>6,449,675</td>
<td>5,783,200</td>
<td>5,931,214</td>
<td>5,998,100</td>
<td>5,382,500</td>
<td>410,686</td>
<td>34,225</td>
</tr>
<tr>
<td>Leisure</td>
<td>6,720,400</td>
<td>6,001,900</td>
<td>5,961,300</td>
<td>5,798,500</td>
<td>8,473,597</td>
<td>5,384,300</td>
<td>5,053,200</td>
<td>2,131,297</td>
<td>(40,600)</td>
</tr>
<tr>
<td>Williamson</td>
<td>660,000</td>
<td>643,100</td>
<td>2,279,003</td>
<td>618,800</td>
<td>516,000</td>
<td>515,199</td>
<td>518,900</td>
<td>(1,635,903)</td>
<td>(8,789)</td>
</tr>
<tr>
<td>Birkenhead Priory</td>
<td>41,000</td>
<td>41,000</td>
<td>39,200</td>
<td>41,900</td>
<td>41,900</td>
<td>41,900</td>
<td>41,900</td>
<td>(2,200)</td>
<td>(8,789)</td>
</tr>
<tr>
<td>Floral</td>
<td>838,600</td>
<td>855,400</td>
<td>1,317,074</td>
<td>949,200</td>
<td>939,400</td>
<td>939,400</td>
<td>939,400</td>
<td>(361,674)</td>
<td>(1,236,307)</td>
</tr>
<tr>
<td>Libraries</td>
<td>4,356,300</td>
<td>3,868,100</td>
<td>3,937,254</td>
<td>4,395,500</td>
<td>4,450,500</td>
<td>4,450,500</td>
<td>4,450,500</td>
<td>(246,104)</td>
<td>(53,097)</td>
</tr>
<tr>
<td>Total</td>
<td>19,235,700</td>
<td>17,714,400</td>
<td>19,987,507</td>
<td>18,726,000</td>
<td>18,952,600</td>
<td>18,952,600</td>
<td>18,952,600</td>
<td>(2,273,107)</td>
<td>(1,236,404)</td>
</tr>
</tbody>
</table>

Source: BWB from WBC Finance Budgets

### Key Features

- Actual total costs 16/17 £21.7M, budget £18.6M
- 16/17 Includes Impairment Adjustment of £3M
- 16/17 includes depreciation reduction of £500K (details in Appendix I)
- Williamson 15/16 includes impairment charge of £1.6M
A year end adjustment of £3M has been made in respect of Impairment costs in 2016/17. Excluding this, overall net costs and variances can be summarised as follows:

<table>
<thead>
<tr>
<th></th>
<th>Excluding Depreciation and impairment</th>
<th>2015/16</th>
<th>2016/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Net Budget</td>
<td>(14,268,400)</td>
<td>(14,245,000)</td>
<td></td>
</tr>
<tr>
<td>Actual Net Costs</td>
<td>(15,174,804)</td>
<td>(14,819,335)</td>
<td></td>
</tr>
<tr>
<td>Net Variance</td>
<td>(906,404)</td>
<td>(574,335)</td>
<td></td>
</tr>
</tbody>
</table>

- In both 2015/16 and 2016/17 net costs have exceeded budget; by £906K and £574K respectively; and
- Budgeting consistently underestimates costs or overestimates income

The analysis of these by area is shown in the individual commentaries below.

8.3.4 Prior Year Budget review of each area

Analysis has been carried out as follows:

- A comparison of service area by service area the original budget against the revised budget;
- A comparison of the actual and budgeted results at income and expenditure account level;
- A comparison of the 2017/18 budget against the 2016/17 actual results; and
- The draft budget was circulated to Service Area Managers and the report was updated to include comments where appropriate and changes made where necessary.

These reviews are split by service area in turn for libraries (8.3.5), Parks & Countryside (8.3.6), Leisure (8.3.7), Floral Pavilion (8.3.8), Williamson (8.3.9), Priory (8.3.10).

8.3.5 Libraries Review of Budget

Summary Review of Budget

The following table shows the net variances for the Libraries service excluding depreciation and impairment.

<table>
<thead>
<tr>
<th></th>
<th>Excluding Depreciation and impairment</th>
<th>2015/16</th>
<th>2016/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Net Budget</td>
<td>(3,322,100)</td>
<td>(3,961,000)</td>
<td></td>
</tr>
<tr>
<td>Actual Net Costs</td>
<td>(3,809,042)</td>
<td>(3,930,349)</td>
<td></td>
</tr>
<tr>
<td>Net Variance</td>
<td>(486,942)</td>
<td>30,651</td>
<td></td>
</tr>
</tbody>
</table>

Overall the library service meets its total budget in 2016/17 with only a small variance. However there are a number of variances at account level. The 2017/18 budget is similar to the 2016/17 budget.
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Further analysis of the Income and Expenditure has been carried out which is shown below and includes commentary on the analysis prepared by the Wirral Finance Team.

Income

The income for 2015/16, 2016/17 and the budget for 2017/18 is shown in the table:

<table>
<thead>
<tr>
<th>Income Libraries</th>
<th>Sum of Budget 2015-16</th>
<th>Sum of Actual 2015-16</th>
<th>Variance</th>
<th>Sum of Budget 2016-17</th>
<th>Sum of Actual 2016-17</th>
<th>Variance</th>
<th>Sum of Budget 2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>(9,600)</td>
<td>(12,933)</td>
<td>3,333</td>
<td>(9,600)</td>
<td>(14,392)</td>
<td>4,792</td>
<td>(9,600)</td>
</tr>
<tr>
<td>Grants</td>
<td>0</td>
<td>52,800</td>
<td>52,800</td>
<td>0</td>
<td>(161)</td>
<td>651</td>
<td>0</td>
</tr>
<tr>
<td>Room Hire</td>
<td>0</td>
<td>9,282</td>
<td>9,282</td>
<td>0</td>
<td>(11,700)</td>
<td>11,700</td>
<td>0</td>
</tr>
<tr>
<td>Courses</td>
<td>0</td>
<td>(8,856)</td>
<td>8,856</td>
<td>0</td>
<td>(720)</td>
<td>720</td>
<td>0</td>
</tr>
<tr>
<td>Book Fines</td>
<td>(125,000)</td>
<td>(128,412)</td>
<td>(3,412)</td>
<td>(125,000)</td>
<td>(121,603)</td>
<td>3,407</td>
<td>(125,000)</td>
</tr>
<tr>
<td>Rents</td>
<td>0</td>
<td>3,000</td>
<td>3,000</td>
<td>0</td>
<td>(3,306)</td>
<td>3,306</td>
<td>(3,306)</td>
</tr>
<tr>
<td>Internet Charges</td>
<td>(15,300)</td>
<td>(35,486)</td>
<td>20,186</td>
<td>(28,700)</td>
<td>(42,313)</td>
<td>13,613</td>
<td>(28,700)</td>
</tr>
<tr>
<td>Photocopying Charges</td>
<td>(12,300)</td>
<td>(12,783)</td>
<td>(4,83)</td>
<td>(15,400)</td>
<td>(21,307)</td>
<td>5,907</td>
<td>(15,400)</td>
</tr>
<tr>
<td>Accounting - Contribution from Reserve Fund</td>
<td>0</td>
<td>(258,099)</td>
<td>258,099</td>
<td>0</td>
<td>(251,082)</td>
<td>251,082</td>
<td>(160,000)</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>(129,500)</td>
<td>129,500</td>
<td>0</td>
<td>(504,695)</td>
<td>375,195</td>
<td>(346,300)</td>
</tr>
</tbody>
</table>

The main constituents of library income are book fines and charges for photocopying and internet. It is not anticipated that there will be significant increases in this income, and the budget for 2017/18 remains largely the same. The budget analysis between categories does not reflect the actual profile of income. The Service Area Manager has noted that the budget has subsequently been changed to reflect the average income by category, although overall totals have not changed. This is an example of changing budgets that make analysis difficult.

Excluding the contribution from the Council central reserve fund, income budgeted for 2017/18 reflects the activity in 2016/17 (£186K v £175K).

There is a contribution from Central Council reserves of £251K in 2016/17 resulting in the overall net expenditure being within a small margin of budget. However this is counterbalanced by expenditure being over budget in 2016/17 as explained below. A further contribution from reserves is budgeted for in 2017/18.

Expenditure

Premises and Other Costs

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Libraries</td>
<td>1,381,800</td>
<td>1,341,249</td>
<td>40,551</td>
<td>1,356,900</td>
<td>1,545,764</td>
<td>188,864</td>
<td>1,515,600</td>
</tr>
</tbody>
</table>

A full analysis of the expenditure codes has been provided. However, due to the way that the budget has been prepared using the previous year’s budget and not being informed by the actual costs of an area, this is of limited value.

The main variances are:

Premises Repair and Maintenance: £150K overspend. The library management noted that they are not in control of the repair and maintenance budgets and expenditure, the budget being held by Asset Management. The overspend was a result of updating IT equipment. The budget for 2017/18 has been increased by £120K to provide for refurbishment which will be covered by a reserve provision, as
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noted above in the Income Analysis. This would not be the case if the Libraries area was part of an independent organisation.

**Rents**: Overspend of £25K. It is noted that there is no budget for these rents which are paid for St James service charge and Prenton Library. The budget should be increased for these amounts.

**Staff Target Saving**: An unallocated staff saving is held within the Library budget. The staff budget is therefore £50K understated.

**Other Issues:**

**Summary**

Actual outturn for 2017/18 is likely to be additional net costs of 235K.

<table>
<thead>
<tr>
<th>2017/18 Budget Adjustments</th>
<th>Libraries</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£'000</td>
</tr>
<tr>
<td>Remove Reserve Transfer</td>
<td>160</td>
</tr>
<tr>
<td>Rents</td>
<td>25</td>
</tr>
<tr>
<td>Remove Staff Saving Target</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>235</td>
</tr>
</tbody>
</table>

**Queries and Outstanding Issues requiring Resolution**

1. **Staff costs**: Some staff are allocated between Libraries and OSS. Confirm the allocations and whether the budgeted costs would be correct for an independent organisation.

2. **Repairs and Maintenance**. The amount of repairs required needs to be confirmed with Asset Management following the asset condition survey being carried out.

**8.3.6 Parks & Countryside**

The service area manager is not involved in the production of the budget, but does have a periodic review of actual expenditure with the Finance Department.
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Finance and Funding

Review of Budget

<table>
<thead>
<tr>
<th>Excluding Depreciation and impairment</th>
<th>2015/16</th>
<th>2016/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Net Budget</td>
<td>(5,660,900)</td>
<td>(4,976,200)</td>
</tr>
<tr>
<td>Actual Net Costs</td>
<td>(5,174,889)</td>
<td>(4,886,557)</td>
</tr>
<tr>
<td>Net Variance</td>
<td>486,011</td>
<td>89,643</td>
</tr>
</tbody>
</table>

Excluding the depreciation and impairment adjustments Parks net costs are below budget for 2015/16 and 2016/17. It is noted that there is very little realignment of the budget analysis categories and therefore there are many variances at account level which do not have a logical reason as the budget does not fairly reflect actual expenditure.

Income:

<table>
<thead>
<tr>
<th>Source: BWB from WBC Finance Budgets</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Key Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Income above budget by £171K (15/16) and £399K (16/17)</td>
</tr>
<tr>
<td>• Transfer from reserves £102K (15/16) and £219K (16/17)</td>
</tr>
<tr>
<td>• Crematorium Income £194K (15/16) and £198K (16/17) above budget</td>
</tr>
<tr>
<td>• Fees and Charges includes income generating target of £200K (16/17) and £400K (17/18)</td>
</tr>
<tr>
<td>• Budget analysis of individual income streams is poor</td>
</tr>
</tbody>
</table>

Income is £180K above budget, excluding the transfer from Reserve Finds of £219K. We note that the 2016/17 budget included a target for income generation of £200K. The analysis of actual income, and the categories of the budget, are not aligned and, therefore, no direct comparison can be made.
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There are 2 main areas of concern:

**Crematorium Income:** The crematorium income has exceeded budget in previous years by approximately £200K. The budget for £2017/18 has been increased but this is still below the 2016/17 actual income achieved. Price increases were introduced on 1/4/2017, and it would be anticipated that income would exceed that achieved in 2016/17. Further discussion is required, but budgeted income is probably understated by £200K for 2017/18.

**Fees and Charges:** An income target of £200K without a plan to support it was included in the budget for 2016/17, and against this target only £29K was achieved. In 2017/18 a further £200K was included resulting in an income target of £400K. It is highly unlikely that this will be achieved. The income generating ideas are not phased correctly in the budget and these do not include the resource required to achieve these targets.

As noted, the budgets should reflect some phasing of new income streams to ensure that they reflect a good estimate of future income. Additional income streams would also require some additional costs to implement and achieve this. Although the income budget has been exceeded in prior years, it is unlikely that this will continue due to the significant £400K target. Assuming that crematorium income is understated by £200K, and that only £50K of income will be achieved against the target, it is likely that the outturn for overall income will be below budget by £150K.

**Expenditure:**

A full analysis of the expenditure codes is provided. However the main reasons provided are that the budget needs “realigning to reflect actual activity”. Control and analysis of variances requires the budget category analysis to be based on actual and expected expenditure.

### Premises and Other Costs

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Parks</td>
<td>3,031,600</td>
<td>2,966,577</td>
<td>65,023</td>
<td>2,835,500</td>
<td>3,030,320</td>
<td>(194,820)</td>
<td>2,866,700</td>
</tr>
</tbody>
</table>

The main variances are:

**Grounds Maintenance and Repairs alterations and maintenance:** These 2 accounts have significant variances Repairs £361K positive; and Grounds Maintenance £470K adverse. The budget for these 2 accounts needs to be realigned. It is explained that there is one-off expenditure which is offset by a contribution from reserves. Due to the amount of Repairs and Maintenance that is required, it is unlikely that future expenditure will be less. Confirmation of the amount needs to be sought, but it is estimated that the budget for 2017/18 is underprovided by at least £120K.

**Council Fleet Charges:** The expenditure in this code was £111K below budget in 2016/17. The council fleet charges are calculated using the total fleet departments cost and include an apportionment of those costs. It is not known how these charges compare to commercial rates. Therefore, as a part of the Council, the cost in the budget is overstated by £110K, but as a third party the charge may change.

**Waste Service Provider:** The adverse variance on this account is approximately £90K. There is an overspend each year and therefore, an additional provision is required of £90K.
Summary

Actual outturn for 2017/18 is likely to be additional net costs of 250K.

<table>
<thead>
<tr>
<th>2017/18 Budget Adjustments</th>
<th>£'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parks</td>
<td></td>
</tr>
<tr>
<td>Remove Income Target</td>
<td>400</td>
</tr>
<tr>
<td>Add additional Income Est</td>
<td>(50)</td>
</tr>
<tr>
<td>Additional Crematorium Income</td>
<td>(200)</td>
</tr>
<tr>
<td>Maintenance</td>
<td>120</td>
</tr>
<tr>
<td>Council Fleet Charges</td>
<td>(110)</td>
</tr>
<tr>
<td>Waste Service Provider</td>
<td>90</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>250</td>
</tr>
</tbody>
</table>

Queries and Outstanding Issues requiring Resolution

1. Repairs and Maintenance. The amount of repairs required needs to be confirmed with Asset Management following the asset condition survey being carried out.

8.3.7 Leisure

Summary Review of the Budget

<table>
<thead>
<tr>
<th>Leisure</th>
<th>2015/16</th>
<th>2016/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excluding Depreciation and impairment</td>
<td>(4,182,900)</td>
<td>(4,185,800)</td>
</tr>
<tr>
<td>Total Net Budget</td>
<td>(4,577,402)</td>
<td>(4,744,707)</td>
</tr>
<tr>
<td>Actual Net Costs</td>
<td>(394,502)</td>
<td>(558,907)</td>
</tr>
<tr>
<td>Net Variance</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Overall the budget has not been achieved in 2015/16 or 2016/17. This underachievement is mainly as a result of the previously agreed initiative that did not proceed. The value in the budget each year is £348K.
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There has been significant investment within the Leisure area to improve the facilities. In addition there has been a marketing initiative to improve the usage of facilities which has resulted in a significant increase in income.

Income:

<table>
<thead>
<tr>
<th>Income Leisure</th>
<th>Sum of Budget 2015-16</th>
<th>Sum of Actual 2015-16</th>
<th>Variance</th>
<th>Sum of Budget 2016-17</th>
<th>Sum of Actual 2016-17</th>
<th>Variance</th>
<th>Sum of Budget 2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Key Features

- 2017/18 Budgeted improvements £1,340K
- 17/18 Management View in April 17, £1,094.
- BWB revised View is £487K in 17/18 increasing to £1,090K in future

Source: BWB from WBC Finance Budgets

Income was approximately in line with budget excluding the contribution of £131K from reserves. The income budget for 2017/18 is £1M higher than that achieved in 2016/17. This is as a result of increased usage of facilities and the change in membership fees and charges which came into effect in March 2017.

Current Projects 2017/18: Note that the 2017/18 budget includes increased income from initiatives already agreed. However the budget effect of these has been included for the whole year. The Leisure management has prepared a project savings matrix that evaluates the effect of the implementation phasing of projects, which estimates that they will not achieve these new budgets by £246K. The table is included in Appendix 3. Following a meeting in July with the Leisure Management, we were able to take account of recent information regarding the progress of these projects and a view on the budget effect:
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Leisure Projects

<table>
<thead>
<tr>
<th>Leisure Project</th>
<th>Original Budget Annual Saving</th>
<th>Assumed Achieved 2017/18</th>
<th>Comments</th>
<th>BWB Revised View 17/18</th>
<th>Future Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charging Policy &amp; Re-structure</td>
<td>500,000</td>
<td>500,000</td>
<td>Drop off of members</td>
<td>400,000</td>
<td>400,000</td>
</tr>
<tr>
<td>Staffing Contingency</td>
<td>(100,000)</td>
<td>(100,000)</td>
<td></td>
<td>(100,000)</td>
<td>(100,000)</td>
</tr>
<tr>
<td>Woodchurch Community Aquatics</td>
<td>205,000</td>
<td>170,900</td>
<td>On Hold until March 18</td>
<td>0</td>
<td>205,000</td>
</tr>
<tr>
<td>Oval Café &amp; Fitness Suite</td>
<td>200,000</td>
<td>191,600</td>
<td>Costs missing for catering</td>
<td>111,600</td>
<td>120,000</td>
</tr>
<tr>
<td>Leasowe 3g Pitches</td>
<td>100,000</td>
<td>50,000</td>
<td>Project not launched</td>
<td>0</td>
<td>100,000</td>
</tr>
<tr>
<td>Leasowe Social Services to co-locate</td>
<td>75,000</td>
<td>37,500</td>
<td>Project not launched</td>
<td>0</td>
<td>75,000</td>
</tr>
<tr>
<td>Leasowe Soft Play Area</td>
<td>50,000</td>
<td>37,500</td>
<td>Project not launched</td>
<td>0</td>
<td>50,000</td>
</tr>
<tr>
<td>Tennis Centre Shop</td>
<td>40,000</td>
<td>40,000</td>
<td>Defer</td>
<td>0</td>
<td>40,000</td>
</tr>
<tr>
<td>Resalable Stock</td>
<td>120,000</td>
<td>100,000</td>
<td>Additional Staff Costs</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Marine Lake</td>
<td>100,000</td>
<td>33,400</td>
<td>Deferred until 2019/20</td>
<td>0</td>
<td>100,000</td>
</tr>
<tr>
<td>Early Opening Pilot WK Concourse and Leasowe</td>
<td>50,000</td>
<td>33,300</td>
<td>Deferred until September</td>
<td>25,000</td>
<td>50,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,340,000</td>
<td>1,094,200</td>
<td></td>
<td>486,600</td>
<td>1,090,000</td>
</tr>
</tbody>
</table>

The table above shows the projects that are included within the Leisure budget for 2017/18 as components or enhancements. The budget includes all project initiatives for a full calendar year. The Leisure Management phased these initiatives taking into consideration the timing of the implementation and in April 2017, considered that £1,094K of these savings would be achieved. A further meeting was held in July and updates on these projects are noted below. Taking this new information, it is now considered that £1,090K will be achieved in 2017/18. In the longer term it is estimated that £1,090K will be achieved on an annual basis which is £250K below that forecast. The Service Area Manager has agreed that this was the position in July although subsequent changes in authorisation and progress have changed the position. The long-term effect is likely to be the same.

- **Charging Policy & Restructure**: A price increase was implemented as at 1st April 2017. A number of members took advantage of an offer to pay the full annual amount before the price change. However, management estimate that there has been a drop off of approximately 800 members. The member data shows that there has been a net decrease in members of 453 between April and June. A number of these are non-active members. Estimating 500 loss would equate approximately £100K, and ignoring other initiatives to increase membership, it is assumed that this loss will be permanent.

- **Staffing Contingency**: The budget does not reflect the normal running costs, or the way that sessional staff, such as coaches or créche staff, are paid. This is a whole year effect and will affect future costs. Future budgets need to reflect this accurately. It is not known whether the new target is achievable, but is an example of changing budgets during the year.

- **Woodchurch Community Aquatics**: This project is on hold until March 2018, so none of the predicted savings will be achieved in 2017/18. It is assumed that this project will go ahead in April 2018.
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- **Oval Café & Fitness Suite**: The Fitness suite is in operation and income will be achieved in 2017/18. The Café has been operational for 10 months, although additional costs of £80K are not included in the budget.

- **Leasowe 3g Pitches Social Services and Soft Play Area**: Leasowe projects did not go ahead in 2017/18 but may in later years. If so, it will improve both this and ADM model outturns.

- **Tennis Centre Shop**: A small profit anticipated from tennis centre sales in 2017/18. Assume full effect from 2018.

- **Resaleable Stock**: This is now up and running, but is shown before incremental staff costs.

- **Call Centre, Sales & Retention**: The project to have a sales and retention team to improve and sell membership has been delayed due to the staff procurement process. There will be additional staff costs reducing the income effect. This has been delayed, and it is now assumed that the effect will be for 6 months only and will also be net of the additional costs.

- **Marine Lake**: The window to carry out this development work was missed, and will not now happen until 2019/20. The area manager says that this project will now start in March 2018.

- **Early Opening**: A pilot is starting in September. Management estimate that 50% of this expected increase could be expected in 2017/18.

Due to the budget including all initiatives on a full-year basis, and further information becoming available it is estimated that the overall adjustment to the 2017/18 budget income and cost saving strategies is a reduction of £853K. In future, most of the anticipated project savings will be achieved - £1.1M out of £1.3M, resulting in £250K never being achieved.

**Expenditure**

**Premises and Other Costs**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Leisure</td>
<td>3,156,700</td>
<td>3,642,927</td>
<td>(486,227)</td>
<td>2,984,800</td>
<td>3,502,049</td>
<td>(517,249)</td>
<td>3,046,700</td>
</tr>
</tbody>
</table>

**Staff Costs**: Staff costs budgeted for 2017/18 are similar to the budget for 2016/17. However, there was an overspend of £306K. Therefore, the budget may under estimate the staff costs for 2017/18. Confirmation of staffing costs is required by the Leisure management to verify the actual staff costs. Estimated additional staff costs are £300K.

**Repairs and Grounds Maintenance**: The total overspend on these 2 codes is £98K in 2015/16. The explanation provided states that these are one-off activities. A review of these costs along with verification of the anticipated expenditure need to be confirmed with the asset condition survey being carried out by Asset Management. Estimated additional costs are £100K.

**Water**: Adverse variance of £43K. The explanation provided by the finance department states that costs are overspent. A review needs to be carried out to ensure that these costs are fully provided for in the budget.
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General Supplies and Services: The total adverse variance is £390K. This is mainly as a result of a previous initiative that did not proceed. This anticipated saving needs to be removed, which will increase expenditure by 348K. This reflects the need to ensure that there is an agreement with the manager of each area. Without this “buy-in”, the budget is at risk of being unachievable and, therefore, demotivating for managers and staff. It is noted that this amount is also included in the budget for 2017/18, and it is unlikely that this will be achieved and, therefore, the forecast expenditure will be higher.

Summary
Actual outturn for 2017/18 is likely to be additional net costs of £1,645K as against the present budget.

<table>
<thead>
<tr>
<th>2017/18 Budget Adjustments</th>
<th>£'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remove Previous Initiative</td>
<td>348</td>
</tr>
<tr>
<td>Staff Costs</td>
<td>300</td>
</tr>
<tr>
<td>Repairs and Maintenance</td>
<td>100</td>
</tr>
<tr>
<td>Water</td>
<td>43</td>
</tr>
<tr>
<td>Initial Income Phasing Reduction</td>
<td>246</td>
</tr>
<tr>
<td>Additional Phasing Adjustments tbc</td>
<td>608</td>
</tr>
<tr>
<td></td>
<td>1645</td>
</tr>
</tbody>
</table>

Queries and Outstanding Issues requiring Resolution

1. **Staff costs**: Review and confirmation of staff costs budget.

2. **Project Implementation and Phasing**: Further analysis of the project initiatives needs to be carried out following the meetings with the Leisure Management.

3. **Repairs and Maintenance**: The amount of repairs required needs to be confirmed with Asset Management following the asset condition survey being carried out.
### 8.3.8 Floral Pavilion

#### Summary Review of Budget

<table>
<thead>
<tr>
<th>Floral</th>
<th>Excluding Depreciation and impairment</th>
<th>2015/16</th>
<th>2016/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Net Budget</td>
<td></td>
<td>(595,400)</td>
<td>(676,400)</td>
</tr>
<tr>
<td>Actual Net Costs</td>
<td></td>
<td>(1,056,941)</td>
<td>(727,719)</td>
</tr>
<tr>
<td>Net Variance</td>
<td></td>
<td>(461,541)</td>
<td>(51,319)</td>
</tr>
</tbody>
</table>

#### Key Features
- Total income within a small margin of budget
- Budget for 17/18 lower than 16/17 actual (£2,573 cf £2,643K).

### Income

<table>
<thead>
<tr>
<th>Income Floral</th>
<th>Sum of Budget 2015-16</th>
<th>Sum of Actual 2015-16</th>
<th>Variance</th>
<th>Sum of Budget 2016-17</th>
<th>Sum of Actual 2016-17</th>
<th>Variance</th>
<th>Sum of Budget 2017-18</th>
</tr>
</thead>
</table>

Source: BWB from WBC Finance Budgets

Overall, the actual income achieved is within a small margin of the budget. It is noted that the budget for 2017/18 is less than that achieved in 2016/17, when there was a positive variance of £110K. Assuming that there are no other factors, income would be expected to continue at this level. The analysis within the budget requires a review, as there are various positive and adverse variances on all codes. The income for ticket sales in 2016/17 is £135K above budget and the budget, in 2017/18 is less than that achieved in 2016/17.
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Expenditure

Premise and Other Costs

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Floral</td>
<td>1,901,500</td>
<td>2,332,935</td>
<td>(431,435)</td>
<td>2,055,900</td>
<td>2,231,902</td>
<td>(176,002)</td>
<td>1,995,800</td>
</tr>
</tbody>
</table>

Overall the Premises and Other Costs exceed budget by £176K in 2016/17. The adverse variance in 2015/16 has an additional variance of £331K on the code that is used for the cost of productions.

Utilities: The budget for utilities does not reflect actual spend and is approximately £21K under forecast.

Rates: Under Budgeted. Budget should be increased by £4K

Other third-party payments: The overspend on this account is due to the payment of freelance staff. Many of these staff have been transferred to the main payroll and therefore this variance will not continue.

Production Costs: in 2016/17 the production costs were £76K above budget. A review of this account should be carried out. The budget for 2017/18 is the same as the 2016/17 budget. Therefore, it is likely that this account is under budgeted by £76K

Other: There are other recurrent overspends against the budgets for Equipment and Communications totalling £24K.

Summary

Income should be reviewed for the categorisation and also the amount anticipated for 2017/18

<table>
<thead>
<tr>
<th>2017/18 Budget Adjustments</th>
<th>£'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Floral</td>
<td></td>
</tr>
<tr>
<td>Production Costs</td>
<td>76</td>
</tr>
<tr>
<td>Rates</td>
<td>4</td>
</tr>
<tr>
<td>Utilities</td>
<td>21</td>
</tr>
<tr>
<td>Equipment and Communications</td>
<td>24</td>
</tr>
</tbody>
</table>

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8.3.9 Williamson

Summary Review of Budget

<table>
<thead>
<tr>
<th>Williamson</th>
<th>2015/16</th>
<th>2016/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Net Budget</td>
<td>(466,100)</td>
<td>(403,700)</td>
</tr>
<tr>
<td>Actual Net Costs</td>
<td>(513,330)</td>
<td>(479,315)</td>
</tr>
<tr>
<td>Net Variance</td>
<td>(47,230)</td>
<td>(75,615)</td>
</tr>
</tbody>
</table>

Income

<table>
<thead>
<tr>
<th>Income Williamson</th>
<th>Sum of Budget 2015-16</th>
<th>Sum of Actual 2015-16</th>
<th>Variance Sum of Budget 2016-17</th>
<th>Sum of Actual 2016-17</th>
<th>Variance Sum of Budget 2017-18</th>
</tr>
</thead>
</table>

The budget categorisation of the income streams does not reflect the actual income received. Overall, income has been above budget for the last 2 years, although the budget has not changed. A review of the income analysis needs to be carried out and the budget increased, if required.

Expenditure

Premises and Other Costs

<table>
<thead>
<tr>
<th>Premises and Other Costs</th>
<th>Budget 2015/16</th>
<th>Actual 2015/16</th>
<th>Variance</th>
<th>Budget 2016/17</th>
<th>Actual 2016/17</th>
<th>Variance</th>
<th>2017/18 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Williamson</td>
<td>115,700</td>
<td>181,668</td>
<td>(65,968)</td>
<td>105,200</td>
<td>173,773</td>
<td>(68,573)</td>
<td>109,700</td>
</tr>
</tbody>
</table>

Premises and other costs are under budgeted on the Williamson. In both £2015/16 and 2016/17 actual costs exceed budget by £66K and £69K respectively.

The main variances are as follows:

**Grounds Maintenance:** This amount is under budgeted by approximately 13K with recurrent overspends.

**Energy and Water:** These utilities are under budgeted by approximately £5K

**Printing and Communications:** Under budget by £6K and £2K respectively
Section 8
Finance and Funding

Equipment: This account includes the cost of items for resale so is offset by income with an adverse variance of £11K. This account should be split so that sales and running costs can be monitored separately.

Advertising: There is an adverse variance of £11K explained as insufficient budget to market WAG. This is a recurrent variance and so is assumed to be continuing.

General Supplies: Under budgeted by £3K.

Summary

Budgeted costs are understated in the forecast by approximately £40K, which is broken down as follows:

<table>
<thead>
<tr>
<th>2017/18 Budget Adjustments</th>
<th>17/18</th>
<th>16/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Williamson</td>
<td>£'000</td>
<td></td>
</tr>
<tr>
<td>Grounds Maintenance</td>
<td>13</td>
<td></td>
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<tr>
<td>Energy and Water</td>
<td>5</td>
<td></td>
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<tr>
<td>Printing and Communications</td>
<td>8</td>
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<tr>
<td>Equipment tbc</td>
<td>0</td>
<td></td>
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<tr>
<td>Advertising</td>
<td>11</td>
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<td>3</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40</strong></td>
<td></td>
</tr>
</tbody>
</table>
Section 8
Finance and Funding

Income: No income budget is included. Sales are approximately £5K - £6K per annum. There have also been amounts categorised as grants / contributions of £39K in 2015/16 and £9K in 2016/17. These are non-recurring, but management should confirm whether there are any anticipated grants as there is no budget for these.

Expenditure: There is a minimal budget on many of the expense codes, creating adverse variances. Overall expenditure was £5K above the budget for Premises and Other Costs.

Summary: Overall, the actuals are in-line with budget, although a review should be carried out to ensure that it is correctly analysed throughout.

8.4 2017/18 Revised Budget / Expected Outturn

From the analysis of the budget for each area the following table shows adjustments to the 2017/18 budget to reflect anticipated expenditure as derived from the individual area analyses.

Wirral Finance anticipate that the outturn for net costs will be £935K above the 2017/18 budget. Our review indicates that the budget is approximately £2.3M below the expected outturn as regards the net cost subsidy falling on the Council.

8.4.1 Adjusted 2017/18 Budget: The table that follows this explanation shows the result of the budget review. The review anticipates total expenditure to be 2.3m above the 2017/18 budget. This compares to the view of the Wirral Finance team of additional net costs of £935K.

The main reasons for these differences result in the Council’s 2017/18 budget not being a good basis for decision making and monitoring.

a. Profile of Income and Cost Savings initiatives

Managers submit ideas for increasing income and reducing costs. These are included in the budget at the full annual value. There will be implementation timescales, and new revenue generating initiatives take time to become fully operational and get the full effect to be seen in the actual results.

The inclusion of these amounts does not allow proper monitoring by management or the Council Boards. The main reason provided would be that the project is in the process of implementation. Correct phasing of these amounts would allow management correctly to assess the progress and success of initiatives. Currently, a new project is likely to be behind budget for many months. This does not allow the area management to use the financial reports to monitor the success of the projects, or the Council to have a view on progress towards reduced net costs.

b. Income and Expense Categorisation

The process for preparing budgets annually is based on the previous year’s budget. There have been few changes to the budget analysis over the last few years. Monitoring is carried out at a departmental level. The correct analysis of income and expenditure would improve the use of budgets by management to assess current performance and in decision making. Currently, the profile of individual accounts does not reflect the actual expenditure or income. Accurate budgets would enable management to monitor their progress against budget and to make changes, if necessary. Currently, the budget does not reflect actual performance.
The other purpose of budgeting is to facilitate decision-making. If budget costs correctly reflect actual experience, then these amounts can be used to compare different scenarios. (e.g. If a new supplier was being sought for a service, it would be possible to compare this to the budget rather than carry out an analysis of the actual each time).

The number of individual variances due to a lack of correct budget analysis can result in management time being wasted investigating them. If a budget reflects actual expenditure, then variances would be highlighted only where there is a problem.

The budget process should include a review of actual expenditure, and individual account values, should be informed by actual experience.

c. Budgets and Staff Motivation

A correctly-managed budget can be used as an effective motivational tool. Staff can feel motivated to achieve targets if these are set at the correct level, stretching but realistic. However the way that the budgets are prepared at Wirral with little staff involvement along with income targets being unachievable, can have exactly the opposite effect. They are demotivating as they can never be achieved.

The table discloses the effects of some of these issues: the actual anticipated net costs are materially above the 2017/18 budgeted net costs. Wirral Finance anticipates that the costs will be £935K above the budget and the BWB view is that the net costs are likely to be £2.3m higher than budgeted. One of the main issues with the under budgeting of the net cost position is that any changes will be judged against the budgeted amount but in this case it is materially different than the actual position.

8.4.2 Summary of Budget Review 2017/18

The following table shows the budgets for the 3 years 2015/16, 2016/17 and the current budget 2017/18 together with the annual variances. The BWB View column shows the 2017/18 budget adjusted for the items discussed in the budget review where it is believed the actual outturn is materially different from the agreed 2017/18 budget.
Section 8
Finance and Funding

<table>
<thead>
<tr>
<th></th>
<th>Sum of Budget 2015-16</th>
<th>Sum of Actual 2015-16</th>
<th>Variance</th>
<th>Sum of Budget 2016-17</th>
<th>Sum of Actual 2016-17</th>
<th>Variance 2016/17</th>
<th>BWB View 2017/18</th>
<th>Wirral Estimated Outturn</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Parks</strong></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>6,483,900</td>
<td>6,449,675</td>
<td>34,225</td>
<td>6,323,900</td>
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<td>5,382,500</td>
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<tr>
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<td>Wirral Outturn</td>
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<td></td>
<td>6,532,500</td>
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<td>Wirral Outturn</td>
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<td>(1,236,307)</td>
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<tr>
<td>Equipment and Communications</td>
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<td>5,000</td>
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<td>Printing and Communications</td>
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<td>Equipment Ibc</td>
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<td>8,000</td>
<td></td>
</tr>
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<td>Advertising</td>
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<tr>
<td><strong>Priory</strong></td>
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<td>Total</td>
<td>41,000</td>
<td>43,200</td>
<td>(2,200)</td>
<td>49,300</td>
<td>50,689</td>
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<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>17,714,400</td>
<td>19,887,507</td>
<td>(2,173,107)</td>
<td>18,567,000</td>
<td>21,654,003</td>
<td>(3,087,003)</td>
<td>16,350,100</td>
<td>16,350,100</td>
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<tr>
<td>2017/18 Outturn Adjustments</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Adjusted Budget</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>18,645,100</td>
<td>17,285,100</td>
</tr>
</tbody>
</table>

**Key Features**

- 2017/18 Budget £16,350K
- Revised BWB View 2017/18 £18,645K
- Wirral Council Finance Team View 2017/18 £17,285K
8.5 Expected / Targeted In-House Case

8.5.1 The review of the budget highlights a number of areas where the budget underestimates the total net costs of the service areas. These are mainly due to the following reasons:

- Incorrect phasing of the cost saving and income generating initiatives, where the full annual amount is included in the first year of implementation not allowing for the process of implementation or the growth of the relevant income;
- Previous failed initiatives are included within the budget for future years, and there is no possibility of achieving these savings or additional income;
- Incorrect budgeting of costs where the budget does not reflect the actual spend; and
- Transfers from reserves are made which reduce the actual costs within the service area.

Using the information from the budget review the following table shows the 2017/18 budget adjusted for the amounts discussed in Section C. This is further adjusted for those projects where there are known changes in future as a result of increased income.

This analysis does not include:

- Income from additional proposed cost saving or income generating initiatives; or
- Increased costs as a result of inflation.
## Finance and Funding

### 8.5.2 Expected / Targeted In-House Case

<table>
<thead>
<tr>
<th>Sum of Budget 2017-18</th>
<th>BWB Budget Revisions</th>
<th>Revised 2017/18 Budget</th>
<th>2018/19</th>
<th>2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Parks</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>5,382,500</td>
<td>250,000</td>
<td>5,632,500</td>
<td>5,632,500</td>
</tr>
<tr>
<td>Additional Income Growth Est</td>
<td>(50,000)</td>
<td>(100,000)</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>5,382,500</td>
<td>250,000</td>
<td>5,582,500</td>
<td>5,532,500</td>
</tr>
<tr>
<td><strong>Leisure</strong></td>
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<td></td>
</tr>
<tr>
<td>Total</td>
<td>5,053,200</td>
<td>1,645,000</td>
<td>6,698,200</td>
<td>6,698,200</td>
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<td>Woodchurch Community Aquatics</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Oval Fitness Suite and Café</td>
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<td>(8,400)</td>
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</tr>
<tr>
<td>Leasowe 3g Pitches</td>
<td>(100,000)</td>
<td>(100,000)</td>
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</tr>
<tr>
<td>Leasowe Social Services to co-locate</td>
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<td>(75,000)</td>
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<td>Leasowe Soft Play Area</td>
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<td>Resaleable Stock</td>
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<td>(50,000)</td>
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<td>Marine Lake</td>
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<td>(100,000)</td>
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<td></td>
<td>5,053,200</td>
<td>1,645,000</td>
<td>6,169,800</td>
<td>6,069,800</td>
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<td><strong>Libraries</strong></td>
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</tr>
<tr>
<td>Total</td>
<td>4,450,500</td>
<td>235,000</td>
<td>4,685,500</td>
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<td><strong>Floral</strong></td>
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<tr>
<td>Total</td>
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<td>125,000</td>
<td>1,024,300</td>
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<tr>
<td><strong>Williamson</strong></td>
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<tr>
<td>Total</td>
<td>518,900</td>
<td>40,000</td>
<td>558,900</td>
<td>558,900</td>
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<tr>
<td><strong>Priory</strong></td>
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</tr>
<tr>
<td>Total</td>
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<td>45,700</td>
<td>45,700</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>16,350,100</td>
<td>2,295,000</td>
<td>18,645,100</td>
<td>18,066,700</td>
</tr>
</tbody>
</table>

### Key Features
- 2017/18 Budget £16,350K
- Revised BWB View 2017/18 £18,645K
- Budget for Council Support Reduces to £18,067K in 2018/19 and £17,917K in 2019/20
Section 8
Finance and Funding

• Parks

It has been assumed that there will be additional income of £50K per annum. Details of the plans for generating income are required to refine this figure. This compares to a target income figure of £400K included in the budget for 2017/18.

• Leisure

The current projects are included, and the income adjusted for the timing delay as discussed with the Leisure Management in July 2017

8.6 Illustrative Further Enhancements in an ADM

8.6.1 From the research, from the needs analysis, and from the review of operations across the four service areas and considering them in the context of an enhanced, ADM-based model various opportunities for additional income generation, or enhanced use of facilities have become apparent. These are shown in brief in no particular order in the following table:

Main Enhancements Illustrative Profile

<table>
<thead>
<tr>
<th>General</th>
<th>Leisure</th>
<th>Parks</th>
<th>Libraries / Culture</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Subletting of unused or spare property at market rents</td>
<td>1. Price restructuring</td>
<td>1. Grants for Development of Parks (HLF)</td>
<td>1. Reformatting and development of library service to increase outreach and access</td>
</tr>
<tr>
<td>2. Tourism trail development</td>
<td>2. New Commissioner Income</td>
<td>2. Eastham (grant funding for nature conservation)</td>
<td>2. Williamson reprofile: Flexible Space</td>
</tr>
<tr>
<td>5. Repurposing key properties to: Youth provision, Ageing well, Dementia friendly</td>
<td>5. Catering: specific opportunities and variety on Park Sites</td>
<td>5. Co-location opportunities</td>
<td></td>
</tr>
</tbody>
</table>

152 Wirral Borough Council: Re-Imagining Libraries, Leisure, Parks and Cultural Services - Phase 2 Report / 1 September, 2017
### Section 8
Finance and Funding

<table>
<thead>
<tr>
<th>General</th>
<th>Leisure</th>
<th>Parks</th>
<th>Libraries / Culture</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. Social Enterprise Hubs</td>
<td></td>
<td>6. Camping Events Merchandising</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Grant Funding</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Arts / Culture / Digital Hubs:</td>
<td></td>
<td>These four areas are enabled by putting back in place the Rangers and adding a Development Officer (6 staff, investment £1M)</td>
<td></td>
</tr>
<tr>
<td>• Micro loans (linked perhaps with Access Foundation)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Small business hubs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Training and development support</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Corporate Sponsorship</td>
<td></td>
<td>7. Building Refurbishment and alternative use</td>
<td></td>
</tr>
</tbody>
</table>

The following section provides a brief description of the opportunities available within the areas shown in the table. Some illustrative figures have been shown to give an indicative estimate or range of values which could be expected to be achievable.

The following section provides a brief description of the opportunities available within the areas shown in the table. Some illustrative figures have been shown to give an indication estimate or range of values which could be expected to be achievable.

The proposals shown in this table are those that have been clarified sufficiently to put illustrative figures around them. They do not enhance the full effect of drawing in community resources, developing hubbed services within communities, full sharing with other agencies, corporate and other sponsorship, tourism and business development affecting volumes of service users, and many other possibilities, mentioned in the preceding sections or otherwise.

This should therefore be treated as an illustrative base position achievable in an ADM model. The figures are based on our judgement, from experience. We have not been able to discuss these in detail with Service Heads although they have been profiled with other Council officers, and a number of the concepts have been widely discussed with them and elected members during the Phase 1 work or in this Phase 2 stage.

**Main Enhancements Illustrative Income and Cost Profile**

The table below shows an illustrative profile of the income and costs of the potential enhancements. Additional detail of each service area is shown within the individual area analysis that follows.
# Section 8

Finance and Funding

## Illustrative Income and Cost Profile from Re-imagining

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Original Budget 2017/8</td>
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<td>14,865</td>
<td>14,865</td>
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<td>14,865</td>
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</tr>
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<td>(510)</td>
<td>(510)</td>
<td>(510)</td>
<td>(510)</td>
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<td>1,206</td>
<td>1,206</td>
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<td>1,454</td>
<td>1,454</td>
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<td>1,794</td>
<td>1,794</td>
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<tr>
<td>Culture</td>
<td>Enhancements</td>
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<td>485</td>
<td>485</td>
<td>585</td>
<td>585</td>
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<td>585</td>
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<tr>
<td>Libraries</td>
<td>Enhancements</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>General</td>
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<td>2,930</td>
<td>2,930</td>
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<td>2,930</td>
</tr>
<tr>
<td>Structural Changes</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Income</td>
<td>14,865</td>
<td>13,701</td>
<td>18,455</td>
<td>18,455</td>
<td>18,455</td>
<td>21,118</td>
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<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
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<td>27,522</td>
<td>27,522</td>
<td>27,522</td>
<td>27,522</td>
<td>27,522</td>
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<td>1,207</td>
<td>1,207</td>
<td>1,131</td>
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<td>Enhancements</td>
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<tr>
<td>Leisure</td>
<td>Enhancements</td>
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<td>489</td>
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<tr>
<td>Libraries</td>
<td>Enhancements</td>
<td>(497)</td>
<td>(497)</td>
<td>(497)</td>
<td>(497)</td>
<td>(497)</td>
<td>(497)</td>
<td>(497)</td>
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<tr>
<td>General</td>
<td>Enhancements</td>
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<td>190</td>
<td>315</td>
<td>315</td>
<td>315</td>
<td>315</td>
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<td>Structural Changes</td>
<td>(504)</td>
<td>(604)</td>
<td>(1,104)</td>
<td>(504)</td>
<td>(604)</td>
<td>(1,104)</td>
<td>(504)</td>
<td>(604)</td>
</tr>
<tr>
<td>Total Expenditure</td>
<td>27,522</td>
<td>28,653</td>
<td>28,945</td>
<td>28,845</td>
<td>28,345</td>
<td>29,130</td>
<td>29,030</td>
<td>28,530</td>
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<tr>
<td>Depreciation</td>
<td>3,693</td>
<td>3,693</td>
<td>3,693</td>
<td>3,693</td>
<td>3,693</td>
<td>3,693</td>
<td>3,693</td>
<td>3,693</td>
</tr>
<tr>
<td>Net (Cost) / Surplus</td>
<td>(16,350)</td>
<td>(18,645)</td>
<td>(14,183)</td>
<td>(14,083)</td>
<td>(13,583)</td>
<td>(11,705)</td>
<td>(11,605)</td>
<td>(11,105)</td>
</tr>
</tbody>
</table>
Section 8
Finance and Funding

General Enhancements

There are a number of enhancements which would be achievable across various areas within the ADM and the table shows the illustrative cost and income profile with further detail described in the following paragraphs. Further details of the underlying enhancements are in Appendix S.

The table below for General enhancements uses the same template as we have used later to show core budgets for 2017/18 and budget adjustments for each service area. For General enhancements, there is no core budget and subsequent adjustments. Therefore we are showing Nil in the 2017/18 Budget and Budget Adjustments, columns.
## Section 8
Finance and Funding

### Illustrative Income and Cost Profile from Re-Imagining

<table>
<thead>
<tr>
<th>£'000</th>
<th>(NI - Not illustrated)</th>
<th>Enhancements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Original Budget 2017/8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustments from budget review</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subletting of Spare Space</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Catering Collective Advantage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Enterprise Hub</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant Funding</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Co-Location benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ageing Well Economy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arts, Culture, Digital Hubs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Sponsorship</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health &amp; Leisure</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>0</td>
<td>615</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Original Budget 2017/8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustments from budget review</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Catering Collective Advantage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Enterprise Hub</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant Funding</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td>0</td>
<td>190</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net (Cost) / Surplus</strong></td>
<td>0</td>
<td>425</td>
</tr>
</tbody>
</table>
Section 8
Finance and Funding

8.6.2 VAT Group Structure

A not for profit organisation outside the Council would be able to claim a VAT exemption. This would allow the services not to charge VAT, but also means that the input tax cannot be claimed. The main areas that this would affect are Leisure and the Floral Pavilion. A group structure will need to be set up to maximise the VAT exemption benefits from separating the different services. The crematorium and cemeteries have significant exempt income and it is likely that this would need to be within a separate entity.

Using the 2017/18 budget, an estimate of the effect of the VAT exemption would be:

<table>
<thead>
<tr>
<th></th>
<th>Leisure</th>
<th>Floral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>1,168,920</td>
<td>385,520</td>
<td>1,554,440</td>
</tr>
<tr>
<td>Costs</td>
<td>(239,300)</td>
<td>(331,225)</td>
<td>(570,525)</td>
</tr>
<tr>
<td>Net Effect</td>
<td>929,620</td>
<td>54,295</td>
<td>983,915</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>VAT</th>
<th>Range £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>1,554</td>
</tr>
<tr>
<td>Costs</td>
<td>570</td>
</tr>
<tr>
<td>Net</td>
<td>984</td>
</tr>
</tbody>
</table>

Whilst a recent European legal decision has indicated that Councils may claim this exemption, the judgement was clear that was only in certain circumstances (which we assume are not fulfilled here) and in any event it is not yet clear to what extent the judgement will be applied in the UK. This has been discussed by us with Council officers.

8.6.3 Subletting of unused or spare property at market rents

Many of the buildings have spare space. A number of the library building have spare rooms. A review of the demand for small business premises should be carried out. Providing 1-2 person office spaces would increase the usage of the space available and provide income to assist in the running costs. A review of the local rents payable shows a range of between £8 and £20 per sq. ft depending on the locality and services provided. The increased use of the building will result in an active environment within the property portfolio, and increased footfall for some of the other services provided.

<table>
<thead>
<tr>
<th>Subletting</th>
<th>Range £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>50</td>
</tr>
<tr>
<td>Costs</td>
<td>0</td>
</tr>
<tr>
<td>Net</td>
<td>50</td>
</tr>
<tr>
<td>Capital Investment</td>
<td>20</td>
</tr>
</tbody>
</table>
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Finance and Funding

8.6.4 Catering – Collective Advantage

It is envisaged that catering will be extended across all areas of the portfolio. This will enable the catering to be managed providing a co-ordinated and branded offering. To achieve this, a catering manager should be appointed to co-ordinate and promote the different catering offerings across the Wirral. Better bulk purchasing and contract co-ordination would enable the costs of this additional member of staff to be saved.

<table>
<thead>
<tr>
<th>Catering</th>
<th>Range £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>35</td>
</tr>
<tr>
<td>Costs</td>
<td>35</td>
</tr>
<tr>
<td>Net</td>
<td>0</td>
</tr>
<tr>
<td>Capital Investment</td>
<td>0</td>
</tr>
</tbody>
</table>

8.6.5 Ageing Well Economy

With the increase in the number of people over 65 over the next 20 years there is an opportunity to provide vibrant hubs to reduce the problems of loneliness and encourage use of the facilities such as libraries and leisure centres to improve many mental and physical health. Offering and promoting services that are of interest to this demographic also provides increased economic activity within the area.

As well as the increased usage of the Libraries, Leisure Centres and Parks there is also the opportunity for commissioner funding to develop the ageing well initiative.

As this section of the population grows, there is also the opportunity to encourage participation by volunteering thereby making use of the skills of this group.

8.6.6 Social Enterprise Hubs

The properties can be used to provide spaces for small business, local groups and in particular social enterprises. Setting up of a social enterprise hub would allow opportunities for aspiring entrepreneurs to hot desk or trade from the hub premises. The hub would provide meeting, conference and training rooms for use by its members. The Hub could be used as a catalyst to provide training and support for small businesses and promote the growth and development of these nascent businesses. Income would be derived from membership fees and rentals by day or other periods for hot desking, meetings and office use.

<table>
<thead>
<tr>
<th>Social Enterprise Hub</th>
<th>Range £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>270</td>
</tr>
<tr>
<td>Costs</td>
<td>140</td>
</tr>
<tr>
<td>Net</td>
<td>130</td>
</tr>
<tr>
<td>Capital Investment</td>
<td>(100)</td>
</tr>
</tbody>
</table>
8.6.7 Grant Funding

There are grant providing funds trusts and foundations that would support various activities across the portfolio. These grant funding opportunities are only available via the ADM. There are two main types of grant available, capital grants for the building of new facilities and income grants to finance specific projects.

<table>
<thead>
<tr>
<th>Grant Funding</th>
<th>Range £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>60</td>
</tr>
<tr>
<td>Costs</td>
<td>15</td>
</tr>
<tr>
<td>Net</td>
<td>45</td>
</tr>
<tr>
<td>Capital Investment</td>
<td>-</td>
</tr>
</tbody>
</table>

The following four areas are reasonably clear in overall profile, but we do not have enough information to support a reasoned illustration of the range of possible benefits. The combination is likely to be material to the overall outturn, and is likely to be achievable in an ADM structure.

8.6.8 Arts / Culture / Digital Hubs

A multi-purpose hub provides space and access for many different types of activity including arts, culture and facilities for small businesses. Providing micro loans and training for people who wish to start their own business can enable those with no resources to become more self-reliant. It is likely that the income from these activities will be derived from charging for space on a day basis.

8.6.9 Corporate Sponsorship

Corporate Sponsorship is a growing area for funding and developing public services. It is a requirement of the Companies Act 2006 for Directors to consider all stakeholders and, specifically, it is now law for them to consider the environment and the wider community in which they operate. This broadening development of Corporate Social Responsibility is resulting in companies seeking ways to demonstrate their care of the environment and the community.

There are many areas which should be considered in promoting this to the business community, within the Wirral:

Parks – Individual Parks, specific floral displays, new infrastructure building;
Leisure – Leisure Centre sponsorship, specific activity or new facility provision; and
Culture – Theatre Productions, Art collections
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8.6.10 **Environmental:** Sponsorship of green spaces. This would normally require some signage showing the support of the business but can be for green areas in proximity to the business or in formal parks in the wider community. Many cities and towns now have sponsorship of roundabouts and Nottingham City Council report that they raise £80K per annum from sponsorship of the roundabouts.

A number of businesses also allow staff to spend some time each year to the benefit of the community and this could be directed towards the environment and the improvement of green spaces.

8.6.11 **Health and Leisure:** There is also a move towards companies looking after the health of their employees, and some will provide discounted membership to Leisure centres and gyms. However, there is also the opportunity to gain corporate sponsorship for the Leisure Centres to satisfy the corporate social responsibility requirement.
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Finance and Funding

8.6.12 Leisure

The following table shows a summary of the various potential enhancements. The illustrative income and cost profile shows the range of possible effects of the enhancements described below.

<table>
<thead>
<tr>
<th>Illustrative Income and Cost Profile from Re-imagining</th>
</tr>
</thead>
<tbody>
<tr>
<td>£’000 (NI - Not illustrated) Enhancements</td>
</tr>
<tr>
<td>Leisure</td>
</tr>
<tr>
<td>-------------------</td>
</tr>
<tr>
<td>Income</td>
</tr>
<tr>
<td>Original Budget 2017/8</td>
</tr>
<tr>
<td>Adjustments from budget review</td>
</tr>
<tr>
<td>VAT</td>
</tr>
<tr>
<td>Price Restructuring</td>
</tr>
<tr>
<td>Commissioner Income</td>
</tr>
<tr>
<td>Sport England, PHE or programme funding</td>
</tr>
<tr>
<td>Total Income</td>
</tr>
<tr>
<td>Expenditure</td>
</tr>
<tr>
<td>Original Budget 2017/8</td>
</tr>
<tr>
<td>Adjustments from budget review</td>
</tr>
<tr>
<td>VAT</td>
</tr>
<tr>
<td>Commissioner Income</td>
</tr>
<tr>
<td>Total Expenditure</td>
</tr>
<tr>
<td>Depreciation</td>
</tr>
<tr>
<td>Net (Cost) / Surplus</td>
</tr>
</tbody>
</table>
8.6.13 Price Restructuring

There are opportunities to use price restructuring to enable best use of the assets within the Wirral and also to increase income. Restructuring allows price differentials to manage demand and move this to less popular time making more use of the assets. It also allows different packages to be promoted to attract different types of members. A price increase was introduced in April by increasing the prices across the board. This has led to some cancellation which will result in an underperformance of the proposed income initiative by about 20%.

It is believed by tailoring the pricing structure additional usage and income can be generated.

<table>
<thead>
<tr>
<th>Leisure Membership</th>
<th>Estimate £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>225</td>
</tr>
<tr>
<td>Costs</td>
<td>0</td>
</tr>
<tr>
<td>Net</td>
<td>225</td>
</tr>
<tr>
<td>Capital Investment</td>
<td>0</td>
</tr>
</tbody>
</table>

8.6.14 New Commissioner Income

There are areas where commissioner income can be sought. A current funding bid has been submitted to Macmillan Cancer Support for a 2-year project worth £300K. This is to provide a well-being service via the Leisure Centres to assist those suffering from cancer. There are other opportunities within the area of diabetes, and by developing these services via the health service additional income can be achieved.

<table>
<thead>
<tr>
<th>Commissioner Income</th>
<th>Estimate £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>400</td>
</tr>
<tr>
<td>Costs</td>
<td>160</td>
</tr>
<tr>
<td>Net</td>
<td>240</td>
</tr>
<tr>
<td>Capital Investment</td>
<td>0</td>
</tr>
</tbody>
</table>

8.6.15 Sport England, PHE or Programme Funding

Sport England, Public Health England and other funders can be approached for funding for specific projects. There is a large range of projects that could be considered ranging from a single sport based initiative to increase participation in one particular sport to a more community-wide initiative, where the aim is to encourage the whole population to become more active. Beat the Street is one particular initiative that has had success in a number of areas. The aim is to improve activity amongst all age groups, and has been funded by various organisations including Diabetes UK and the British Heart Foundation.
8.6.16 Parks

The following table shows a summary of the various potential enhancements. The illustrative income and cost profile shows the range of possible effects of the enhancements described below.

<table>
<thead>
<tr>
<th>Illustrative Income and Cost Profile from Re-imagining</th>
<th>£'000</th>
<th>(NI - Not illustrated)</th>
<th>Enhancements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Original Budget 2017/8</td>
<td>3,867</td>
<td>3,867</td>
<td>3,867</td>
</tr>
<tr>
<td>Adjustments from budget review</td>
<td>(150)</td>
<td>(150)</td>
<td>(150)</td>
</tr>
<tr>
<td>Corporate Sponsorship</td>
<td>60</td>
<td>300</td>
<td></td>
</tr>
<tr>
<td>Go Ape Franchise</td>
<td>53</td>
<td>53</td>
<td></td>
</tr>
<tr>
<td>Forest Schools</td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Catering</td>
<td>362</td>
<td>362</td>
<td></td>
</tr>
<tr>
<td>Camping</td>
<td>166</td>
<td>141</td>
<td></td>
</tr>
<tr>
<td>Shops</td>
<td>400</td>
<td>400</td>
<td></td>
</tr>
<tr>
<td>Events</td>
<td>65</td>
<td>98</td>
<td></td>
</tr>
<tr>
<td>Grants for development of Parks</td>
<td>NI</td>
<td>NI</td>
<td></td>
</tr>
<tr>
<td>Eastham Grant Funding for nature conservation</td>
<td>NI</td>
<td>NI</td>
<td></td>
</tr>
<tr>
<td>Total Income</td>
<td>3,867</td>
<td>3,717</td>
<td>4,923</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Original Budget 2017/8</td>
<td>8,523</td>
<td>8,523</td>
<td>8,523</td>
</tr>
<tr>
<td>Adjustments from budget review</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Corporate Sponsorship</td>
<td>15</td>
<td>75</td>
<td></td>
</tr>
<tr>
<td>Catering</td>
<td>129</td>
<td>129</td>
<td></td>
</tr>
<tr>
<td>Camping</td>
<td>20</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Shops</td>
<td>254</td>
<td>254</td>
<td></td>
</tr>
<tr>
<td>Events</td>
<td>10</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Additional Staff</td>
<td>119</td>
<td>119</td>
<td></td>
</tr>
<tr>
<td>Total Expenditure</td>
<td>8,523</td>
<td>8,623</td>
<td>9,170</td>
</tr>
<tr>
<td>Depreciation</td>
<td>726</td>
<td>726</td>
<td>726</td>
</tr>
<tr>
<td><strong>Net (Cost) / Surplus</strong></td>
<td>(5,383)</td>
<td>(5,633)</td>
<td>(4,974)</td>
</tr>
</tbody>
</table>
8.6.17 Grants for Development of Parks

Trusts and foundations can be approached for development of Parks. Grants could be for capital projects, such as the development or refurbishment of buildings, or infrastructure. The development of visitor centres or facilities or the erection of educational information boards are areas where grant funding may be applied for.

8.6.18 Corporate Sponsorship

A number of local authorities have raised funds through Corporate Sponsorship of Parks, roundabout or other open spaces. This has proved to be a popular way of raising funds, and businesses can be persuaded to provide funds as a part of their own corporate social responsibility. It is reported that Nottingham City Council generates £80,000 from corporate sponsorship of its roundabouts.

Sponsorship of the Parks and other open spaces will require resources to promote and administer.

<table>
<thead>
<tr>
<th>Corporate Sponsorship</th>
<th>Range £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>60-300</td>
</tr>
<tr>
<td>Costs</td>
<td>15-75</td>
</tr>
<tr>
<td>Net</td>
<td>45-225</td>
</tr>
<tr>
<td>Capital Investment</td>
<td>0</td>
</tr>
</tbody>
</table>

8.6.19 Eastham (grant funding for nature conservation)

Further details of this have been requested.

8.6.20 Go-Ape Franchise

The Wirral benefits from a large area of natural space and there is the opportunity to allow a Go-Ape franchise. This would provide an attraction that would also enhance the Wirral as a tourist destination.

Assuming that a franchise agreement was put in place, this opportunity would provide a franchise fee and a share of the income. Early discussions with Go Ape, and an outline scoping note from these have suggested a combination of rental and minimum volume income share of at least £53k p.a.

<table>
<thead>
<tr>
<th>Go Ape Franchise</th>
<th>Estimate £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>53</td>
</tr>
<tr>
<td>Costs</td>
<td>-</td>
</tr>
<tr>
<td>Net</td>
<td>53</td>
</tr>
<tr>
<td>Capital Investment</td>
<td></td>
</tr>
</tbody>
</table>
8.6.21 Forest Schools

Forest Schools are a recent development using the natural environment for children and adults to experience outdoor and skill activities. An example of this is The Sustainability Centre which provides a wide range of activities attracting different age groups. They provide the resources for school trips and also provides adult courses in creative and country skills such as blacksmithing, candle making, bushcraft.

<table>
<thead>
<tr>
<th>Forest Schools</th>
<th>Estimate £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>100</td>
</tr>
<tr>
<td>Costs</td>
<td>0</td>
</tr>
<tr>
<td>Net</td>
<td>100</td>
</tr>
<tr>
<td>Capital Investment</td>
<td>5</td>
</tr>
</tbody>
</table>

8.6.22 Catering

Currently, Catering is provided at Birkenhead Park but there are opportunities to increase the provision across the Parks. There are 3 parks where the facilities could be improved, providing catering outlets and a shop. There is currently a café at Birkenhead Park, a review of the net effect is shown below.

<table>
<thead>
<tr>
<th>Catering</th>
<th>Income</th>
<th>Costs</th>
<th>Net</th>
<th>Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permits</td>
<td>96</td>
<td>-</td>
<td>96</td>
<td>(20)</td>
</tr>
<tr>
<td>Shop</td>
<td>20</td>
<td>-</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Drinks and Food</td>
<td>50</td>
<td>20</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>166</td>
<td>20</td>
<td>146</td>
<td>(20)</td>
</tr>
</tbody>
</table>

8.6.23 Camping

The Wirral benefits from a large area of recreational space with both coastal and inland areas. There is currently a small budget for camping permits but no actual income recorded against this code from camping (budget £2,300). Developing 2 camping sites will enhance the attraction of the area as a tourism destination. The basis of the estimate includes the pitch fees and some small income from a shop selling sundry items.

<table>
<thead>
<tr>
<th>Camping</th>
<th>Income</th>
<th>Costs</th>
<th>Net</th>
<th>Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permits</td>
<td>96</td>
<td>-</td>
<td>96</td>
<td>(20)</td>
</tr>
<tr>
<td>Shop</td>
<td>20</td>
<td>-</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Drinks and Food</td>
<td>50</td>
<td>20</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>166</td>
<td>20</td>
<td>146</td>
<td>(20)</td>
</tr>
</tbody>
</table>
8.6.24 Merchandising

The Wirral covers a large area, and the parks provide the ideal location for shops based on the model of the National Trust shops. These shops could sell normal tourist items, but also include locally produced food and craft items.

Assuming that 2 shops were set up in 2 of the parks the anticipated income and costs would be:

<table>
<thead>
<tr>
<th>Shops</th>
<th>Estimate £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>400</td>
</tr>
<tr>
<td>Costs</td>
<td>254</td>
</tr>
<tr>
<td>Net</td>
<td>146</td>
</tr>
<tr>
<td>Capital Investment</td>
<td>100</td>
</tr>
</tbody>
</table>

8.6.25 Events

The variety of the parks and open spaces allows the possibility of various events from small community events to large scale events held in Birkenhead Park. Events would bring increased footfall to the area and increase community involvement. It is estimated that one large scale event, along with several small events, would provide the following net income. Over time it is also estimated that these would grow by at least 50% as they became more embedded and the reputation grew.

<table>
<thead>
<tr>
<th>Events</th>
<th>Range £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>65 98</td>
</tr>
<tr>
<td>Costs</td>
<td>10 25</td>
</tr>
<tr>
<td>Net</td>
<td>55 73</td>
</tr>
<tr>
<td>Capital Investment</td>
<td>0 0</td>
</tr>
</tbody>
</table>

8.6.26 Additional Staff

To achieve the above income initiatives, it is necessary to provide for additional staff support to implement and develop these enhancements. A team comprising 5 Rangers and adding a development officer, would enable these initiatives to be achieved.
Section 8

Finance and Funding

Libraries / Culture

The following table shows a summary of the various potential enhancements. The illustrative income and cost profile shows the range of possible effects of the enhancements described below.

<table>
<thead>
<tr>
<th>Illustrative Income and Cost Profile from Re-imagining</th>
<th>£'000</th>
<th>(NI - Not illustrated)</th>
<th>Enhancements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Libraries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017/18 Budget</td>
<td>346</td>
<td>346</td>
<td>346</td>
</tr>
<tr>
<td>Budget Adjustments</td>
<td></td>
<td>(160)</td>
<td>(160)</td>
</tr>
<tr>
<td>Low</td>
<td>346</td>
<td></td>
<td>346</td>
</tr>
<tr>
<td>High</td>
<td>346</td>
<td></td>
<td>346</td>
</tr>
<tr>
<td>Total Income</td>
<td>346</td>
<td>186</td>
<td>186</td>
</tr>
<tr>
<td>Expenditure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Original Budget 2017/8</td>
<td>4,362</td>
<td>4,362</td>
<td>4,362</td>
</tr>
<tr>
<td>Adjustments from budget review</td>
<td></td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>Reconfigure Library Service</td>
<td></td>
<td>(497)</td>
<td>(497)</td>
</tr>
<tr>
<td>Total Expenditure</td>
<td>4,362</td>
<td>4,437</td>
<td>3,940</td>
</tr>
<tr>
<td>Depreciation</td>
<td>435</td>
<td></td>
<td>435</td>
</tr>
<tr>
<td>Net (Cost) / Surplus</td>
<td>(4,451)</td>
<td>(4,686)</td>
<td>(4,189)</td>
</tr>
</tbody>
</table>

8.6.27 Reformatting and Development of Library Service

The library service currently comprises 24 locations across the Borough. It is envisaged that this will be reconfigured to provide a tailored service specific to the different neighbourhoods and needs. This will comprise a number of different models of library as outlined in earlier sections.

Savings of at least £497K are anticipated as detailed in Appendix R.
Section 8
Finance and Funding

Culture

The following table shows a summary of the various potential enhancements. The illustrative income and cost profile shows the range of possible effects of the enhancements described below.

| Illustrative Income and Cost Profile from Re-imagining |
|-----------------------------------|---|---|---|---|
|                                   | £’000       |                   | Low | High |
| Culture                           | 2017/18 Budget | Budget Adjustments |     |     |
| Income                            |             |                   |     |     |
| Original Budget 2017/8            | 2,599       | 2,599              | 2,599| 2,599|
| Adjustments from budget review    | 0           | 0                  | 0   | 0   |
| VAT                               | 385         | 385                | 385 | 385 |
| Health Commissioner Income        | 50          | 100                | 50  | 100 |
| Grant Income                      | 50          | 100                | 50  | 100 |
| Total Income                      | 2,599       | 2,599              | 3,084| 3,184|
| Expenditure                       |             |                   |     |     |
| Original Budget 2017/8            | 3,687       | 3,687              | 3,687| 3,687|
| Adjustments from budget review    | 165         | 165                | 165 | 165 |
| Williamson Art Gallery Premises   | (264)       | (264)              | (264)| (264)|
| VAT                               | 331         | 331                | 331 | 331 |
| Total Expenditure                 | 3,687       | 3,852              | 3,919| 3,919|
| Depreciation                      | 376         | 376                | 376 | 376 |
| Net (Cost) / Surplus              | (1,464)     | (1,629)            | (1,211)| (1,111)|

8.6.28 Williamson reprofile: Flexible Space

Reprofiling the Williamson to flexible space should improve net costs by at least £264K. Further details are shown at Appendix R.

8.6.29 Health Commissioner Income

Cultural activities have been shown to benefit health and there are a number of different areas within the arts where projects can be set up with the aim of improving health and mental well-being. Examples could include developing emotional and self-expression through creative arts such as dancing, acting or painting. For example, Kirklees Council’s Culture and Leisure Services was commissioned by the local primary care trust, NHS Kirklees, to deliver creative and arts-based activities to help children develop emotional literacy and improve mental health.
8.6.30 Grant Income

A number of organisations provide funds for cultural activities. There are opportunities for the theatre to provide more modern productions, including modern dance, which would enable the organisation to obtain funding from the Arts Council.

The hire of specific art collections could be funded by grants from various grant-making trusts, or could be funded by corporate sponsorship.

<table>
<thead>
<tr>
<th>Grant Income</th>
<th>Range £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>50 100</td>
</tr>
<tr>
<td>Costs</td>
<td>0 0</td>
</tr>
<tr>
<td>Net</td>
<td>50 100</td>
</tr>
<tr>
<td>Capital Investment</td>
<td>0 0</td>
</tr>
</tbody>
</table>

8.6.31 Co-Location Opportunities

A number of co-location opportunities are being considered. The co-location of services provides a focus for the community, which can show a significant increase in activity. Excluding the increased usage and potential income in respect of services that carry a charge (e.g. Leisure Centres, Cafés etc.), it also allows there to be better usage of the assets, and some assets can be released providing economies of scale. Other services can be located within the existing buildings e.g. a GP surgery within a leisure centre, this would allow the ADM to charge for the use of the space.

It is assumed that a number of properties can be released by co-location and/or contributions made to costs by charging the other organisations.

<table>
<thead>
<tr>
<th>Co Location</th>
<th>Range £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>200 400</td>
</tr>
<tr>
<td>Costs</td>
<td>0 0</td>
</tr>
<tr>
<td>Net</td>
<td>200 400</td>
</tr>
<tr>
<td>Capital Investment</td>
<td>0 0</td>
</tr>
</tbody>
</table>
8.7 Conclusion

The conclusion is split into two sections. The first details and explains the results of the budget review and the second provides some advice on the next steps with regards to the enhancements.

8.7.1 Budgeting

The main aims of good budgeting are to:

- Provide a forecast of income and costs allowing an organisation to use its resources efficiently. It enables an organisation to plan the resources and finance required to achieve its objectives.
- Provide a tool for decision making. Accurate budgets allow assessment of proposed changes, allowing an accurate basis for the assessment of the proposals.
- Provide a means to enable monitoring and control. Analysing variances allows an organisation to assess its performance, and management to control expenditure and the actions of its employees. If reviews of actuals and budget are carried out on a timely basis it allows management to make changes to improve performance.

To achieve these aims ownership of the budgets is important. Reporting of actuals against budgets allows managers to assess the performance of their area and make changes which are beneficial. Analysing variances also allows managers to understand their areas of responsibility, better enhancing overall performance.

8.7.2 Current Budget

Wirral should provide more direction to managers on the analysis by account codes. A review of these should be carried out and the budget restated, informed by historical actual income and expenditure to allow reviews and variance analysis to be of benefit to the management. This will also allow accurate decisions to be made on forecast income and expenditure.

New income generating ideas should be phased within the budget. The budget currently shows significant variances within the income categories, which is as a result of:

- a) The approval for new initiatives being given too late to enable the planning and implementation to be competed to allow full year benefit;
- b) New income streams having an increasing value as these initiatives become fully implemented. This should be reflected in the budget to allow proper forecasting and planning and to avoid continuing negative variances; and
- c) All new income streams needing to be fully costed and the additional resource required in respect of staff, IT and other direct costs should be budgeted.

8.7.3 Budget Process

Ownership: A significant number of the expenses are not under the control of the management. These costs are either recharged from other departments or they are negotiated centrally, and a charge is allocated to the relevant area. It is recommended that the reporting is changed to distinguish clearly between those costs that are not under the direct control of the departmental managers.
Monitoring and Control

Variance analysis should be carried out at account code level, actions should be determined and variances can be used to inform future budget preparation. Improved accuracy in the account analysis will enable the managers to be effective in the management of their areas. Additional financial training should be given to managers to ensure that they use the reports to best effect.

8.7.4 Revised view of in-house case

Allowing for the currently planned enhancements explained to us, the in-house case can expect a 2017/18 outturn of £18.7m of funding requirement from the Council as against the £16.4m budgeted. That can be expected to fall to £18.1m and then to £17.9m over the next two years, although that still leaves very slim cost cover and some services very short-resourced. It is also stated before capital budget costs and condition survey spend, figures for which are likely to be at least a further £18m over several years. We understand that the Council is further reviewing these costings.

8.7.5 Advantages of Budgeting within an ADM

Within an ADM ownership of the budgets is improved as all costs will be the responsibility of the smaller organisation. This provides a better link with responsibility. Ensuring that authority levels are provided to managers will enable them to adjust and control expenditure.

Managers should be involved in the preparation of the budget at an early stage but should review all income and cost elements. Their involvement will improve the understanding of their business area and also improve the accuracy of budgets as they become more knowledgeable about the costs and income within their areas of responsibility.

Currently there are a number of costs that are allocated or controlled centrally. The management team will gain the responsibility for these and will be enabled to adjust and change the levels of expenditure or seek alternative suppliers for some services. Where costs are allocated and are not a direct cost or the responsibility of an individual then these should become the responsibility of the Senior Management Team.

It is possible to incentivise staff to achieve budget or targets, which is not available to Council staff. This enhances staff motivation. Currently the level of allocated expenditure and lack of financial awareness does not allow these benefits.

8.7.6 Enhancements in an ADM

There are a wide range of possibilities if the service areas are transferred to an ADM. Many of the initiatives are only achievable within an ADM, such as the VAT exemption and the application for Grants and other Funding.

As there are so many possibilities, it is important that these are considered and prioritised. Project planning to include the forecasting of both costs and timescales is required to ensure that the resource is available to achieve these. Management will need to have detailed plans to include milestones and reporting so that progress can be monitored effectively and remedial action taken, where necessary.
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The enhanced figures, taking account only of those areas of benefit that have illustrative figures attached to them (and there are a range of other possibilities), suggest the Council’s cost subsidy falling to between £11m and £14m, an overall saving of £4m to £7m, over the same 3 year period. Again this excludes capital spend, but is also before the benefit of a proposed wider investment in services through a social bond issue.

Whilst it is, we believe, possible to achieve the savings outlined in full for 2018/19, in reality the process for taking an ADM live may mean that the commencement of action needed comes in stages through the year. Some of the savings, for example the VAT treatment, can run for the whole year.

Taking a view as to which of the savings and income improvements in 8.6 might be delayed, it is perhaps reasonable to expect that, of the total illustrative improvements of £3,808K in 2018/19, only some £2.6m (including the £1m from VAT treatment) would happen that year. Net of costs left with the Council relating to pensions and infrastructure overheads of £1.6m, that leaves a net saving to the Council of £1.5m.

This escalates rapidly in successive years to a net £6.8m by 2020/21, based on the illustrative figures, with further improvements possible relating to

- Areas identified not illustrated
- The benefits of raising external capital to invest in improvements
- Further growth and development

8.8 Structural Changes

Moving the services to an ADM will result in a number of structural changes that will affect the costs of the Council and the new ADM.

<table>
<thead>
<tr>
<th>£'000</th>
<th>ADM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension</td>
<td></td>
</tr>
<tr>
<td>Pension Deficit Payments remain with Council</td>
<td>1,173</td>
</tr>
<tr>
<td>Current Pension Strain costs will remain with Council</td>
<td>331</td>
</tr>
<tr>
<td>ADM Pays additional contributions</td>
<td>(800)</td>
</tr>
<tr>
<td>Management and Recharges (Long Term)</td>
<td></td>
</tr>
<tr>
<td>Management Recharges</td>
<td>1,200</td>
</tr>
<tr>
<td>Management Team</td>
<td>(800)</td>
</tr>
<tr>
<td>Net Income / (Cost)</td>
<td>1,104</td>
</tr>
</tbody>
</table>

8.8.1 Pensions

It is assumed that the pension scheme will be transferred fully funded. This leaves the deficit with the Council and therefore the payments towards the pension deficit in respect of the staff transferred will continue. The current budgeted payments towards the pension deficit are £1,173K. The STRAIN payments as a result of previous early retirements will also continue to be the responsibility of the Council.
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However the ADM will need to pay a higher pension contribution as a result of the increasing age of the members of the old scheme and no new members being accepted into the LGPS scheme. It is estimated that the ADM will have to pay enhanced employer contributions of 20%. The effect of this is to reduce the requirement of the Council to pay towards the deficit. The estimate of the additional contributions are £800K.

8.8.2 Management / Council Recharges

Each service area is charged a contribution towards the administration and management cost including the costs of the Finance and HR departments and other central costs. It will be necessary for the ADM to have its own management and administration teams. Incorporating current area management, it is estimated that the ADM will incur additional costs of approximately £800K. Initial annual costs are likely to be £500K increasing to £814K as the reliance on the Council’s management and administration is reduced.

In the first period after transfer it is assumed that the central services will be provided by the Council and then reduced as the management team becomes operational. The management recharges for 2017/18 are budgeted to be £1.2M (£1.8M in 2016/17). It is assumed that these costs will reduce as shown below:

<table>
<thead>
<tr>
<th>Management and Recharges</th>
<th>ADM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017/18</td>
</tr>
<tr>
<td>Management Recharges</td>
<td>(1,200)</td>
</tr>
<tr>
<td>New Management Team</td>
<td>0</td>
</tr>
<tr>
<td><strong>Net Income / (Cost)</strong></td>
<td>(1,200)</td>
</tr>
</tbody>
</table>

Over the next 3 years it is envisaged that the ADM will become increasingly independent reducing the reliance on the services provided by the Council. It is anticipated that costs will be able to be reduced within the Council but the effect of this change needs to be explored and discussed further to ascertain the effect on the council expenditure where there may be costs that cannot be reduced.

Further details of the net effect on the Council of the move between enhanced in-house case and ADM, noting that the latter is only a minimum improvement illustration, is shown at Appendix P.
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This section draws together opportunities arising from the preceding analysis sections 5 – 8 (Needs; Assets; Business and Operations; and Finance) and discusses how these opportunities fit together. It goes on to describe a range of options for responding to and delivering against the opportunities described, which leads naturally into later sections on delivery models.

9.1 Opportunity Themes

Our research under the four areas of analysis listed above has highlighted a number of areas of opportunity, with regard to both to meeting overall objectives and building a sustainable service model, as well as to contributing actively to the future of Wirral and its residents, businesses and visitors.

Some of these opportunities are readily visible; others are latent or arise by virtue of choices implicit in the selection of service delivery models, and where an alternative model would be required we have stated this in the discussion. Opportunities can be grouped under the following themes:

- **Theme 1**: Enhanced ability to meet social needs, and cost-savings through co-location and integration
- **Theme 2**: Improved effectiveness and impact whilst reducing spending through accessing latent assets
- **Theme 3**: Meeting more people’s needs and increasing the addressable market for Libraries, Leisure and Cultural Services
- **Theme 4**: Attracting financing and funding; increasing access to resources
- **Theme 5**: Harnessing ingenuity and building on Wirral’s pioneering spirit

9.1.1 Theme 1: Enhanced ability to meet social needs, and through co-location and integration

A common thread in interviews – and indeed a key outcome for the project – is to achieve greater impact, meeting more needs for more Wirral residents and visitors whilst saving money in the form of streamlined operating costs. There are opportunities to achieve such improvements at several levels, most obviously through co-location (taken to its logical conclusion in a ‘hub’ model), but also through better integration of systems and processes and better sharing of information, regardless of structure. Within this we highlight the following:

*Decisions about the property portfolio*

The financial burden of maintaining the current portfolio of assets is high - estimates begin with a £18m investment required over the next 5 years, not to mention ongoing maintenance costs. In the current operational model, services are largely delivered from separate buildings, and there is potential for more co-location and sharing of buildings in order to rationalise asset stock than is currently in place. Overall, we find that sensitivities around building closures or co-locations are driven by:

- A pride in fine, historical or heritage sites, demanding that the buildings themselves be kept in public ownership, or for public use (but not necessarily for the same purpose as currently);
- A local attachment to a place, which is embodied in a building, but defined more by the activities that happen there. In such cases, the choice of the building matters less, and there is potential for relocation of services and spaces; or
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- A desire – particularly in less self-sufficient places – for places and buildings which are easy to get to, free to enter and use (regardless of whether services such as groups and classes need to be paid for) and that are warm, comfortable and welcoming.

We found little evidence of residents or staff insisting that a particular service continue to be located in a particular building for historical reasons, with Moreton being a case in point – several interviewees suggested that the community would prefer a rationalisation of Council buildings and co-location of services under one roof in order to re-invigorate a tired location, and offer new potential.

Access to wider group of residents

By co-location with other agencies and organisations, and indeed one LLPC service with another a wider group of residents can be reached. This is both at the introduction level and in terms of a sustained engagement with existing and new services. This in turn improves the spread and depth of needs met for Wirral residents and enables the services to access and engage more cost-effectively new customers and the income they bring.

Information and skills sharing

The opportunities for skills sharing are believed to be relatively limited in the current silo’d organisational structure. However there is considerable potential for doing so and much to be gained if structures, processes and working practice allowed for more collaborative working. The workforce in each Service Line is skilled and highly experienced, but there is some duplication of effort between services, and this incurs operational costs, whilst limiting the ability for staff to capitalise on their expertise, knowledge and desire to do the best job possible.

Some areas in which this is particularly apparent are:

- Efforts to source additional funds in the form of grant bid writing are being made within several separate areas. In the Williamson Gallery, we heard that staff members also regularly help artists and the like to bid for external grants in order to fund exhibitions. Bid writing is a skill which is not core to the portfolio, and could arguably be strengthened, yielding a better return overall, if it were to benefit from specialist resource.

- Customer, audience and service user information, including customer journey knowledge is currently collected with varying degrees of rigour in each service area, and in some cases, pertaining only to a specific site. This limits the ability for the Council fully to understand the demand for and usage of its services, and to cross-sell or cross-market activities. If a conceptual shift to place-based, needs-driven service delivery is desired, a first step would be to integrate this type of information, enabling genuine insight to be developed. Tickets Wirral has made a promising start towards this, and has the added benefit of ‘white labelling’ Council-run activity, placing it more firmly in the wider market of cultural and leisure provision across the Borough. This could also provide a foundation for a Wirral-wide residents’ or community discount card scheme, allowing for evidence-based decisions on the flexibility of fees and charges.

- Efforts and investment have been made in providing certain cohorts of staff with the expertise to manage the needs of certain groups. For example, library staff have been trained by NHS professionals to manage the delivery of Books on Demand, with an appropriate level of understanding of the emotional and mental health issues faced by many users of that particular
service; ambassadors and staff at the Floral Pavilion have been trained as ‘dementia friendly’. These and other skillsets could be more widely cross-fertilised across the portfolio and beyond. Indeed, they lay the groundwork for longer term ambitions with regard to genuine inclusivity of access and removal of barriers.

**Skills retention and succession planning**

We have heard that a combination of factors (including budget restrictions and the age profiles of some workers) is leading to a number of specialist skills becoming vulnerable, specifically with regard to specialist maintenance skills and roles designed to increase and facilitate public engagement. These include: golf course fine turf specialist greens keepers; art specialists; Park Rangers; and arboriculturalists. Two clear opportunities arise in such cases:

a) to outsource such specialist roles; or

b) to improve apprenticeship, skills development and succession planning by developing a professional skills pool that can work across the portfolio, cross-skilling between disciplines as appropriate. At present this means predominantly the Parks and Countryside and the Leisure areas, but could widen to incorporate all skilled maintenance roles.

Both options have merits and drawbacks. The first removes the immediate concerns regarding quality of work, stewardship of the environment and Council assets, and continuity of service. However, it demands standards setting, third party supplier management, and strong strategic oversight. In thinking about a future model in which communities are more involved in delivery, the outsourcing of these roles could either provide further opportunities for engagement (if such intent were designed into contracts) or present barriers to progress (if suppliers proved reluctant to engage with communities and volunteers).

The second option is a larger and more strategic undertaking, and could include employment, training and volunteering opportunities within the Borough, diversifying the skills development and employability efforts, which tend to focus on digital skills. Whilst clearly offering advantages over the longer term, actively contributing to the development of Wirral and its communities, interim arrangements would be needed to cover immediate skills gaps, and a commitment to training and ‘home-growing’ skills are likely to need investment in both time and money in the short term (see section 9.1.4 below for a discussion on additional funding opportunities).

**Co-ordinated approach to amenities and suppliers**

At present, each Service Line is responsible for provision of catering, visitor centres and amenities such as public toilets in parks. In the face of a challenge to be more commercial in their thinking, the majority of our interviewees offered thoughts about improved amenities, particularly cafes. This is understandable but misses two key points:

a) that each Council-run cafe venue could inadvertently be competing with others without proper co-ordination; and

b) that cafes and refreshment options are part of a wider market, and venues such as churches, garden centres and the like are competing for similar customers, many of which enjoy greater freedoms to flex to customer preferences.
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There is a clear opportunity to take advantage of economies of scale with regard to suppliers and bulk purchasing power across the portfolio, using stock rotation between venues to ensure supply meets demand and avoid stock wastage, as well as providing opportunities for staff sharing across venues. This would contribute to an overall de-duplication of effort with regard to administration and supplier management, and would also demonstrate better cost management and value for money spent.

Further, there is an opportunity to match catering options to local needs and preferences and support local activity, for example, using locally-sourced produce in areas where farmers’ markets and allotment gardening is flourishing; differentiating catering choices to reflect the tone of the venue; or enabling start-up catering companies to find an outlet within the Council’s venues.

9.1.2 Theme 2: Improved effectiveness and impact whilst reducing spending through accessing latent assets

Research has painted a picture of a Council whose services are delivered into the communities of Wirral, but with differing perceptions from users as to the role the Council plays in that. Library service users, we have heard, often do not perceive the library to be Council-provided; many of the leisure centres largely have a municipal feel but are now competing with affordable offerings from the private sector; One Stop Shops are clearly Council-run, but incorporate other partners’ services.

This adds up to a picture of provision which is consumed very differently than in previous decades. The focus from the perspective of a service user does not so much embody an expectation of the Council, but rather a broad need for services and provision, which is to varying extents, agnostic of provider. Additionally, the nature of democracy is changing (aided considerably by social media) which creates the ability to have one’s voice heard without needing to rely on intermediaries such as elected representatives, but also generates an expectation of near-immediate response or redress. As such, people – individually, in communities or as advocates of special interest groups – have a real voice, but it is a voice which is not yet integral to conversations about shaping service provision.

Moving from ‘civic provision’ to ‘place making’

Recognising this, the Council has an opportunity to re-think its role and to adapt operations according to need. We have discussed in the Needs Analysis chapter how the needs of different wards and constituencies vary, and this can be reflected in a diversification of the Council’s role, away from traditionally ‘civic’ provision (the use of Council funding to deliver a range of direct services to a Community) and towards harnessing Community resources to create change by a combination of:

- Delivery (direct or indirect);
- Leadership; and
- Messaging

Central to this thinking is an acknowledgement of the wealth of provision activity happening outside the Council itself. We have talked in previous chapters about community organisations and social enterprises, and can extend our thinking to volunteer programmes and initiatives such as the National Citizens’ Service. With regard to addressing health inequalities and improving health and social outcomes, similar objectives are held by health and leisure professionals as well as educators and employers, all of whom could be viewed as potential partners in delivery of outcomes.
Opportunities for shifting the Council’s role so that it enables and empowers Community delivery include:

- providing a central co-ordinating function for volunteering within Wirral - perhaps partnering with existing groups - and investing in robust database provision and funded co-ordinator roles, in order to provide a sustainable and reliable ‘service’ for volunteers and to develop volunteering as a viable resource;

- offering professional, legal or administrative support for new or small groups and community organisations that could be relied upon to deliver services but lack commercial or organisational strength. Such organisations could also be supported to expand current offerings – for example, extending an activity from one village to the next, or to run more frequently;

- co-ordinating, supplying or endorsing community transport links in those areas where demand for activity is high, but accessibility is difficult. There are some community car type offerings in areas where social isolation is an issue, for example, but there is scope for mainstream or chartered services for specific activities allowing access by beneficiary groups who might not want to single themselves out for charitable support;

- waiving or adapting licenses and charges in order to support activities by local groups as part of community leisure or culture provision. This would be discretionary but would act to remove barriers. One example where this would make sense is in allowing local fitness groups to use parks or open spaces for organised activity at a reduced fee (or to waive the fee) compared to groups coming from outside of Wirral, in recognition of the fact that their activities could in the long term help to address health inequalities and health and social care costs.

- establishing, co-ordinating or endorsing apprenticeships and skills development courses (including employability placements for local residents in the Council itself) as a contribution towards addressing worklessness and skills gaps. Over time, partnership with local colleges and businesses could even build this activity into a Wirral ‘university’ model, with local passporting and accreditation arrangements, in which the focus shifts from providing essential services for those in need towards enabling and facilitating people in Wirral to help each other.

9.1.3 Theme 3: Meeting more people’s needs and increasing the addressable market for Libraries, Leisure and Cultural Services

We have seen that the so-called ‘addressable market’ for LLPC is potentially limited by a number of factors. These include physical and financial accessibility issues (access to buildings, travel routes, charges, and sometimes the presentational style of services) but also less tangible barriers, such as lack of time, lack of motivation, lack of positive role models and emotional or mental health issues. Taking these and other considerations into account, it is sensible to explore how the Council can support and encourage new pathways into sports, leisure and cultural activities, and thereby increase the future size of the overall market (meaning those people who willingly participate in or use the services on offer).
Partnerships and Commissioners

Whilst the Service Lines in the portfolio all work to varying degrees with external partners, and many have experience of providing commissioned services, there is an opportunity to place this activity on a firmer footing and to scale up its reach. There is particular potential to partner with specialist charitable and advocacy groups, such as Autism Together, Age UK and Dementia Adventure, to ensure that activities and services are both fit for purposes for their particular beneficiary groups, and also that access and location work for the intended audiences. With an ageing profile, and high levels of social isolation in some areas, it makes sense to ensure that provision for the elderly is strong in order to facilitate ‘ageing well’ ambitions, but as with other provision, the closer to mainstream that this can be made, the more likely it is to be accessed. University of the Third Age (U3A) is another potential partner organisation which runs activities, but could benefit from reliable venue and hosting support.

Commissioning of step down and health-specific exercise programmes has real potential but the scale of this (and associated income from it) is as yet unclear. This notwithstanding, there has been a generally positive attitude towards Social Prescribing in our research interviews, with interviewees citing Books on Prescription as a popular service, and Toning Tables in leisure centres being well used, and valuable to those building up to more strenuous exercise. Conversations with at least one GP practice (a member of one of the two GP federations in Wirral), and with representatives of Public Health, suggest a trend towards co-locating services and increasing access to non-medicalised interventions such as exercise and nutrition, as a means of preventative and holistic wellbeing support. As such there is appetite to work closely with other service providers such as the Council, and specifically LLPC, either referring or signposting to existing provision, or commissioning new services.

Growing the “Universal” in “Universal and Targeted Services”

The health, wellbeing, social and other benefits which can come from using LLPC facilities should be available to all Wirral residents, regardless of where they live, who they are, or what they earn. LLPC must be a truly Universal service. This can be achieved, despite the barriers encountered, by presenting the offering in an appealing way, but in several styles at the initial access points. It also demands holistic management of services, focusing on this universality, and on meeting both actual and perceived (by them) customer need. Taking each park, each library facility, each sports facility as an access point for other services, and sharing routes to these with multiple appeal is key.

Developing tourism and the wider customer journey

However it is not just existing Wirral residents to which LLPC services should appeal. The area’s growth plan expects strong growth in leisure tourism. LLPC should be one of the central elements in that, with stronger signposting to services, provision of flexible and appealing customer journeys tasting a sequence of LLPC’ delights, providing for the well-planned single visit, the day out with several experiences, or the longer stay with contrasting day and evening entertainment. This stimulates both engagement with new paying or spending customers and a wider engagement once they are here.

Enhancing the offering to incoming employers

A similar, but distinct, point applies to the other key Council drive: for economic growth, drawing new employers into the area. Strong, suitable, appealing leisure and recreational facilities meet employers’ demands for their staff’s welfare, and for client and customer engagement. There, too, become paying and spending customers for a new, responsive and engaging LLPC.
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Pathways and Connections

One GP practice we spoke to is having success with a model which places a Community Connector on surgery premises, in order to give much needed time to patients whose need is to find social or physical activities rather than medication. Indeed this is the basis of the well-known Ways to Wellness Social Impact Bond, currently operating in Gateshead, and is being piloted as an approach in other areas, based on both the underlying theoretical research evidence and early indications of success in pilot locations. This model seems appropriate in some form for some areas of Wirral (notably in the East, where complex health and social conditions are highest, but also in areas of the West where social isolation and pockets of deprivation exist in the wider setting of relative self-sufficiency).

In a number of areas of LLPC provision we are given to understand that the user base is either declining or ageing, and that new participants are simply not being attracted. This is most obviously the case in sports such as golf, less so in allotment gardening (where there is a long waiting list for plots), but is showing up in patchy target audiences for certain cultural activities. In all cases we see an opportunity for building so-called ‘pathways’ into these activities, in order to encourage new cohorts of participants. For golf and perhaps leisure centres, this means providing taster, family or youth activities and facilities; for gardening this could mean diversifying the types of activity available – perhaps converting strips of land that are currently the responsibility of the Parks maintenance teams to community gardens or adopted strips. Thinking along these lines has the benefit of signifying permission to currently non-participating groups to get involved, and as a by-product will either increase income (more people playing golf) or reduce costs (more land looked after by communities).

Events and festivals centred on the LLPC offering

Some of the elements of LLPC, as well as other organisations, have hosted larger public events. However these appear rarely, if ever, to have been done at a very large scale, or involving multiple elements of the LLPC facilities and capability. Events can draw large audiences both locally and from wider area, bringing people ready and willing to meet, share, and enjoy a wide customer experience. High spends per head, and encouraging new audiences to participate are two of the many advantages that have both social and economic angles.

There is a limited amount of conference and event capacity within the portfolio currently, but we understand that demand for such provision is high and not fully met within the Borough. Indeed, it is likely that, providing proper resource and capacity were developed within the portfolio, it could benefit from leads and referrals from other service areas – acting as an internal service provider to the Council as well as directly offering services to the public.

When extended to smaller events, festivals and heritage events, likely to attract visitors, and programming at venues like the Floral Pavilion, there is a clear opportunity for better co-ordination and cross-service collaboration. This could be as simple as holding cross-service programming meetings, but could also expand into a centralised function, co-ordinating multi-discipline event programmes, designed to encourage participants to explore other areas of the portfolio than just the one which provided access.
If centralised, this function would provide a natural partner for Regional tourism and visitor economy collaboration, however it is noted that hotel and other short term accommodation is not well provided for in Wirral – or at least is not well co-ordinated and promoted. Stronger input into strategic development plans could help to address this issue, as could a focus on discovering and loosely managing private provision such as Bed and Breakfast, Airbnb and the like. We note also the potential for developing informal accommodation sites, such as camping or ‘glamping’ – which would generate income, but would need initial investment in site maintenance and facilities.

9.1.4 Theme 4: Attracting finance and funding; increasing access to resources

A set of financially focussed opportunities presents itself from the research, both in terms of controlling expenditure, and in bringing in income additional to that which depends on attracting a wider or more freely-spending user base.

Access to grants, funds, sponsorship, and other grants

The need for additional funding permeates activities within the Portfolio. We have already discussed the potential for centralising and up-skilling the bid-writing activity, in order to increase the success of and co-ordinate grant bids across the portfolio (it is likely that dedicated effort will lead to knowledge of a greater number of funds available). There is also an opportunity to offer these skills as a service to third parties, including community groups and small businesses. This would demand additional training and dedicated resource in order to gain a good understanding of the funding landscape but could generate additional income from a previously untapped skillset.

The types of funding not generally open to the Council as a public authority, but permissible in an alternative structure include corporate sponsorship, foundation grants and social investment. We have already outlined, for example, the possibility of a bond issue to fund improvement, development and other innovation. Discussions with primary health professionals suggest that a Social Impact Bond model could be attractive to support outcomes-based social prescribing services.

Finally, as discussed previously, there are additional VAT benefits from operating in an alternative legal structure. Cumulatively, the financial opportunities available to LLPC in an alternative structure would help to move the culture of the organisation away from that of a business struggling under financial constraints, to one with the financial stability and freedoms needed for creative and longer term thinking.

Redefining Core and non-Core Activities

We mentioned in section 9.1.1 that there are some roles within the current portfolio which are specialist and/or niche. A consideration of these leads to a wider discussion about core and non-core activities, both within each service line and within the portfolio as a whole, and potentially even the wider Council. Any move towards an Alternative Delivery Model (ADM) would need to define what roles and functions it would incorporate as ‘core’ (usually delivered in-house by directly employed staff) and what would be necessary but ‘non-core’ to the in-house expertise and so able to be outsourced or delivered through partners without compromising the health of the ADM itself. Even without a decision to move to an ADM, careful consideration of functions within the service lines, could reveal candidate roles for centralisation or collaboration (usually highly administrative, back office or highly specialised roles that are not an integral part of the service being offered to users).
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Partnering for Expertise

A critical assessment of core and non-core activities presents an opportunity to strategically partner with experts in provision in order to increase the range and quality of provision. Alliance Leisure is already partnering with the Council to broaden the suite of provision available in leisure centres. By segmenting the potential user base, and allowing each partner to tailor services to the segments most suited to them, other providers can be worked with as delivery partners, rather than direct competitors. In this scenario, agreements are made to ‘hand off’ customers from one partner to another, or to mutually advertise services which do not directly compete, offering the consumer more choice.

Active involvement

Thinking about non-financial resource, there is an opportunity to harness expertise and energy from various quarters (staff, service users, residents, communities) in governance and strategic roles. This opportunity is somewhat constrained when working within traditional Council decision frameworks and committees, but – were LLPC to move to a different delivery model – would be facilitated through formal roles such as trustees, directors and community advocates.

This kind of wider consultation - which retains formal strategic input and oversight from the Council - is a prime opportunity and would ensure that consultation and co-development with communities happens in a natural and continual manner, and that decisions and priorities respond to the evolving needs and outcomes of communities. This reduces scope for friction (since it reduces the lag between the emergence of a need and it being recognised as such); embodies ‘fair process’ imperatives; and enables the widest possible contributions across communities, leveraging existing relationships and encouraging active involvement.

Capital fundraising is both an opportunity opened up in certain forms of ADM, but also can facilitate an engagement with a wider audience of potential customers both as Wirral residents, and from potential tourists. Perhaps notably through the new Liverpool branch of the Social Stock Exchange the organisation could raise capital from the public – for illustration starting with a £20m bond – enabling it to invest in new, sustainable services and the new or reconfigured facilities they would require. In this way the organisation can become and vehicle for funding investment and expanded sustainable local services and tourism. This is not about helping the Council to avoid the costs of meeting backlogged maintenance of its facilities, but about new and enhanced places and services. Capital investment would be longer term, on the basis that successful ten – to fifteen – year bonds can be renewed, and could be supplemented (matched) by competitively-priced bank debt, making even more investment available. More than this, though, terms can be embedded in these bonds encouraging as investors private individuals putting in relatively modest sums, also to become visitors and service users whether tourists or residents. These approaches have been used successfully by private sector retailers such as Hotel Chocolat, and by sports and arts venues.

To make this deliverable it is essential that the organisation establishes long-term certainty around financial and operational performance. These in turn demand secure long-term tenure of the assets (leisure centres and others) and longer term certainty about Council grant support (albeit at reduced levels against the current position).
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Non-traditional Central Services

Finally in this theme, we consider the opportunity to re-shape the operating model and centralise different functions than are traditionally found in ‘central services’ organisation in order to de-duplicate effort and capitalise on expertise. These include some of the areas we have already discussed: catering, amenities and grounds management, but also encompass marketing, grants management, room and space hire, building security, management information and customer insight. All of these can be brought together at a number of different levels – from loose coordination through to centralised provision (see Section 0 Opportunities Arising).

An advantage of such an approach is that it serves to professionalise some of the functions that existing staff are carrying out as ‘side of desk’ activities. In so doing, it allows for better results and greater creativity, as well as providing opportunities for career development.

9.1.5 Theme 5: Harnessing ingenuity and building on Wirral’s pioneering spirit

A strong sense of place and identity runs through our research on Wirral. Time and again we hear that Wirral was ‘the first to have...’; ‘the first to do...’ or the ‘the first to be...’. The people of Wirral today retain pride in this pioneering and innovative spirit, and a number of innovations in service delivery reflect the fact that ingenuity is still alive in the Borough. We have identified a number of areas in which this underlying desire to innovate and solve problems from within communities could be harnessed, namely:

Standards, principles and charters

Building on existing ideas for staff charters, there is an opportunity to build a principles-based delivery model, espousing principles that reflect the identity and ambitions of the Wirral. This could include principles around quality of provision, inclusivity and accessibility – irrespective of provider – which could be mapped back to the 2020 Pledges. Principles and charters are a stepping stone towards decision making structures that have regard to multiple measures of value – combining political and financial considerations with economic and social value priorities.

Encouraging and empowering staff innovation

Some of the best and most customer-relevant ideas can come from customer-facing staff involved in the services. However, those will only come to the fore and be turn into reality

- In an environment that encourages that to happen
- Where the staff believe it will
- Where management are empowered to make things happen, and know they can
- Where the organisation is resourced to do it, if it is sustainable and delivers impact

This is not just about recognising and delivering great innovation but also recognising staff as key stakeholders in the future success of the organisation. This comes in their dual roles (an important aspect): as staff members and as Wirral residents and members of their local communities.
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Innovation and ideas generation

We have seen no shortage of ideas and solutions to challenges being generated in the Borough, both within and outside of the LLPC, however we understand that – in common with many large or complex organisations – the ability to incubate good ideas and bring them to fruition can be adversely affected by decision-making processes that do not fit with the way in which innovation happens. There is an opportunity to create a mechanism which capitalises on the underlying culture of creativity and allows staff, residents and others to have a more central role to play in defining and developing services. Options could include:

- Regular events (hackathons, ideas fairs, ‘meet the managers’ sessions, etc.) in which the public is actively invited to contribute, and which visibly take account of views from all quarters;
- Surveys, such as the Residents’ Survey, which underpin long term progress monitoring and keep in close touch with changing views;
- Active links with community groups, either directly or via umbrellas such as the Constituency Committees;
- Targeted interactions with cohorts or groups within the community whose views are particularly important in any given circumstance;
- Providing pop-up, low rent or short-term lease space for start-ups, entrepreneurs, ‘makers’ or creative arts groups who can make a positive contribution to the wider economy as well as ensuring full usage of buildings.

Whichever options are chosen, care needs to be taken that ideas are respected and acknowledged, and that a fair and transparent process is in place for assessing them and choosing which to progress. Some research and expertise would also need to be applied in recognising the differences between mechanisms and how they skew or influence input types (and set expectations about responses).

If a focal point for ideas and inputs were to be formed in this way – drawing in feeds from across the Council – it would make a natural home for coordinating campaigns and messaging on a variety of themes, and any necessary research activity to support innovation.

Accessibility

We have seen that the needs and social circumstances of residents across the Borough are varied, and that there is real ambition to address some of the inequalities that are present in Wirral, notably with regard to health and employability. There is an opportunity, if not an imperative, to create a principle of service provision that is both affordable and accessible to all, but that avoids stigmatising or singling out of groups as being more ‘in need’ than any others.

It is our belief that accessibility barriers are best addressed through a combination of outreach provision (taking services and activities to the places that people naturally go to) and co-location of services and activities to make access simple.
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Accessibility also relies on knowledge and the principles outlined above around signposting and connecting are critical to the longer term enablement of those people who are currently farthest from self-sufficiency. Issues of affordability can be addressed through subsidies, sponsorships (both of which would serve to reduce costs for all) or through the introduction of a Wirral Card, which could be offered at an annual cost to all residents and entitle the bearer to discounts across the portfolio (and even across partner provision if desired). It would be free to those in receipt of certain benefits, or who are in other types of need.

9.2 Implications of Opportunities on Delivery Models

The opportunities discussed above demand varying levels of integration of existing Service Lines within the portfolio, and as we move deeper into a working norm which embraces integration and collaboration, the need for operating models which facilitate new ways of working becomes ever more compelling, particularly when everyday service delivery increasingly demands regular interactions, partnerships and relationships with individuals and organisations outside of traditional Council boundaries.

Recognising that what the public wants and needs has changed – and will continue to change - the need to make such interactions normal and ‘mainstream’ is clear. If we do not build a delivery model that supports flexible working with whomever we need to engage, then staff, residents, volunteers and partners will continually be faced with the challenge of having to navigate a path through a system that – designed to support a traditionally civic model - gets in the way of effective and efficient delivery of flexible needs-based service delivery. Individuals will be forced to work around proper process, so making transparency and accountability difficult and using valuable time and resource in order to do so.

Implications of the key opportunities we have discussed include the following:

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Implications and Operational Requirements</th>
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</thead>
</table>
| **Co-locations, sharing of buildings, Hub delivery models** | Central view of building stock, lease and sub-letting management  
Facilities maintenance across service boundaries  
Shared knowledge of activities, referral routes and pathways  
Flexible building usage agreements |
| **Information and data sharing, data mining and MI (management information)** | Investment into databases and data collection capacity  
Web front end (combined with marketing)  
MI and performance management resource and discipline |
| **Supplier management and economies of scale** | Centralised or co-ordinated purchasing capability  
Cross-charging capability  
Principles and policies, where appropriate |
| **Partnership working; Commissioning** | Ability to work in partnership, even when not leading  
Apolitical and agile decision making structures  
Legal agreements and frameworks |
### Section 9

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<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Implications and Operational Requirements</th>
</tr>
</thead>
</table>
| Ability to work with non-standard payments (e.g., payment by results)  
Ability to select partners or respond to approaches without lengthy tender processes | |
| **Access to grant funding or sponsorship** | Improved bid-writing capability  
Cross-functional understanding of priorities and objectives, including combined bids  
Understanding of grant and funding landscape  
Commercial agreements where appropriate (e.g., sponsorship agreements)  
Ability to acknowledge company sponsorships |
| **Access to New Sources of Capital (twinned with customer engagement)** | Independent organisation linked to the Council  
Tenure of key assets to create long term stability and balance sheet strength  
Certainty of long-term Council grant support (albeit at reduced levels)  
Planning to enable visitor incentives to be able to be built in |
| **Link to and Drive of Tourism and Economic Growth** | Coordinated, integrated management  
Thinking and planning services in terms of enhancing customer experience and journey  
Web-based and other signposting and encouragement |
| **VAT benefits and savings** | Independent vehicle structured as a charity |
| **Skills development, employment schemes, etc., including Wirral Card** | Links with Job Centre Plus, Colleges and training organisations as well as business placements (which could be within BCC)  
Local discretion and agreements on pricing and benefits  
Premises for pop-up or start-up use |
| **Non-traditional Central Services** | Revised operating model  
Revised contracts  
Training and development  
Ability to sell services outside the Council if appropriate |
| **Signposting, Connecting and Social Prescribing** | Transparency of available activities  
Database capability (and resource to maintain)  
Links to health and sports specialists (e.g., sports governing bodies) for outcomes assessment  
Flexible venue usage  
Volunteer effort and co-ordination |
| **Re-scoping land management responsibilities** | Contracts or agreements with communities to look after Council land |
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9.3 Options Arising

Taken together, these opportunity themes give rise to a set of options, which – broadly speaking – describe distinct but progressive stages on a journey towards fully integrated, genuinely needs-based service provision. The journey can be described in three stages, each of which has a different character and focus, and each of which is likely to require a different operating model.

A. Working in single services

B. Collaboration and enhanced working together

C. Integrated working, co-location and hubs
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The diagram below (figure 11) represents these, and compares how the three options demand changes of style and practice in order to operate successfully, and how each achieves different outcomes. It is intended that we initially provide a high level contextual comparison, and then that each option is then discussed separately.

Delivery Model Options

A full page version of this diagram is available in the Appendices at N for ease of reading. The diagram shows multiple layers of comparison, and each can be read separately. Working from the top of the diagram downwards:

- Text along the top indicates a spectrum of operating styles and influences, ranging from a public authority or committee-led organisation on the left (which style and culture we believe would translate to a significant degree to an ‘in-house enhanced’ model) through to a needs-led, collaborative and flexible model on the right (the style and culture of which would be conducive to place-based delivery involving multiple partners and evolving services). The text is a snapshot of typical qualities and not intended to be exhaustive or prescriptive.

- Behind the three models are two coloured triangles, representing a) the degree to which operations take place in departmental (or service line) silos, shown by the pink triangle – which
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decreases in Option B, and virtually disappears in Option C; and the degree to which collaborative working – including shared risk and decision-making - is the norm, shown in blue. This increases commensurately with the decrease of silo working.

The three models themselves can be read in the same way:

- Behind each model is a pale green rectangle which represents the range of finances and ultimately wider resources that are typically available in each model, showing how additional opportunities arise as we move from A to B to C.

- Blue boxes and arrows on the diagram represent the LLPC service lines and their impact in terms of service delivery, whilst pink boxes represent the service provision itself. In Option A, each service continues to operate largely as a discrete operation, though there is some collaboration and some input from the wider community in terms of needs and service preferences (represented by the green box) Services are, for the most part, delivered from each service line into markets which vary in the extent to which they are understood. Option B shows the service lines working more as a single unit, with the collaborative effort ‘wrapping around’ the portfolio and enabling joined-up conversations within and beyond the Council. Service provision is likely to be much more co-ordinated under this model, with jointly owned and operated services becoming more normal. Option C invites partners from outside the Council to participate in service design and delivery. LLPC therefore becomes one of many partners and is able to play a leadership or co-ordination role as well one of direct delivery. Its impact in terms of meeting needs (shown by the blue arrow at the bottom of the model) is greatly increased by working collaboratively in this manner.

- The thick dark blue line towards the bottom of Option A represents an invisible barrier between the communities and beneficiary groups in Wirral, and the Council as a delivery organisation. Whilst mechanisms such as the Residents’ Survey and Constituency Committees are used to cross this barrier, these are not integral to the service model. In Option B, we see this barrier becoming more permeable as co-ordinated management and clearer communication paths open up. In Option C the model itself effectively removes the barrier, drawing community, partners and wider resources into the core delivery framework.

- Finally, the purple boxes and arrows show wider resources and insight drawn from the communities of Wirral themselves. This includes individuals, neighbourhoods, community groups, social enterprises, businesses or other service providers, all of whom have a perspective on needs and preferences and many of whom are able to act as service providers as well as consumers.(for example, through volunteering or mentoring). We see their participation increasing as we move from A to B to C, ultimately becoming part of a fully engaged and responsive model, in which the delivery of services is now supplemented by:
  - Leadership of wider provision across multiple partners; and
  - Messaging informed by this approach that encourages, influences and stimulates further systemic change and community improvement.
9.3.1 **Option A: In-house model enhanced**

The ‘in-house enhanced’ model is perhaps the simplest to conceive, building as it does on many existing ideas and innovations that are being piloted or discussed within LLPC.

In this model we see the four service lines continuing to operate independently, but with the addition of a formal layer of co-ordination, which may be achieved through regular meetings, shared information or shared responsibilities. This kind of co-ordination will help to achieve economies of scale within the portfolio, and will also provide a co-ordinated shopfront for communication with potential partners, service users and beneficiary groups, meaning that those voices can begin to be heard and responded to from within each service line.

The majority of the funding available in Option A is via traditional routes – mainly Council and local government – with some grant or project funding available, particularly for innovation or community impact projects.

The ability to draw on wider resources is limited, primarily through lack of dedicated co-ordination and management resource, but also because operating and decision-making styles closely mirror the Council’s own, which are not normally agile enough to allow for flexible working and ad hoc involvement of wider resources.

Whilst this model may be adopted most easily, through little more than changes in internal organisational structure, it will require substantial sustained effort to make the model work and achieve its potential. This is because a ‘new’ operating style and culture is effectively being grafted onto a wider existing model, whose influence will continue to create a ‘pull’ back into the old ways of working. Budget decisions are a clear example here, where there is a dependency on an overall Council-wide model, reporting and accountability framework and timeframe.

Political influence is also felt here, and the relative strength of voice from within the Council and its elected members is probably louder than that from the wider community, when it comes to setting priorities and boundaries.

In terms of outcomes and meeting needs, this model is likely to generate benefit only over the short term, creating ways to capitalise on quick wins and address known issues. Without access to new sources of funding and resource, however, little capacity can be built for more transformative impact.

9.3.2 **Option B: Joined Up, flexible and market-responsive**

This model sees the four service lines within LLPC working more as a single unit than as individual business divisions, bringing immediate benefits in terms of de-duplication of effort in some functions (marketing, premises use, ticketing, administration, data sharing, etc).
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From the perspective of service users, provision is far more joined up, and this enables cross-selling, customer journey enhancement and more seamless experience. We have shown service provision in a single box for this very reason – when the four areas work collaboratively, the portfolio of services cannot help but become more co-ordinated and joined up.

Greater and more formalised effort in collaboration and co-management across service lines creates an ability to permeate the perceived communication barrier into the wider community with a single voice and enable meaningful conversation. The combined efforts of the service areas are far more likely to be able to respond to market need, than is any one of the four in isolation. This extends to being able to partner across divisions to add weight to social funding bids, or to encouraging corporate or other private sector support for initiatives, since these are likely to be more rounded and impactful than those focused on a particular service element.

The approach to service delivery – location and style of delivery, as well as staffing options - are more varied than under Option A, but this in turn demands additional administration effort. Voice and influence over service boundaries and design are more varied, but the Council retains significant influence over and the majority of responsibility for delivery. The joined-up service provision provides a useful platform for co-ordinating volunteer resource which can now evolve into an integral part of overall resource.

Note that the focus here is still on developing and meeting the needs of markets for LLPC services, since a move fully into community-led, place-based provision demands a much more holistic model. That being said, it should be noted that Option B requires a degree of collaboration and cross-boundary working which may not be possible without an Alternative Delivery Model in place.

Option C: Engaged with community resources, responsive and reaching out

The biggest leap from the current model is Option C, which espouses far-reaching cultural change as well as organisational re-design and the use of a non-Council vehicle (ADM), in order to access the wider multiple financing and resource opportunities that the model demands.
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In this model we see LLPC operating with a single voice and overall co-ordinated strategic management, however the role of this unit is substantially different than currently (or in Options A and B). Rather than having sole responsibility for designing and providing services, LLPC works in partnership with other bodies and agencies to understand needs and co-ordinate a delivery response.

The diagram is intended to show greater equality of voice between partners – recognising that all have a different perspective to bring to the table, including access to resource and finances, as well as understanding and engagement with community and beneficiary groups. All this, though, is under the clear leadership of the LLPC operation (ADM).

Whilst this serves to provide freedom from entrenched thinking and political influence it also helps to ensure that a balance cross-section of views can routinely be taken into account, reducing the need for specific consultation exercises and associated administrative overheads, and the need to manage expectations.

Proper dialogue between stakeholders takes place at all levels, enabling co-ordinated service design, reducing duplication and increasing the likelihood that gaps in provision, trends in usage or demand and local preferences and capabilities are far better understood than with periodic and piecemeal consultation.

It is this ability to fully understand needs and all their nuances that underpins the much greater level of impact that can be expected under Option C than in other options. Crucially, LLPC becomes more than simply the main or the sole provider of services. Its role becomes tri-fold in Option C, as it works:

a) to deliver services either directly or indirectly through partners or sub-contractors;

b) to provide leadership, where appropriate, convening multiple partner and actors to effect meaningful change (recognising that in some cases the Council’s role will be one of participating, and not leading); and

c) to provide insight-driven, evidence-backed messaging to influence at a wider scale, including regionally and nationally, benefitting from the combined expertise and wisdom of multiple partners, and using the public authority platform to exercise influence.

In this model, it can be seen that the Council retains a strong influence over service boundaries and design, however it is fully responsive to the needs and preferences of Wirral and its communities. This shift of role and relationship lays the foundation for collaborative place-making, and the use of an ADM enables access to the resources necessary for creative and innovative responses to needs and ambitions.

9.4 Summary of Comparative Benefits of Delivery Model Options

It can be seen that each model has both benefits and limitations. Whilst it is possible to see a natural progression through the models, each has distinct boundaries where opportunities become possible, easier or more natural and sustainable.
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Under option A: Working in single services, there is the opportunity to achieve some of the enhancements discussed in this paper and elsewhere. Each Service Line would retain its own focus, budget, responsibilities and resource, but there would be a greater focus than currently on co-ordination of activities. The likelihood is that current systems and management practice will allow enhancements in the following areas:

• some data sharing (customers; customer journey; ticketing)
• some co-ordination of events, activities and programming
• referrals across venues, e.g. for room bookings
• some co-location, dependent on property/asset decision
• better links with partners and other services (Police, GPs, etc.) and community associations, but likely limited to within service lines, or even locations
• volunteer co-ordinator role
• revenue enhancements (limited to building business within existing frameworks)
• better pricing models

Under option B: With collaboration and enhanced working together, we would see more functions being performed centrally (removing duplication of effort) and providing opportunities for apprenticeships and skills development. If the right functions were chosen for centralisation, better links could be built with external partners and/or commissioners, as well as single points of enquiry and greater cross-selling and customer journey enhancement opportunities. This kind of working demands a different culture to that already in place, in that staff in certain functions will need to work across functions. Some budgetary changes will be needed, and a more commercial outlook developed in some functions, whilst others retain a focus on service delivery and understanding customer needs. It may not be possible to achieve the change in culture required within existing Council structures, given the degree of autonomy and flexibility that would be necessary to reap the benefits of the new approach and an ADM may be needed, and is certainly preferred. Additional benefits over option A include:

• cost savings in key shared functions
• greater awareness of capabilities and activities across service lines
• ability to raise external social investment (if an ADM)
• central points of access and co-ordination, eg for volunteers
• flexibility to operate out of each other’s buildings
• better data sharing, allowing targeting and outreach
• combined strength when negotiating supplier contracts, or responding to commissioning requests
• better opportunities for career and skills development
• resilience within smaller functions
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Under option C: With integrated working, co-location and hubs, we realise the greatest benefits, but make a far greater change to the operating model. This option demands an alternative delivery model, as it requires legal and structural freedoms and flexibilities not possible within a Council framework – not least the ability to work apolitically and agilely in response to both commercial opportunities and social and community needs. Opportunities only properly achievable within this option include:

- allows true participation and voice for communities
- flexibility in service design and delivery to accommodate both statutory requirements and changing local needs, eg addressing health inequalities
- flexibility in pricing, marketing and branding decisions
- ability to raise additional finance as income (grants, loans, sponsorships etc) and make investments
- ability to raise external social investment (if an ADM)
- enhanced risk appetite, relying on more than simply Council capital
- ability to enter commercial (market rate)agreements to maximise usage of assets (buildings)
- ability to create strategic links with other partners (ie, beyond commissioning), including linking into wider devolution discussions

In concluding this section, it can be seen that there are multiple opportunities open to LLPC, not all of which are achievable without making structural and deeper cultural change. A decision to go part way towards our proposed ‘hubbed’ model could be valid, as it would build on current strengths, and address some challenges, as well as laying some groundwork for a move to ‘hubbed’ over the longer term. However, option B’s appeal of involving a smaller change, more closely resembling current working practices entails a real risk that the wider organisation, including some LLPC employees will fail to make the necessary cultural changes, and the organisation will ‘snap back’ into old ways of working and acceptance of the barriers to success that we have heard about in our research.
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10.1 A linked and influenced ADM

Whilst there are clear benefits to an Alternative Delivery Model ("ADM") in their form of separate entity, it is fundamental to this proposal and the comparison it draws with an in-house provision that this is not a conventional out-sourcing or a spin-out. The ADM vehicle will be able to make its own decisions, to move and respond quickly, and to focus on outcomes for community and the efficient and sustainable delivery of its business model raising new funding and developing new sources of income not accessible otherwise. However, crucially, the Council will, through the terms of transfer of assets (i.e. as landlord), through its funding agreement, and through an active involvement in governance, retain influence and an appropriate degree of control over setting the boundaries of its use of leisure and other assets.

In this important sense, the ADM will remain closely involved with the Council, as shown in diagram inset (Fig. 12), but will gain the freedom and flexibility to grow and develop.

The Council will retain various means of influence and control (shown here at the foot of the figure, and expanded further in the section on control at Section 12). In addition the charity is subject to external regulation by the Charity Commission, and benefits from the involvement of Community and under stakeholders, including its staff. Both the Council and the charity will co-ordinate activity:

- the charity, to ensure it is aware of, and responding to, the Councils’ views of emerging area needs, and its strategic approaches to related areas of operation; and
- the Council, to inform its influence of the charity’s activity to ensure it is aware of what the charity is doing, and to enable it to develop its own strategy around it.

![Diagram showing the relationship between Charity, Community & Stakeholder Involvement, Council, and Charity Commission](image-url)

Fig. 15: ADM's relationship with the Council
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10.2 Advantages of an ADM in overview

The ADM brings certain short-term and concrete benefits, but it also brings a freedom and flexibility to develop new opportunities and efficiencies. At the heart of all these are being needs-focused, and engaging widely with all communities across the Wirral and beyond. It can and will be exclusively focused on the sustainable delivery of outcome – the meeting of needs - across the Wirral.

In particular it will do this by bringing:

- Access to capital (social investment) – possibly in the form of a bond issue of, say, £20m
- Grant funding, corporate sponsorship and easier access to other income, with VAT gains and other advantages
- Quicker decision-making, and decision-making based exclusively on outcomes for Wirral (social/environmental) and economic/financial sustainability, and not compromised by having to balance these with broader Council policies and democratic process
- A move from cost-cutting and cost-management focus, with capital and revenue budgets (and other aspects) separated and four service areas operated in silos, into an environment of pushing for outreach, effectiveness and growth, with the resources behind it to make it happen, and the freedom to think creatively and the opportunity to change culture to facilitate that
- Staff and management engagement and empowerment, giving meaningful holistic accountability; community engagement and involvement easier to achieve without the frame of the provider Council, bringing benefits in terms of resources, wider use of facilities and the possibility of community investment.

Each of these is examined below in several aspects under four headings:

a) Needs-focused and community-based
b) Funding and financial advantages
c) Efficient, Business Decision-making
d) Innovative and creative operations and influence

10.3 Needs-focused, and community-based

A Needs-focused provision is one which both

- responds to local area need from an apolitical viewpoint considering what changes can be made in the lives of people and communities, and how those assets can be used effectively to do that, and
- is not constrained by what is being done in other areas of Council or other public service activity, but works in parallel with it to deliver its own, complementary, priorities.

The historical backdrop is one of Council provision, and a relationship with a community that expects this, with the Council deciding through its democratic processes what will be provided and where. The incentive for community to get involved, beyond some very helpful but localised volunteering (for
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example in Parks or at the Williamson), is minimal, perhaps notably because communities see this as something for which they have already paid through their taxes.

The way in which addressing this manifests itself in the charity ADM is characterised by

- its identity as an independent vehicle wholly and overtly focused on public good
- its relationships and dialogues with community organisations, public agencies, and individuals and communities are open, apolitical and objective
- its acting in three ways to meet those needs:
  - through direct and indirect delivery of services
  - through its leadership in ideas, innovation and collective action across a range of local organisations and agencies
  - through its messaging: publishing measurement and other information that encourages a proper and holistic focus on needs.

So the charity ADM is more effectively focused on community needs that the in-house provision.

Moving then from needs-focused to community-based, brings the point back to freeing the organisation from the image that, as part of the Council, it is merely delivering something that it is obliged to do, and for which the community pays in its Council Tax. This means it cannot easily access wider community assets and resources, bringing further constraint to its effectiveness.

The consequence of not having this is disadvantageous in three senses:

- Community effort and engagement, brings ideas, volunteer time, volunteers as co-ordinators and organisers, and an urgency and imperative about using facilities (‘of the community… for the community’). It potentially increases footfall and engagement. This extends in a specific sense to community investment as part of a social investment programme if sought. Both are much harder to achieve in the Council than for an independent, community-focused social vehicle, even one with a strong Council association and influence.

- Individuals who might come forward as trustees, directors or community advocates may be less inclined to get involved in a Local Authority, so potentially reducing the range of community focused leadership and talent that can get involved.

- Staff engagement and voice is harder to achieve, as indicated in the engagement feedback provided by the Council

10.4 Funding and financial advantages

Whilst there are financial positives in the other three areas, there are some factors that have a direct financial impact in their own right. Further evaluation of these is given in 7.1. Five headings stand out:

- VAT: with services provided in the leisure and theatre fields being VAT exempt, even taking into account the loss of the recovery of VAT inputs related to these areas, there is a net gain achievable of just over £1m a year. A public authority does not have a similar right to VAT exemption except in the circumstance where there is no competition to its services from VAT-able entities. Given the
private sector competition for leisure facilities (the major beneficiary from the VAT treatment outlined here), we do not regard a similar VAT exemption as achievable by the Council. It is perhaps notable that the Council has not sought that VAT treatment in the past whilst retaining services in-house. It did, however, during one earlier evaluation of the possibility of moving elements of Leisure into an ADM, recognise that a VAT advantage is achievable by doing so (see section 8.6.2).

- **Foundation and other non-public sector grants**: with a focus on generating additional income, these can be available to support additional social provisions such as youth outreach, services for the elderly, or those with additional needs. Whilst there are grants available to both social sector companies and public authorities (e.g. F.A. grants for 3G football pitches), those from charitable foundations are generally only available to charities and social enterprises.

- **Social Investment**: this is capital available for investment in assets and businesses with a social or community focus, and comes from foundations, socially focused funds, and private individuals and companies seeking to achieve something social. It is very rare indeed for this to be available to a local authority: in all practical senses it would not happen.

To give a picture of what is possible here, the charity could raise, say, £20m to invest in services, facilities and service development, capacity and infrastructure. This would not obviate the need for the Council to transfer or lease assets accepting an obligation to put them in good order, but it would provide capital for further development. Particularly thinking about enhanced facilities for special groups for the community (ageing well; dementia care; or youth engagement, for example), or the development of collective functions such as catering, or digital capacity, it would provide the capital investment necessary to develop profitable and sustainable operating businesses. The increased net income generated would need to cover the servicing of the investment, which could come from a bond issue at 4%-4.5% interest per annum issued on the Liverpool branch of the Social Stock Exchange and supplemented (matched) by bank borrowing against selected assets. Bond repayment could come from the proceeds of a new issue after ten to fifteen years, or through trading surpluses, or most likely some of both. The Council would not be responsible for the capital so raised.

Such investment, focused into sustainable, surplus-generating enhancements to provision might be expected to deliver an incremental return at organisational level of at least 15% with limited or no additional overheads beyond the cost of capital. Net of cost capital that could therefore deliver an additional net annual surplus of £2m.

- **Co-commissioner and other income from social agencies**: whilst one commissioner (health, or community safety, for example) may commission services from another, in practice it is a very tough negotiation. Counters to this are that councils have assets and don’t need cross-subsidy, whereas for a social vehicle there are no such distractions from the core discussion about the services to be provided and the value of them. Indications from our discussions with Health and other commissioners, combined with benchmarking the Wirral services against other areas, are that this area offers real opportunity for

  - additional commissioned income, notably by focusing on areas for which those commissioners have a real interest in financial advantage in payment (e.g. COPD provision, or stroke rehabilitation)
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- Cost sharing arrangements such as co-location that could lower underlying costs without having to reduce services.

- **Service developments and asset management**: a wide variety of additional opportunities arise, including subletting of spare space at market rents, development of retail and other space, and new or enhanced services (discussed further at 8.6). These would be unlikely to be developed under Council ownership because of conflicting expectations about service provision, decision-making constraints (see below), and policies about property letting rates.

  **In particular** these would include cross-service development in areas such as catering, and signposting of services. At one level this is perhaps not impossible without an ADM, but in practice it has not happened, and there is evidence that decision-making, fragmented reporting lines, and cost constraints have impeded these being addressed and delivered.

- **Private Corporate Sponsorship and Support**: with existing North East corporates, but even more so with the drive to attract more into the area to improve employment and the local economy, there is a real opportunity to make support of the local charity Leisure & Parks vehicle a core focus for them. Other areas where this has worked include Milton Keynes (where the Community Foundation and the Willen Hospice are key), and corporate support for Trust Thamesmead’s development of community facilities in the East of London. Other areas such as [Chester, Leeds, and Glasgow] have benefited similarly.

### 10.5 Efficient, Business Decision-making

For a Council, its decision-making is part of a democratic process designed for a whole area representational engagement far wider than the operation and management of selected market-facing assets. It takes time, has a multi-layered process, and is set in the wider framework of the totality of Council services and representation. In setting market-facing operations in that context, several consequences arise which compromise their being effective in delivery and responsive in action, all of which could be addressed and resolved in an ADM:

- **Decisions**, even when they need to be, **cannot be made quickly**, so responsiveness and commercial competitiveness are compromised. Opportunities, and income, are lost in the interim, never to be recovered.

- **Practical and useful ideas**, often from the staff and management seeking to be more effective, and meeting wider community needs, **get lost** or fail to be progressed to actions;

- The democratic **framework for decisions is focused on the wider Council remit**, rather than evaluating decisions in a simple framework relating to meeting needs in the relevant business areas. Consequently strange and inappropriate conclusions get reached that may not constitute best use of the assets for public benefit.

- **The need to be appealing and stimulate customer football** is not a prime focus, where it could and should be, so this key focus of sustainability, effectiveness and outreach can get lost.

- **Accounting and management information** is focused on proper Local Government approaches, and does not provide the information needed to manage these areas effectively. They must either prepare their own information, ignoring the Council’s, or work without and be insufficiently sighted.
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At best the duplication is inefficient, and at worst it means that management information does not support and drive towards the operation of collaborative and effective services.

- **Budget setting is similarly Council-focused** and leaves significant areas of cost unmanaged and unaccountable-for from within the business operating units. Addressing this in an ADM would drive the cross-service management and prioritisation of resources that could otherwise seek and develop cost-efficiencies and new income development.

10.6 Innovative and creative operation and influence

Innovation and creativity arise partly from the organisation’s own people and capacity, if enabled and encouraged, and partly from the imagination and stimulus they exude, affecting and drawing in others. The programmes in Art and Creative innovation by Liverpool City Council are an example of this.

There is an opportunity, much harder [probably impossible] to achieve in the Council, to characterise and operate the new charity as one which seeks, evaluates, enables, and delivers great new ideas, as well as imparting others from elsewhere and making them work. This requires a four point focus:

a) ideas don’t get buried in process, but are supported, challenged and enabled

b) the organisation has the capital to support and invest in them (as opposed to being constantly capital-constrained and setting necessarily high barriers to spending)

c) the organisation employs people who can develop the ideas, and works with others in the community to make them happen (as opposed to cutting back on staffing in a traditional model, removing the ability and capacity to develop)

d) the organisation has a belief it can be done, arising partly from a deep knowledge of the services, and the community resources, but also an enthusiasm and lack of constraint [more?]
Section 11
Governance and Structure

11.1 Legal structure

11.1.1 We recommend the entity (referred to as the ‘new organisation’ throughout) is a charitable company limited by guarantee with a trading subsidiary to carry out non-charitable activities. We set out our rationale for this structure below.

Why establish a company?

11.1.2 There is a variety of legal structures available ranging from charitable trusts to companies. The key advantage of a company structure is that it is incorporated, providing limited liability to its directors and members and legal personality to the new organisation.

11.1.3 All companies have a two tier structure. The first tier is the board of directors (responsible for administration and management of the company), which is accountable to the second tier, the members (also referred to as shareholders in a company limited by shares) with whom rests ultimate constitutional power, who may or may not be the same people as the board. Note that for a charitable company the directors are also the charity law trustees.

11.1.4 The potential liability of members is limited to the amount of their investment (for a company limited by shares) or to the amount of the guarantee set out in the Articles of Association (usually £1) for a company limited by guarantee. The directors also enjoy the benefits of limited liability so that they will not be personally liable for the debts of the company other than in exceptional circumstances. An example of those exceptional circumstances is where a director has engaged in “wrongful trading”: allowing the business to continue trading where it is insolvent or where there is no reasonable prospect of it trading out of an insolvent position.

11.1.5 Companies also have legal personality and are able to enter into contracts and relationships in their own name.

11.1.6 Companies are governed by company law and are a well-established legal form recognised by funders and banks. The ongoing administrative/filing requirements with Companies House, such as companies’ accounts and annual returns, are public records, available from the Companies House. This provides a level of transparency, which again provides confidence to funders and banks as well as to wider stakeholders. It is also worth noting that a company’s directors have a number of statutory duties in respect of the company, including the duty to promote the interests of the company.

Why establish a company limited by guarantee?

11.1.7 There are two basic types of company form: the company limited by shares and the company limited by guarantee.

11.1.8 The company limited by shares form is the most widely used for-profit vehicle used by businesses, allowing for profit distribution and equity finance. This is primarily because they have a "share capital", which is a nominal figure used to represent the total net assets of the company. Shares are issued to shareholders, who become the owners of the company. Over time, shares can increase in value, and shareholders can then sell their shares to realise a profit. Shareholders may also have a limited right to dividends. However, as a for-profit model, this structure cannot be used for charities.

11.1.9 Companies limited by guarantee can also be charities and are a tried and tested form for not-for-profit entities with the company structure being a familiar structure to stakeholders. It is the most commonly used legal structure for a modern operating charity. It is widely understood by trustees and advisors and
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is highly malleable, in the sense that it is able to accommodate a wide range of different governance dynamics and interests. Although companies limited by guarantee are not able to access equity investment, they can access debt financing and social investment.

What is a charity?

11.1.10 Companies limited by guarantee can also have charitable status. Charitable status is a status which attaches to a legal form, not a legal form of itself. A company limited by guarantee must therefore adopt Articles that are appropriate for a charity (such as having charitable objects and a non-profit distribution clause).

11.1.11 Charitable companies limited by guarantee must only carry out activities which fall within recognised charitable purposes and are for the public benefit. Public benefit essentially means something that is clearly beneficial to everyone, or some section of the community, although this is a relatively complicated area of law and there is a great deal of Charity Commission guidance on what public benefit means.

11.1.12 Having considered the activities the new organisation will be carrying out, these can, in most cases, be run through a charitable vehicle. There are many examples of charities which carry out, the LLP activities. The charitable purposes which would cover these activities would include:

- Recreational activities (under the Recreational Charities Act);
- Advancement of education;
- Advancement of arts, culture, heritage or science;
- Advancement of environmental protection or improvement;
- Advancement of health; and
- Advancement of amateur sport.

11.1.13 We would place a geographical restriction so that the object of the new organisation would be to meet the people and area of the Wirral.

11.1.14 Those activities which are non-charitable but provide income, such as running conferences and weddings, could be run through a trading subsidiary owned by the charity, which is a common model for charities (see further below).

11.1.15 All charities established in England are regulated by the Charity Commission (see further below).

11.1.16 The charity's governing body, its board of trustees, will be unpaid.

What are the advantages of establishing a charity?

11.1.17 There are a number of advantages in setting up the new organisation as a charity.
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Mission Lock

11.1.18 As set out above, charities must only carry out activities within their charitable purposes. These charitable purposes, which will be set out in the Articles of Association of the new organisation, set out the social mission of the new organisation and the geographical restriction ensuring it puts the people of the Wirral first. Any changes to the objects of the new organisation will require a 75% majority decision of the members of the new organisation as well as the prior consent of the Charity Commission and can only be changed to other recognised charitable purposes. In addition, the Council will be given a special right of veto to any change to the objects. In this way the new organisation is locked into pursuing its social mission in Wirral.

Asset lock

11.1.19 As a charity, the new organisation will be an asset locked body. This means that assets cannot be transferred to a third party except at full value or in pursuance of charitable purposes and so cannot be sold off for private gain. If the assets are sold at full value, the proceeds must be used for charitable purposes (which in this case will be for the public benefit and for the people and area of Wirral).

Identity

11.1.20 As a recognised not-for-profit entity, a charity may have more success securing grant funding and bidding for certain contracts. It is also an identity which is instantly recognised and understood in the community. Charities are an established not-for-profit brand and are also able to identify themselves as social enterprises.

Tax advantages

11.1.21 It is essential for the new organisation to be sustainable and a key aspect of this will be the tax advantages it can enjoy may have a significant impact on the financial model and improving the prospect of financial sustainability. Charities receive a range of tax reliefs, including corporation tax relief on profits generated from charitable trading, Gift Aid (UK tax payers can obtain tax relief and donations to the charity are increased by 20%), inheritance tax relief, stamp duty land tax relief and business rates relief on premises occupied (a mandatory 80% with the remaining 20% discretionary). A full list of these is set out in schedule 2 to this section.

Are there any drawbacks to being a charity?

Regulation and registration

11.1.22 All charities established in England are regulated by the Charity Commission. The Commission has considerable regulatory powers to investigate and scrutinise the actions of a charity and its trustees.

11.1.23 Subject to some limited exceptions, all charities in England with an income of above £5,000 are required to register with the Charity Commission. In order to qualify for tax reliefs, charities must also register separately with Her Majesty’s Revenue & Customs (HMRC). In our experience, this process currently takes between 3 – 6 months although in urgent circumstances it can be much faster. We are confident that the new organisation would be registered, however due to size of the charity and potential complicating factors such as having Council-appointed trustees and an ongoing relationship with the Council, the application is likely to be closely reviewed by the Charity Commission.
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11.1.24 Once registered with the Charity Commission, the new organisation will need to file certain information with the Commission, and make certain disclosures to the public about its status. Registered charities are required to file their accounts and an annual report with the Charity Commission. In addition, changes to the trustees, constitution, or a “serious incident” (e.g. an incident of fraud), will trigger further filing requirements. As a company, filings of accounts and changes in officers will also need to be made at Companies House. While generally not considered to be unduly burdensome, these filing requirements incur administrative costs. They also bring with them a level of publicity on the activities and funding of the charity.

Duties of charity trustees and conflicts of interest

11.1.25 The new organisation would need to appoint a board of directors who will be the charity trustees. Charity trustees are subject to a range of duties under charity law, the most important of which is to advance their charity’s purposes. These include running their charity properly, acting reasonably and prudently, protecting the charity’s assets and acting in the charity’s interests at all times. More detail is available in the BWB publication “Duties of charity trustees” which is available here http://www.bwbllp.com/knowledge/2015/05/08/duties-of-charity-trustees/.

11.1.26 Trustees are also under a duty to avoid, and properly manage, any conflicts of interest. There are strict rules and guidelines on how charities deal with conflicts of interest between a charity and its trustees. These extend to:

- ensuring that if a trustee, or someone with a connection to a trustee, is to benefit financially from the new organisation, proper procedures would need to be followed; and

- putting procedures in place to manage the situation where a trustee may have conflicting loyalties to the new organisation and another cause or organisation.

Unpaid board

11.1.27 As a general rule, charities must have an unpaid board which arguably creates an inefficient split between executive and non-executive, and meaning it is not possible to pay the latter.

Restrictions on trading
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11.1.28 There are some restrictions on trading but these can be largely dealt with by establishing a trading subsidiary (see below).

11.2 Trading subsidiary

11.2.1 There are a number of activities within the services which are more of a commercial nature and, going forward, this is an area that the charity will wish to develop in order to diversify its sources of income.

11.2.2 Whilst there is no restriction on charities undertaking primary purpose trading, this being trade which is carried out by a charity in fulfilment of its main or primary purpose, trading which is non-primary purpose is restricted.

<table>
<thead>
<tr>
<th>Primary purpose trading</th>
<th>Non-primary purpose trading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision of health &amp; well-being services to local commissioners</td>
<td>Conferences and corporate events</td>
</tr>
<tr>
<td>Leisure service charges</td>
<td>Sales of souvenirs and certain gift shop items</td>
</tr>
<tr>
<td>Theatre ticket sales</td>
<td>Weddings</td>
</tr>
</tbody>
</table>

11.2.3 Charities are permitted to derive up to 25% of their turnover from non-primary purpose trading, subject to a maximum tax-exempt limit of £50,000. Above this threshold, the profits of the trading activity would be liable for corporation tax (unless it fell within certain other tax exemptions). If this happens, the Trustees would be in breach of their duties because they would be acting outside the charity’s purposes (in carrying out the trade) and because they would have allowed the tax liability to arise through not structuring the trading appropriately, they would be failing in their duty to safeguard the charity’s assets.

11.2.4 As it is likely that this threshold will be exceeded, a subsidiary company should be established alongside the new organisation to undertake the trading activity. This is a very common structure for charities to use, most household name charities have a subsidiary trading company.

11.2.5 Typically a trading company is set up as a private company limited by shares in which the sole shareholder is the charity.

11.2.6 Since the trading company is not a charity, there are no restrictions on its ability to trade. Unlike a charity it is liable to corporation tax, but usually the profits which it makes are paid up to the parent charity under the gift aid scheme. This reduces the trading company’s taxable profits, in many cases to zero, which means that it has no tax to pay. This enables the charity to undertake a trading activity, but via a mechanism that is tax efficient.

11.2.7 Whilst there can be an overlap between the boards of the new organisation and the trading company there should be at least two independent directors on the board of the trading company with the rest of board including some (but not all) of the new organisation’s directors. This ensures that there is an independent element among the directors of the trading company and that there are some directors of the new organisation who are independent of the trading company and can properly evaluate the relationship between the new organisation and the trading company.
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11.2.8 The new organisation would need to ensure it recovers the proper costs of any of its assets used by the trading company and this should include not only direct costs (e.g. staff salaries) but indirect costs as well (e.g. a proper proportion of overheads). This management charge should be structured so that the new organisation merely recovers its actual costs and does not make a profit, as the new organisation would be liable to tax on such profit and the activity would constitute a trade which the new organisation, as a charity, should not carry on.

11.3 CIC or Charity
11.3.1 The option of a community interest company or CIC instead of a charity has been considered but is not recommended. A table comparing the two legal forms is set out at schedule 3.

11.4 Governance
11.4.1 As set out above, companies have a two tier governance structure with the directors (trustees in a charitable company) managing the company and its administration and members being the ‘owners’ of the company and who have ultimate control. Members have certain rights, such as the right to remove directors and to change the Articles of Association.

11.4.2 When deciding on the governance structure, there are some key issues to consider:

**Number of trustees/directors of the new entity**

11.4.3 There should be a minimum of three directors for a charitable company. Generally we recommend six to eight as an optimal number of members of a Board and not more than ten.

**Composition of the Board**

11.4.4 In deciding on Board composition consideration should be given to the skills and expertise required for the Board and the how key stakeholders will be involved. The new organisation must be established in such a way as to ensure that the community have a strong voice within the governance structure, as well as the ability to invest if appropriate, and to participate in an advisory capacity.

11.4.5 Key stakeholders for the new entity would include staff, the Council and the community. Stakeholders who represent the community could include friends’ organisations, voluntary and community organisations, and Wirral residents.

11.4.6 It important to understand that Board members are not there to represent a particular group. Whilst they can help present the views of a particular stakeholder group and contribute their practical experience they must act in the best interests of the new organisation when making decisions as members of the Board.

11.4.7 Note that if the new organisation is a charity, its board of trustees must be independent and to a large extent unpaid.

11.4.8 Employees generally cannot also be trustees of the charity although in certain cases it is possible to obtain Charity Commission approval to a minority of trustees (for example the CEO and a staff representative) being employees. Each case would need to be justified to the Charity Commission so it would be much easier to argue for the CEO to be a trustee than, for example, to argue for both the finance manager and the CEO to be trustees. A number of charities which have spun out from local
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authorities have successfully obtained such consent. We have not recommended that the CEO is a trustee because the CEO will be a new appointee and there is no special circumstances suggesting such an arrangement is essential. We have also not suggested that the board include staff representation following discussions with the Council.

11.4.9 We would suggest the composition of the board be up to eleven trustees with:

a) Up to two trustees appointed by the Council; and

b) Up to nine trustees appointed by the trustees following an open recruitment process, the criteria could include at least two being resident in Wirral and taking into account the expertise required such as commissioning, financial, legal, business expertise and HR.

11.4.10 We have recommended, as best practice, for trustees to serve a 3 year term of office with the possibility of serving one additional term, before a break of at least one year.

Council-appointed trustees

11.4.11 The Council will have a multi-faceted relationship with the new entity. It will exercise its influence as the transferor of the assets and services as landlord, funder and commissioner (see section 11.5 below). It can also benefit from a role in the governance of the new organisation by having the ability to appoint some individuals to the Board.

11.4.12 From the perspective of the new organisation, having some Council-appointed trustees is also to its advantage, improving communication between the parties, providing for better information-sharing, building goodwill and providing input for one of the new organisation’s most important stakeholders. However, it will be important to ensure that the Council appointed trustees do not lead to a slow-down in decision making because they feel the need to inappropriately consult Council stakeholders. Conflicts of interest and confidentiality will need to be managed (see paragraph 11.4.17 below) but these are not insurmountable, particularly where appropriate policies and a trustee induction procedure are put in place.

11.4.13 The number of Council-appointed trustees is set as a maximum of two. This will mean that the new organisation is not classified as a regulated influenced company as this would require the new organisation to comply with a number of requirements which include:

- Mentioning on all relevant documents (e.g. letter, notices) that it is an influenced company and must name the local authority;

- Not:
  a) paying Directors remuneration or travelling or subsistence allowances in excess of the Council’s rates;
  b) appointing as a Director any person who is disqualified from membership of a local authority, otherwise than by virtue of being an employee of the Council;
  c) publishing party political material;
  d) providing the Council’s auditor or any person authorised by the Audit Commission with such information as they require about the affairs of the new organisation;
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e) providing a member of the Council with such information about the affairs of the new organisation as the member reasonably requires for the proper discharge of his/her duties (other than information in breach of any enactment or of an obligation owed by any person).

- Particular rules around the accounting treatment of influenced companies.

11.4.14 The Charity Commission require that charities are independent of the state. Whilst the Charity Commission do not set any official threshold of number of Council appointed trustees above which they would have serious concerns about the independence of the charity, in our experience a board composition of just under 20% of Council-appointed trustees has been approved by the Charity Commission.

11.4.15 It is also important to note that the Council is under a duty to excise its powers of appointment solely in the interests of the new organisation by, for example, selecting individuals best suited (in the opinion of the Council) to act as trustees of the new organisation.

11.4.16 Conflicts of interest will need to be managed by Council-appointed trustees. For example, whenever trustees discuss matters relating to the funding agreement between the Council and the new organisation, the Council-appointed trustees should withdraw from the discussion and voting upon the matter. The Articles of Association will contain provisions setting out procedures for dealing with conflicts of interest and this should be augmented with a conflicts of interest policy.

11.4.17 Further considerations on how the arms’ length role of the Council can be augmented whilst respecting the independence of the new organisation is set out in section 12 below.

Who should select the first trustees?

11.4.18 The individuals should be selected following an open recruitment process according to their skill and experience or by some other process. Further trustees/directors (other than the two Council appointed trustees) would be appointed by the existing board, again according to skills and experience and through an open recruitment process.

Who should be the members?

11.4.19 There are a number of possible governance structures for the new entity, the key ones being:

Option 1: ownership by a wide membership of stakeholders which could include the staff, the community, the Council, local organisations and/or commissioners; or

Option 2: a ‘foundation’ model where the trustees and members are the same with the Articles of Association set out the composition of the Board.

11.4.20 We would recommend the governance structure is a foundation model with the trustees as the only members of the new entity.

11.4.21 In this model each individual appointed as a trustee/director is automatically appointed as a member.

11.4.22 This model is simpler and less costly to manage and administer than option 1 and many of the services that have spun out from the public sector have set up with this governance structure.

11.4.23 We would recommend that this basic model is augmented by also having the Council as a member. This gives it the right to vote on constitutional issues including changes to the Articles or name of the new organisation.
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Other ways of involving stakeholders

11.4.24 There are several ways in which stakeholders can may be involved in the governance structure of the new organisations without being company law members:

Associate members

11.4.25 One way of involving stakeholders is to create a category (or categories) of ‘associate members’. This would not give them the full legal rights of (company law) members but certain specific rights according to what is set out in the constitution. Usually the rights associate members are given provide less control to the associate members. Typical associate membership rights include the right to attend certain meetings, and the right to receive information from the new organisation.

11.4.26 Holding associate membership can enable stakeholders to have a voice and some involvement in the new organisation, without handing over substantial control. Stakeholders often prefer this more casual level of involvement as they may not want involvement at a more formal level and can be a relief by giving some involvement in the governance of the new organisation without needing to take responsibility for formal decisions.

11.4.27 We recommend the new organisation’s staff should be given a category of associate membership with the rights to attend regular (quarterly or twice-yearly) meetings with the trustees and to receive reports from the trustees.

Advisory board members/ committee members

11.4.28 Another way of involving stakeholders in the governance structure of the new organisation would be by inviting them to sit on advisory boards/committees that typically advise or report to the board on specific areas.

11.4.29 Advisory boards (or committees) are a useful way of involving people who have relevant expertise or (or experience) while ensuring the board still has control over the management and key decisions.

11.4.30 Appointing stakeholders as members of advisory boards/committees can also be a good “halfway house” if the board of the new organisation does not feel it is appropriate to have stakeholders involved in all decisions at board level, but feels it would still benefit from the experience and skills of certain stakeholders.

11.4.31 These committees could represent or be delegated particular services (or aspects of services) (for example, libraries) or parts of the community (for example, young people). Committees could be set up on an ad hoc basis to tackle particular issues such as inputting into the new organisation’s strategic plan or to consult the community on particular projects or services. Each committee could include a director or directors, the senior employee for that service area, individuals with particular skills in these service areas and representatives from the community, such as friends’ groups.

11.4.32 In addition to staff being able to become accurate numbers (see paragraph 11.4.28 above) staff forum could be established to promote communication with staff and provide a platform for consultation and recommendations to the board.
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11.4.33 We would recommend the following ways of involving stakeholders:

- Advisory committees for local groups
- Categories of associate membership, with one category for staff
- Other informal ways of engagement with staff, for example a staff forum, or physical or internal ‘drop in’ sessions where staff can talk to senior management.

11.4.34 The funding agreement between the Council and the new organisation could contain some requirements for the new organisation to engage with stakeholders, such as holding an annual consultation meeting with stakeholders.

11.4.35 The example governance structure set out above will be reviewed as part of the ongoing consultation with the Council and stakeholders.

11.5 The Council’s role

11.5.1 The Council’s involvement in the governance structure of the new organisation is only one element of the relationship between the Council and the new organisation. Further detail on how the Council can exercise control over the new organisation is set out in Chapter [X].

Schedule 1 – Charitable company limited by guarantee

<table>
<thead>
<tr>
<th>Issue</th>
<th>Company Limited by Guarantee with charitable status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal Entity</td>
<td>Will require creation of a new charitable company limited by guarantee with a two tier governance structure of trustees/directors and members.</td>
</tr>
<tr>
<td></td>
<td>Ongoing annual reporting, administration and company/secretarial support required for the charitable company.</td>
</tr>
<tr>
<td>Pre-Establishment Requirements</td>
<td>The following steps must be followed to establish the charitable company:</td>
</tr>
<tr>
<td></td>
<td>• Identify trustees, also directors under company law, (recommended good practice is a minimum 3 but recommended to have between 5 to 12 trustees) and initial subscribers (members).</td>
</tr>
<tr>
<td></td>
<td>• Prepare Articles of Association of the company.</td>
</tr>
<tr>
<td></td>
<td>• Incorporate the company.</td>
</tr>
<tr>
<td></td>
<td>• Develop list of activities/ mini business plan.</td>
</tr>
<tr>
<td></td>
<td>• Completion and submission of Charity Commission application (registration process usually takes 3-6 months).</td>
</tr>
</tbody>
</table>
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<table>
<thead>
<tr>
<th>Issue</th>
<th>Company Limited by Guarantee with charitable status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulators?</td>
<td>Companies House(^{18}) and Charity Commission</td>
</tr>
<tr>
<td>Ongoing reporting and administration</td>
<td>Annual Accounts and Annual Return filed with Charity Commission. The Accounts and Annual Return are in the public domain. Annual Accounts and Annual Return filed with Companies House and Charity Commission. The Accounts and Annual Return are in the public domain. There are detailed ongoing administrative requirements in operating a registered charitable company including board meetings, record-keeping, public benefit reporting, etc.</td>
</tr>
<tr>
<td>Objects</td>
<td>A charity must have charitable objects.</td>
</tr>
<tr>
<td>Protection of core purpose/asset lock</td>
<td>Yes. Articles of Association of charitable companies must contain an asset lock, meaning that assets cannot be transferred to a non-charity except at full value. In addition, certain amendments to the Articles of Association of charitable companies (such as changes to the objects, trustee benefit provisions and dissolution provisions) require Charity Commission consent.</td>
</tr>
<tr>
<td>Conversion into a charity at a later date?</td>
<td>N/A. Note that a charitable company will soon be able to convert into a charitable incorporated organisation.</td>
</tr>
<tr>
<td>Rules on Conflicts of Interest</td>
<td>The trustees must comply with Charity Commission guidance on managing their conflicts of interest and also comply with company law.</td>
</tr>
<tr>
<td>Membership voting</td>
<td>Usually one member one vote.</td>
</tr>
</tbody>
</table>

\(^{18}\) Companies House is a light-touch regulator. It is necessary to file information with Companies House but it is unlikely to scrutinise the company activities.
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<table>
<thead>
<tr>
<th>Issue</th>
<th>Company Limited by Guarantee with charitable status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment of directors/ Trustees</td>
<td>The general rule is that charity trustees cannot be paid for their role as trustees or be employees of the charity. There are exceptions to this rule. For example, it may be possible for the person employed as Chief Executive of the Charity to be a trustee, but special consent would need to be applied for from the Charity Commission as part of the application process which could delay and complicate the application. (There is no guarantee the Commission would agree to this request.) This general rule preventing payment of trustees/employees as trustees means that the senior management team will need to give control of management of the services to a group of voluntary trustees. Senior management team members may be invited or encouraged to attend and speak at board meetings but will not be entitled to vote. The Articles of Association will usually allow for half of the board of trustees at any one time to be paid for services (e.g. consultancy services) provided to the charity on a freelance basis.</td>
</tr>
<tr>
<td>Identity/ branding</td>
<td>Charities enjoy a kudos/credibility – as they are seen to exclusively further charitable (not commercial) objects, and the public is more likely to “trust” the activities of a registered charity.</td>
</tr>
</tbody>
</table>
| Tax                                        | Charities enjoy a range of charitable tax reliefs that are not available to non-charities including:  
  - No corporation tax on profits generated from charitable trading  
  - Gift Aid (UK tax payers can obtain tax relief and donations to the charity are increased by 20%)  
  - Inheritance tax relief  
  - Stamp duty land tax relief  
  - Business rates relief on premises occupied |
| Private benefit and ability to raise finance/ profit distribution | Rules applying to charities prohibit private benefit to individuals/ organisations unless the benefit is genuinely ancillary to furthering charitable purposes. No share capital, so no possibility for dividends or equity finance. Debt finance however is possible. |
| Ability to apply for grant funding         | Most trusts, foundations, Government funding sources will accept applications from charities. |
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<table>
<thead>
<tr>
<th>Issue</th>
<th>Company Limited by Guarantee with charitable status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trading</td>
<td>In the main, charities can trade only in furtherance of their charitable objects (although up to £50,000 of commercial trading can be carried out by the charity if it has over £200,000 annual income). This means if the new entity is established as a charity, the charity can charge fees for services falling within its charitable objects but non-charitable trading (e.g. conference facilities, weddings) would need to be carried out through a wholly owned trading subsidiary. Most large charities will at some point establish a commercial trading arm to pursue more commercial trading activities.</td>
</tr>
<tr>
<td>Distribution on liquidation</td>
<td>Surplus to another charity or applied for charitable purposes.</td>
</tr>
</tbody>
</table>

Schedule 2 – Type of tax

<table>
<thead>
<tr>
<th>Type of tax</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporation and income Tax</td>
<td>Organisations generally pay corporation tax on their profits. But there are some significant exemptions for charities, including:</td>
</tr>
<tr>
<td></td>
<td>- An exemption from tax on income from investments</td>
</tr>
<tr>
<td></td>
<td>- An exemption from tax on interest on deposits</td>
</tr>
<tr>
<td></td>
<td>- An exemption from tax on rent</td>
</tr>
<tr>
<td></td>
<td>- An exemption from tax on the profits from so-called “primary purpose” trading. This is essentially trading activity which directly furthers the charity’s purposes for example an education charity charging for courses or books. There is a similar exemption on ancillary trading activity which supports the primary purpose trading.</td>
</tr>
<tr>
<td></td>
<td>- A special exemption from tax on the profits from fundraising events, subject to some restrictions.</td>
</tr>
<tr>
<td></td>
<td>- A small scale exemption from tax on the profits of non-primary purpose trading activity, which essentially applies where the turnover from that activity is less than £5,000, or represents less than a quarter of the charity’s incoming resources, up to a maximum of £50,000.</td>
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</tbody>
</table>
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<table>
<thead>
<tr>
<th>Type of tax</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gift Aid and similar reliefs</td>
<td>Charities are eligible to take advantage of the Gift Aid regime on donations received from UK taxpayers. Where an individual who is a UK taxpayer makes a donation under Gift Aid, the charity may recover any basic rate tax already paid by the donor on the donated sum. So if a donor gives £10, the charity can recover an additional £2.50 from HMRC. Higher and additional rate taxpayers may be entitled to further relief on the donation, claimed in their own tax returns. Gift Aid does not apply to donations from companies, but if a company makes a donation to a charity the company will not pay tax on the donated sum. Tax relief is also available on other gifts to charity, including trading stock and gifts of certain land and shares. There are also tax reliefs for investors making qualifying loans to charities. The Gift Aid Small Donations Scheme allows charities with a good record of Gift Aid reclaims to claim top-up payments from HMRC on small cash donations that they receive. Restrictions apply.</td>
</tr>
<tr>
<td>Inheritance tax</td>
<td>When an individual makes a gift, whether during their lifetime or on their death, there can be inheritance tax consequences, but gifts to charity are generally exempt from inheritance tax.</td>
</tr>
<tr>
<td>Capital gains</td>
<td>Donations by individuals to charities are free from capital gains tax. Charities do not pay tax on capital gains.</td>
</tr>
<tr>
<td>Rate relief</td>
<td>Charities which occupy premises wholly or mainly for charitable purposes are entitled to 80% relief from business rates, and the local authority has discretion to grant relief on the remaining 20%.</td>
</tr>
<tr>
<td>Social Investment Tax Relief</td>
<td>Charities and some other social enterprises are eligible for tax relief on certain types of investment and investors also receive tax relief. Restrictions apply.</td>
</tr>
<tr>
<td>Stamp Duty Land Tax</td>
<td>Charities are eligible for certain reliefs from stamp duty land tax when they buy land.</td>
</tr>
</tbody>
</table>

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## Section 11
### Governance and Structure

**Schedule 3 – Charity v. CIC**

<table>
<thead>
<tr>
<th>Issue</th>
<th>Company Limited by Guarantee with charitable status</th>
<th>Community Interest Company (CIC) Limited by Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Legal Entity</strong></td>
<td>Will require creation of a new charitable company limited by guarantee with a two tier governance structure of trustees/directors and members.</td>
<td>Will require creation of a new company limited by shares with a two tier governance structure of directors and shareholders.</td>
</tr>
<tr>
<td><strong>Pre-Establishment Requirements</strong></td>
<td>The following steps must be followed:</td>
<td>The following steps must be followed:</td>
</tr>
<tr>
<td></td>
<td>• Identify trustees and initial subscribers (members).</td>
<td>• Identify directors and initial subscribers (members).</td>
</tr>
<tr>
<td></td>
<td>• Prepare Articles of Association of the company.</td>
<td>• Prepare Articles of Association of the company.</td>
</tr>
<tr>
<td></td>
<td>• Incorporate the company.</td>
<td>• Incorporate the company.</td>
</tr>
<tr>
<td></td>
<td>• Completion and submission of Charity Commission application (registration process usually takes 3-6 months but can be much shorter if special circumstances apply).</td>
<td>• Complete CIC application to CIC Regulator – file application (registration process usually takes 4-6 weeks).</td>
</tr>
<tr>
<td><strong>Regulators?</strong></td>
<td>Companies House and Charity Commission Companies House is a light-touch regulator. It is necessary to file information with Companies House but it is unlikely to scrutinise the charity’s activities</td>
<td>Companies House and CIC Regulator. The CIC Regulator is also relatively light touch but has some powers of scrutiny, e.g. to investigate and appoint and dismiss Directors.</td>
</tr>
<tr>
<td><strong>Ongoing reporting and administration</strong></td>
<td>Annual Accounts and Annual Return filed with Companies House and Charity Commission. The Accounts and Annual Return are in the public domain. There are detailed ongoing administrative requirements in operating a registered charitable company including board meetings, record-keeping, public benefit reporting, etc.</td>
<td>Annual Accounts and Annual Return filed with Companies House and CIC Regulator, and are in the public domain. CICs must also prepare and submit a ‘community interest report’ to the CIC Regulator each year. There are ongoing administrative requirements in operating a CIC including board meetings and record-keeping. These requirements are less onerous than operating a charity.</td>
</tr>
</tbody>
</table>
## Section 11

### Governance and Structure

<table>
<thead>
<tr>
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<th>Company Limited by Guarantee with charitable status</th>
<th>Community Interest Company (CIC) Limited by Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objects</strong></td>
<td>A charity must have exclusively charitable objects</td>
<td>A CIC must have objects which are for the community interest.</td>
</tr>
<tr>
<td><strong>Mission lock/ asset lock</strong></td>
<td>Yes, a charity cannot change its objects without Charity Commission consent and cannot use its assets except for charitable purposes.</td>
<td>Yes. CIC Articles must contain an asset lock. This means that there can be no transfer or distribution of assets except at full value to (i) a specified asset locked body or (ii) to another asset locked body with consent of the CIC Regulator.</td>
</tr>
<tr>
<td><strong>Conversion into a charity at a later date?</strong></td>
<td>N/A</td>
<td>No</td>
</tr>
<tr>
<td><strong>Rules on Conflicts of Interest</strong></td>
<td>The trustees must comply with Charity Commission guidance on managing their conflicts of interest with the Charity. CLGs must also comply with company law.</td>
<td>The directors much comply with company law on conflicts of interest.</td>
</tr>
<tr>
<td><strong>Membership voting</strong></td>
<td>One member one vote</td>
<td>Usually one share one vote, so voting is weighed in accordance with the size of the shareholding</td>
</tr>
<tr>
<td><strong>Payment of directors/ Trustees permitted</strong></td>
<td>Not usually</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Identity/ branding</strong></td>
<td>Charities are widely understood.</td>
<td>The CIC benefits from the “social enterprise” brand. However, it is not as widely recognised as the charity brand.</td>
</tr>
<tr>
<td><strong>Tax</strong></td>
<td>Wide variety of tax reliefs available.</td>
<td>No specific tax reliefs other than social investment tax relief.</td>
</tr>
<tr>
<td><strong>Private benefit and ability to raise finance/ profit distribution</strong></td>
<td>No shares. Therefore a CLG cannot raise equity finance directly (though it is possible via a joint venture company). Debt finance however is possible.</td>
<td>Shares so a CIC limited by shares can raise equity finance. Debt finance is also available.</td>
</tr>
<tr>
<td><strong>Ability to apply for grant funding</strong></td>
<td>No restrictions</td>
<td>Many, but not all, trusts, foundations, government funding sources will accept applications</td>
</tr>
</tbody>
</table>
### Section 11
Governance and Structure

<table>
<thead>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>from CICs. However, some trusts and foundations or local authorities may find it easier to fund, or only accept applications from, charities.</td>
</tr>
<tr>
<td>Trading</td>
<td>Some restrictions where trading is outside objects of the charity but alternative structures such as a subsidiary trading company are commonly used by charities</td>
<td>It is easier for a CIC to carry out most trading activities. It needs to show that the trading furthers the general community benefit of the CIC. There is a relatively low threshold to satisfy this.</td>
</tr>
<tr>
<td>Distribution on liquidation</td>
<td>Surplus to charity</td>
<td>Surplus to charity or community interest company</td>
</tr>
</tbody>
</table>

Key reasons for charitable company by guarantee recommendation are:

- Widely understood/recognised by public
- Tax reliefs
- No desire to pay board
Section 12
Control and influence by the Council over the ADM

12.1 Objectives

The transfer of real and other property to an alternative delivery model offers benefits, but the Council needs to be able to exercise control. In the way we have proposed, the new organisation can:

• Enjoy a primary and overriding focus on delivering great outcomes for the people and community of the Wirral in line with the Council’s 2020 vision.

• Gain the benefits of the freedom and flexibility of an independently operating charity

• Be able to raise third party funding, and find new and additional income to develop that mission

• Stay in an effective close partnership for delivery with the Council.

However, the most important aspect of the plans being put forward here is that this is not a privatisation of the assets and operations from the Council, as would be the case in an outsourcing. As explained in Chapter 11 the new organisation will remain publicly owned asset strongly associated with, the Council, their futures intimately entwined.

12.2 Key criteria to be met: Council

The Council needs to be able to exercise control for the following reasons and in the following ways:

1. Retain value of the assets in current use for people of the Wirral

   These are assets held for public benefit, and the Council needs that to continue. It does not want to see that value dissipated and passed into private hands.

2. Retain value of uplifts, or development potential for the Council

   Where a property asset yields a gain, in large part it should be attributable to the Council. The new organisation may share in that gain to incentivise efficient and proactive management of assets provided the new organisation uses any such gain to continue to improve services in Wirral.

3. Keep assets focused on public service

   The assets need to be continually involved in the delivery of public service for as long as that is useful. This perhaps involves a preference for their current application (in leisure and cultural services) but may involve a wider application for public benefit.

4. Develop and use assets better

   The assets in current use should not be a static portfolio, preserved in current use and not developing. They should be the subject of continuous and creative review and challenge as to how they can be used better to meet the needs of the area and its constituents.
### Section 12

**Control and influence by the Council over the ADM**

5. **Enable further (third party) investment in assets**
   
   The new organisation needs to be able to raise third party capital to support investment in the whole portfolio. This means as a minimum it needs to be able to seek capital grant funding. It should also be able to seek commercial bank lending or even raise investment via a bond issue. All of this will require the organisation to be able to give security, have a solid balance sheet, and medium to longer-term financial sustainability in order that it can service such investment.

6. **Enable other Council assets to be used and developed**
   
   Where Council-owned assets need to be developed, this may be most effectively done as part of a wider portfolio. If assets are needed to be consolidated with the Council’s assets, or to be reformatted or repurposed, the Council needs the means to do that.

### 12.3 Overarching protection against private benefit: charitable status

Whilst the new organisation needs the independence to act, to innovate, to raise funding, and to develop its response to local needs, it need not have a totally free rein in doing that. The charitable status brings two key protections:

#### a. Mission Lock

The social mission of the new organisation must be protected. The constitution of the new organisation will have a statement of objects which sets out its social mission and the geographical restriction ensuring it puts the people of the Wirral first. Any changes to the objects of the new entity will require a 75% majority decision of the members of the new organisation as well as the prior consent of the Charity Commission. In addition, the Council will be given a special right of veto to any change to the objects. In this way the new organisation is locked into pursuing its social mission in Wirral.

#### b. Asset Lock

Charities are asset locked bodies, meaning that assets cannot be transferred to a third party except at full value or in pursuance of their charitable purposes. Hence the asset base of the new organisation is locked into application for the public.

### 12.4 Independence of the new organisation

The Charity Commission takes a close interest in charities which have relationships with local authorities or public bodies and have published their own guidance on this (RR7 – The Independence of Charities from the State – obtained from the Charity Commission). As well as limiting the number of Council-appointed trustees, when applying for registration as a charity and subsequently, the new organisation would need to assure the Charity Commission of the following points at a minimum:

#### a. the trustees have taken and will continue to take their own legal and financial advice;

#### b. the trustees will conduct arm’s-length negotiations with the Council;
c. the trustees will prepare their own policies and business plan;

d. the trustee will have a choice about whether or not they accepted funding on terms proposed by the Council;

e. that any funding arrangements will preserve the trustees’ fundamental discretions as to the selection of beneficiaries and the provision of services;

f. the trustees will not commit themselves simply to giving effect to the policies and wishes of the Council or discharge the statutory duties of the Council;

g. a trustee who is subject to a conflict of interest will comply with the conflict of interest provisions set out in the Articles of Association, which will include not participating in discussions in which he or she has a conflict of interest;

h. the trustees will not agree to conditions that undermine the confidentiality of their discussions;

i. the trustees are satisfied that they can manage the new organisation without being required to meet local authority targets and meet the aims of the organisation without any undue pressure from statutory or any other bodies;

j. there are no arrangements/contracts with the Council that could restrict the discretion of the new trustee board.

12.5 Means of Council control and influence

There are three elements in the Council control matrix:

12.5.1 Council as landlord: terms of transfer and holding of assets

The property assets are transferred by the Council to the new organisation under leases which will be subject to specific conditions.

The premises will be divided into categories for the type of disposal depending on whether the premises will need to allow the new organisation to raise commercial finance or only grant funding to maintain and improve the premises.

12.5.2 Council as funder: terms of grant funding agreement

The Council will support the new organisation by way of a grant. The new organisation and the Council will work together to prioritise needs and solutions for Wirral. The agreement reached will specify not only the amounts to be awarded, but also create boundaries around how the funds can be applied. The commercial reality will be that the grant will be essential to the operation of the new organisation and therefore the Council will have a high degree of control that it can choose to exercise if it wishes. Of course, how it uses this power will in part determine the operational effectiveness of the new organisation. Too detailed an approach will endanger the gains of freedom and flexibility which are fundamental to the project’s success.
12.5.3 Council involvement in governance: Council appointed trustees, membership and veto of objects changes

The Council will have the benefit of being able to nominate up to two trustees so to influence directly the decision-making of the charity. That trustee will of course have to act in the best interest of the charity and its beneficiaries as his or her prime focus, but that will be to keep the charity focused on its social mission: meeting the needs of the people of the Wirral.

Together with the independent trustees, the Council will also be a member of the new organisation giving it the right to vote on constitutional issues including changes to name or articles of the new organisation.

Further detail on legal structure and governance is provided in Chapter 11.

12.6 Meeting the criteria

The criteria in section 11.2 above can be met by this solution in the following way:

<table>
<thead>
<tr>
<th>Criterion</th>
<th>How this is met</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Retain value of the assets in current use for people of the Wirral</td>
<td>• Asset lock and mission lock&lt;br&gt;• Assets held under lease and restrictions on use of assets built into the leases</td>
</tr>
<tr>
<td>2. Retain value of uplifts, or development potential for the Council</td>
<td>• Terms under which assets are granted to the charity mean that a relevant and fair proportion of such uplifts comes back to the Council&lt;br&gt;• Options to recover and swap out assets bring further control</td>
</tr>
<tr>
<td>3. Keep assets focused on public service</td>
<td>• Asset lock and mission lock&lt;br&gt;• Terms of tenure of relevant assets&lt;br&gt;• Terms of grant support</td>
</tr>
<tr>
<td>4. Develop and use assets better</td>
<td>• Will be able to secure the necessary funding to support the development,&lt;br&gt;• The charitable duty will be to develop and apply assets in the best way for the public benefit – for the people of the Wirral</td>
</tr>
<tr>
<td>5. Enable further (third party) investment in assets</td>
<td>• Independence of operation and focus&lt;br&gt;• Clear title and value of assets and sustainable model as a foundation for third party fundraising</td>
</tr>
</tbody>
</table>
### Section 12

Control and influence by the Council over the ADM

<table>
<thead>
<tr>
<th>Criterion</th>
<th>How this is met</th>
</tr>
</thead>
</table>
| 6. Enable other Council assets to be used and developed | • Title and tenure of assets in the hands of the new organisation are worked around the need to retain certain assets for wider development  
• Council will hold options to recover and reformat selected assets where consolidation with the Council’s other property is likely to be needed |
13.1 **Transaction timetable**

We set out below some key elements of the legal steps required to establish set up the new organisation and complete the transfer to the new organisation, if that route is chosen.

If the new organisation route is chosen, we would recommend that a detailed implementation plan is prepared setting out in detail the legal steps required to complete the transfer of services to the new organisation, to be updated following receipt of due diligence. The plan will highlight the key dependencies, risks and mitigating actions associated with the establishment of the new organisation.

![Fig. 16: Timeline to delivery](image)

13.2 **Legal and governance structure of ADM**

A final decision must be made on the legal and governance structure, including composition of the board and involvement of stakeholders in the governance structure. Initial directors (including a chair and at least two other directors) of the new organisation should be recruited and then in due course a full board. The constitution must be prepared for the new organisation and the new organisation incorporated at Companies House and the CIC Regulator (if a community interest company) or Charity Commission (if a charitable company limited by guarantee), registration with HMRC.

Once incorporated, the new organisation can proceed with administrative tasks such as opening bank accounts. The board will need to appoint a chief executive (which may be an interim appointment) and then professional advisors to handle the transition arrangements.

13.3 **Due diligence**

The new organisations board must be satisfied to a reasonable extent that the Council does in fact own the assets, that the disclosed liabilities do not exceed the assets and that it is therefore in the best interests of the new organisation to enter into the transfer. To determine this the new organisation will carry out a due diligence exercise on the services to identify contracts, liabilities, property, staff, pensions,
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Transactional for an ADM

data protection, safeguarding, intellectual property, disputes and other assets/liabilities. This will identify how these are transferring and any risks and obstacles to transfer which need to be resolved/negotiated prior to transfer.

13.4 Preparation of transfer agreement
This agreement will effect the transfer of assets and liabilities of the services as a going concern from the Council to the new organisation. It will include an indemnity from the Council in respect of pre-transfer liabilities, warranties against the due diligence responses, property, pensions and employment warranties and mechanism for novation or assignment of all third party contracts relating to services. The new organisation will agree to take responsibility for the assets and liabilities post transfer. This agreement will need to dovetail with the other agreements being prepared.

13.5 Preparation of funding agreement
This agreement will set out the terms of the ongoing funding from the Council to the new organisation to support its activities. This is likely to be in the form of a grant.

13.6 Preparation of other agreements
There will be an admission agreement for LGPS, property agreements (leases and licences). Other agreements which may be prepared include a data sharing agreement, a back office service agreement for certain services to be provided by the Council to the new organisation (for example, payroll, finance, HR), and novation agreements to novate contracts from the Council to the new organisation. There may be a requirement for agreements between third party suppliers who currently contract with the Council more widely.

13.7 Negotiating documentation
The transfer documentation will be negotiated between the Council and the new organisation with final documents agreed before the transfer date

13.8 Sign off by board of new entity and Council
The new organisation’s Board will need to meet and agree to accept the transfer on the terms set out in the agreements, delegating authority to individuals (to include at least one trustee) to execute and made any minor amendments to the transfer documentation.

13.9 Post transfer support
This will include carrying out any actions specified in the transfer documentation such as entering into deeds of novation and contacting individuals about whom personal data is held. Preparation of a suite of legal documentation for the new organisation such as standard terms and conditions of supply.
Section 14

Conclusions and Recommendations

14.1 This section draws together the overall findings from the report. It looks first at the four analysis sections, culminating in the financial one, which compares the overall expected outturn from the in-house enhanced model with the illustrative minimum achievable with an ADM. It then reviews the structure proposed for the ADM and the way that works to protect the Council’s position and the public interest.

14.2 Needs

The needs sections saw five themes emerge strongly from our analysis. These together with key points arising from each area as follows:

14.2.1 Needs Area 1: The context of people’s lives influences their needs and use of services

- Context and circumstances such as time, income, health, mental bandwidth, as well as cultural preferences, all drive service use and service need
- Many of these collectively contribute to differing levels of self-sufficiency in individuals and communities and constituencies and wards across Wirral can be characterised by different levels of self-sufficiency
- There is a well-recognised East/West divide in Wirral but subtler differences within that divide
- Those who are more self-sufficient overall will in general need less support to use LLPC services: it is not just about need, but ability to access as well
- Conversely, those who are least self-sufficient overall need more support to use LLPC services
- LLPC services can also offer a vital means by which to improve levels of self-sufficiency (or healthy interdependence) and over time, the ability to access services
- The Community Connectors programme and similar initiatives are likely to be important here as enablers to help with locating and accessing services

We have found that a useful way of considering these variations is to place each ward (and some distinct neighbourhoods) into one of three broad categories along a scale of self-sufficiency. The ultimate goal for individuals and communities is a state of healthy interdependence, a state in which residents have the capabilities and agency to do well in life and can rely upon others for support and others upon them when they need to. When they are able to do this, communities are much more likely to flourish and their capacity to engage in leisure pursuits to increase.
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Conclusions and Recommendations

Generally speaking – and accepting that there will always be nuance and exceptions – our overall assessment from our research is as follows:

<table>
<thead>
<tr>
<th>Least self-sufficient (Group A):</th>
<th>Somewhat self-sufficient (Group B):</th>
<th>Most self-sufficient (Group C):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wallasey and Birkenhead constituencies overall; Plus the following Wards:</td>
<td>Wirral South constituency overall; Plus the following Wards:</td>
<td>Wirral West constituency overall; Plus the following Wards:</td>
</tr>
<tr>
<td>• Wallasey</td>
<td>• Moreton</td>
<td>• Hoylake*</td>
</tr>
<tr>
<td>• Rock Ferry</td>
<td>• Greasby and Irby</td>
<td>• West Kirby</td>
</tr>
<tr>
<td>• Leasowe</td>
<td>• Pensby</td>
<td>• New Brighton</td>
</tr>
<tr>
<td>• New Ferry</td>
<td>• Liscard</td>
<td></td>
</tr>
<tr>
<td>• Seacombe</td>
<td>• Seacombe</td>
<td></td>
</tr>
</tbody>
</table>

14.2.2 Needs Area 2: People need connections, and beneficial and reciprocal relationships

- Many of challenges cited by GPs, Police, Health, DWP, and education specialists require positive relationships in order to support change.

- Authentic positive relationships are a vital means of helping people to achieve social wellbeing and build social capital. Reciprocal relationships in which both parties are a useful aid in helping people to maintain positive self-regard and to flourish. In general people feel discomfort with accepting ‘charity’ and would rather offer something in return.

- Interviews covering Wirral’s Community Connector programme supports these findings and show signs of yielding positive results for residents.

- Marmot’s research in the 2010 report ‘Fair Society, Healthy Lives’ recommends universal services with proportionate degrees of support according to need. Our research finds that people who need additional support want services that make them feel normal rather than singled out for special attention.

- These findings show that if LLPC services are to be used to their full potential then service wrappers, such as social prescribing, using link workers, community transport initiatives or Community Connectors are vital.

- Service delivery professional such as GPs often also want to experience joined-up relationships within their practice in order to make outcomes easier to achieve.

- A system based on co-location and service integration may bring significant benefits.

- Those arguably most in need don’t always have positive relationships with public agencies.
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14.2.3 Needs Area 3: The need for equal voice (being heard and having influence) and agency (being able to determine one’s own future) are key

- Helping people to grow and access services is not enough on its own
- There are a number of areas within Wirral in which people feel they lack voice and agency and have poor life prospects, particularly Birkenhead, New Ferry, Town Lane and Eastham
- Surveys in Wirral show that generally people don’t feel sufficiently consulted or engaged in civic decisions (though current strategies are already seeking to address this)
- Expanding the Asset Based Development approach currently delivered through the Constituency Connectors can help to give people agency
- Additionally the LLPC portfolio can be used to support this through the use of libraries or other buildings as community hubs, giving over areas of maintained land for community use, and giving more voice to communities for place-based decision making

14.2.4 Needs Area 4: Hyper-local delivery versus rationalisation and centralisation

- There is a tension between local provision as opposed to rationalisation or centralisation
- Centralisation and rationalisation are seen as routes to improving an offering and developing centres of excellence
- Localised services are considered essential, in particular those that help achieve immediate, everyday social outcomes – such as providing places and activities for the isolated elderly, young people on the edge of ASB, those on benefits who need to check in regularly
- There is also a strong sense of pride and local identity across constituencies, wards, estates and streets. This can engender support but can also give rise to a tribal or isolationist approach
- Services which are essentially relational in nature (libraries or employment enablement for example) need to remain hyper-local, however these could be delivered differently with flexible building use patterns if cost savings or efficiencies are required
- There are other services which people are willing to travel for – such as the Hive, archive services, or those services which are used rarely by any one individual
- Transport was regularly mentioned as a barrier, particularly in Wallasey – sufficient connectivity and affordability is key to accessing services

14.2.5 Needs Area 5: Beauty as a Public Asset

- Beauty and dilapidation in Wirral were significant and complementary themes in our research
- Investment in beauty brings about social and economic returns, including improving health and wellbeing, attracting employers and specific sectors, improving community cohesion and reducing ASB, and attracting tourists
- As such beauty – in both built and natural environments - can be thought of as a competitive advantage
- There is an overlooked aspect of beauty which is the meaning that is attributed by communities to the buildings, spaces and services around them – and which creates place attachment
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• Strong place attachment results in better communities; conversely weak place attachment can result in ‘non-places’

• Authenticity and place attachment can be important to attract tourists and keep them coming back

• Participatory models of design, planning and use should be employed in order to create places that communities find beautiful, will use and benefit from.

The findings in Section 5.3 point to a number of opportunities to improve outcomes for stakeholders – as set out in Section 5.2, from improvement in wellbeing, to improving the economy, to growing the tourist offering.

It also finds that there are opportunities to save money and attract income through a range of means from co-location through to taking a more enterprising approach to the delivery of services and using proceeds to cross-fund the portfolio. Consequently there are also implied cultural and operational demands in order to capitalise on those opportunities – such as integrated service offerings, cross-ticketing, and giving over council-maintained land for community use. These are talked through in more detail at the end of this section.

There is one strong and clear theme in the research that joins these opportunities together: collaborative delivery models. These opportunities do not consist of small-scale piecemeal change but rather demand a significant evolution in the current delivery model for services.

Section 5.5 sets out:
• The findings that point to collaborative delivery models (section 5.5)

• How those collaborative models could be delivered and the fit of the LLPC portfolio within those (5.5.4)

• And then describes the principle means that those opportunities can either save or draw in income to improve the financial position (5.5.14)

14.2.6 These themes, and the wider needs analysis from which they are drawn, give rise to opportunities for the siting and delivery for services in LLPC. These firmly focus on collaboration in delivery: with other agencies, with other Council services, and with communities themselves. Five elements stand out:

a) Community wellbeing – the opportunity for wider partnerships and co-productive methods to help ensure the growth of individual and community health and wider use of the LLPC portfolio

b) Combined LLPC Delivery Model – where there is a growing trend for more joined up cultural offers, creating appealing spaces that venture outside of traditional portfolio boundaries and consequently attract increased use, visitors, and spending

c) Revitalisation and regeneration – the use of the cultural portfolio and countryside to create offerings which attract target sectors, employees, organisations, as well as to enable socially public health oriented approaches to issues.

d) Visitor economy – Wirral’s many cultural and heritage assets and a revitalised LLPC portfolio could be used to grow the visitor economy through the creation of a stronger offer in partnership with others.
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e) Sharing economy – by collaborating with its citizens, charities, social enterprises and businesses, Wirral has the opportunity to unlock more time, skills, resources and opportunities and spaces, from peer to peer support to creating employment networks.

14.2.7 These point towards a delivery and structural model that embodies

- Multiple services (both LLPC and wider)
- Multi-level (both hyper-local and central)
- Multiple agencies focused through blended customer-facing outlets
- Strong links to and with communities, and treating staff, rightly, and integral parts of those communities

The solution proposed is a hub model, shown in the diagram at fig.13 which is shown in more detail at 5.5.9.

Under this model there are four levels of offering, each fulfilling a function in relation to the collective offering to Wirral-wide, and local as well as visitor, communities, and each networked with, and supporting the others. Each may present one type of LLPC service (tennis courts, green space, or nature conservation, for example) or may contain co-located multiple elements of several or all, with other agencies there too.

A Central hub is both a multi-service centre offering those who are willing to travel a wider range of facilities, and providing support to a network of more localised provision. A Main hub is more locally, or sub-regionally focussed, and may be both a Centre of Excellence for particular facilities, and provide a broader offering for a local area. A Midi hub is a warm and welcoming place providing a limited range of services, but linking with other locally-focussed agencies to provide the most relevant and important services within easy reach of the communities that need them. A hosted or Micro-hub is a small local access point such as a presence like a concession in a local building, or a pop-up in a shopping area that helps people find and access help quickly and draw them into engagement into the wider offering.

14.2.8 The Assets analysis, in addition to giving a detailed breakdown of the main local facilities, draws out some key themes and challenges posed by the current LLPC asset portfolio. In particular it notes that

- Across the portfolio there are identified capital maintenance spends of over £18m to be scheduled over the next few years (excluding any investments used for service enhancement)
- Service provision is diverse, with some innovative and very useful elements, but it is not reaching communities that could benefit from it, partly due to location partly through preservation and partly through there not being simple, signposted and assisted access routes.
- Space is available for community groups, but it is not coordinated and signposted across the portfolio, and not operated to an effective commercial, but not unfairly priced, model.
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14.3 Assets

A detailed mapping of assets across the Wirral has highlighted four key themes:

Theme 1: High condition survey costs requiring a spend of at least £18m to put the property in good order.

Theme 2: Underutilised assets with some pockets of higher use, with a variety of causes including type and presentation of provision.

Theme 3: Existing service provision is good in many places, but offers chance to refocus and deliver more effectively.

Theme 4: Access to space and room hire is uncoordinated and inconsistently priced and marketed.

Six opportunities arise for the asset mapping work:

1. To improve the look and feel of the buildings.
2. To increase utilisation of facilities and services with improved marketing, access points, and alignment of facilities to need.
3. Coordination of services provision across the LLP portfolio and with third party organisations.
4. Better coordination of spaces and room hire opportunities, to improve both utility and revenue generation.
5. Development of cross-portfolio initiatives that can reduce overall cost or generate additional income, or both.
6. Moving beyond buildings to reach out into communities with services.

14.4 Business and operations

In terms of business and operations our work has identified a range of additional opportunities. These are summarised in three levels of demand from the needs work, each of which requires a change in approach.

14.4.1 The Needs Analysis points towards a conceptually different approach to LLPC provision. This can been seen at three levels, each of which demands a change in approach:

Level 1: Conceptual and Needs-focussed

From: Needed services placed reasonably locally and delivered cost-effectively

To: Aspirational, beautiful and welcoming places to which people want to go.

Where people find their needs are met and where they are listened to

Where ideas are needed and developed.
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Level 2: Structured for Accountability

From: Basing services in the buildings in which they have always been based, even though this puts off some customers.

To: Hub model, balancing size and style of location to make services available and to remove barriers to access, whilst concentrating and co-locating services for efficiency.

Level 3: Service Design and Delivery

From: Standalone delivery to traditional models of services within existing silos with piecemeal innovation. Generally only where easy to deliver and not requiring further investment.

To: Services designed around needs and desirability amongst existing and new customers, focusing on customer experience, satisfaction and journey, and utilising property and other assets as enablers rather than as boundaries.

14.4.2 This, in turn, demands changes in approach to planning, developing, managing and approaching LLPC. It needs to become, and operate as, a socially-focused enterprise, embedded in, and listening to, its communities; leading, organising and co-ordinating agency responses; and maintaining accessibility and relevance of services at micro, midi and macro community levels.

It then needs to embrace the four opportunities highlighted in the Needs Analysis at Section 5:

a) Savings through co-location and integration;
b) Reduced spend through latent (unused/under-utilised) assets;
c) Increasing the addressable market;
d) Attracting finance and funding.

In all this, the original vision stands as outlined in the Phase 1 report for this project, that the model developed should:

a) be both universal and targeted;
b) recognise that what the public wants and needs has changed and will continue to change;
c) be financially stable;
d) be locked into servicing the community and in which the community has an involvement and a clear voice.

14.4.3 Detailed proposals are shown in Section 7. These demand not just changes in approach within service areas, but also:

- the introduction of a range of cross-portfolio initiatives from catering to funding and financing and community engagement, and a pan-portfolio tourism strategy;
- further development of leadership, financial and performance management and other infrastructure to suit.
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14.5 Finance and Funding

14.5.1 As regards financial matters, we have considered first the budgeting systems and how fit for purpose they are for supporting the social enterprise operation of the LLPC portfolio. We have then looked at the expected level of ongoing subsidy from the Council if it sticks to an in-house delivery model with enhancements as currently planned. Thirdly, we have considered whether an enhanced financial outturn, as well as greater impact, is achievable in an ADM.

14.5.2 The budgeting systems and approaches need significant development to meet the needs of the LLPC enterprise. In particular, it is too protracted and inflexible, and it neither takes adequate account of input from Heads of Service, nor of actual results for one year in setting the budgets for the next two. Budget shortfalls are met by additional central funding, and the analysis of this makes it hard to understand the variances and react to them. Actual achievement against budget is reported at Service Area Level and those met. This undermines clear accountability for the net result achieved.

14.5.3 The achievable outturn for 2017/18, in terms of budgeted Council subsidy is, we have concluded, £18.7m before capital costs as against the £16.4m budgeted by the Council. The Council has already recognised £0.9m of this, publishing a revised budget of £17.3m in August 2017. Realistically the budget for Council support could reduce in the in-house care, based on the measures for improvement disclosed to us, to £18.1m in 2018/19 and £17.9m in 2019/20.

14.5.4 In looking at the ADM, various further enhancements are likely to be achievable. Some of these have been discussed with Heads of Service, and they have responded with limited comments on them. However, based on our experience elsewhere, what is achieved in comparable projects, and our research here, we have compiled a list of potential enhancements as a base level, and illustrated a range of the financial improvements that might be achievable from each. These are shown at Section 8.6.

The overall effect of these illustrative improvements, which we see as a minimum achievable, some of which, such as the VAT improvement of around £1m p.a., are reasonably concrete, ie:

- a reduction in Council subsidy for 2018/19 to £11.8m (higher enhancements) to £14.3m (lower enhancements), a saving of between £3.8m and £6.3m in 2018/19; and
- a further reduction of around £0.6m in each later year.

14.5.5 These do not take account of all the potential improvements, as some are yet hard to illustrate with sufficient underpinning reasoning. They are clear target areas of benefit, but yet hard to illustrate. In addition, an ADM could raise social or community capital for investment in enhanced services. If it raised £20m, which with a stable and sustainable model and clear long-term title to properties is eminently achievable based on our experience elsewhere, it could:

- target a return on investment at operational level of, say, 15%;
- bear a cost of capital of up to 5%; and
- hence show a further £2m p.a. improvement in the level of net subsidy required (before any appropriate allowance for reinvestment).

With the ADM the Council could realistically target to halve its net subsidy to the LLPC portfolio over the next five years.
14.6 Options and Opportunities

14.6.1 With the opportunities highlighted in the four analysis sections, drawn together in Sections 9.1 and 9.2, there is a set of options for model and structure:

Which – broadly speaking – describe distinct but progressive stages on a journey towards fully integrated, genuinely needs-based service provision. The journey can be described in three stages, each of which has a different character and focus, and each of which is likely to require a different operating model.

A. Working in single services
B. Collaboration and enhanced working together
C. Integrated working, co-location and hubs

The diagram below (Figure 14) shows the four parts of LLPC (in blue), the services and activities they deliver (in pink), and those organisations that are embraced by LLPC in collaborative working (in green). The interface with local communities is in purple, until, in option C, they become part of the delivery. The growth in funding and financing opportunities is shown in the pale yellow columns behind.

Fig. 18: Delivery Model Options
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14.6.2 The key features of the three stages or models are:

**Option A: In-house model enhanced**

The ‘in-house enhanced’ model is perhaps the simplest to conceive, building as it does on many existing ideas and innovations that are being piloted or discussed within LLPC.

In this model we see the four service lines continuing to operate independently, but with the addition of a formal layer of co-ordination, which may be achieved through regular meetings, shared information or shared responsibilities. This kind of co-ordination will help to achieve economies of scale within the portfolio, and will also provide a co-ordinated shopfront for communication with potential partners, service users and beneficiary groups, meaning that those voices can begin to be heard and responded to from within each service line.

The majority of the funding available in Option A is via traditional routes. Whilst this model may be adopted most easily, through little more than changes in internal organisational structure, it will require substantial sustained effort to make the model work and achieve its potential.

In terms of outcomes and meeting needs, this model is likely to generate benefit only over the short term, creating ways to capitalise on quick wins and address known issues. Without access to new sources of funding and resource, however, little capacity can be built for more transformative impact.

**Option B: Joined up, flexible and market-responsive**

This model sees the four service lines within LLPC working more as a single unit than as individual business divisions, bringing immediate benefits in terms of de-duplication of effort in some functions.

From the perspective of service users, provision is far more joined up, and this enables cross-selling, customer journey enhancement and more seamless experience.

Greater and more formalised effort in collaboration and co-management across service lines creates an ability to permeate the perceived communication barrier into the wider community with a single voice and enable meaningful conversation. The combined efforts of the service areas are far more likely to be able to respond to market need, than is any one of the four in isolation.

The approaches to service delivery – location and style of delivery, as well as staffing options - are more varied than under Option A, but this in turn demands additional administration effort. Voice and influence over service boundaries and design are more varied, but the Council retains significant influence over, and the majority of responsibility for, delivery.

Note that the focus here is still on developing and meeting the needs of markets for LLPC services, since a move fully into community-led, place-based provision demands a much more holistic model. That being said, it should be noted that Option B requires a degree of collaboration and cross-boundary working which may not be possible without an Alternative Delivery Model in place.

**Option C: Engaged with community resources, responsive and reaching out**

The biggest leap from the current model is Option C, which espouses far-reaching cultural change as well as organisational re-design and the use of a non-Council vehicle (ADM), in order to access the wider multiple financing and resource opportunities that the model demands.
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14.6.3 In this model we see LLPC operating with a single voice and overall co-ordinated strategic management, however the role of this unit is substantially different than currently (or in Options A and B). Rather than having sole responsibility for designing and providing services, LLPC works in partnership with other bodies and agencies to understand needs and co-ordinate a delivery response, with equality of voice between partners.

Whilst this serves to provide freedom from entrenched thinking and political influence it also helps to ensure that a balanced cross-section of views can routinely be taken into account, reducing the need for specific consultation exercises and associated administrative overheads, and the need to manage expectations.

Proper dialogue between stakeholders takes place at all levels, enabling co-ordinated service design, reducing duplication and increasing the likelihood that gaps in provision, trends in usage or demand and local preferences and capabilities are far better understood than with periodic and piecemeal consultation.

It is this ability fully to understand needs and all their nuances that underpins the much greater level of impact that can be expected under Option C than in other options. Crucially, LLPC is released from the burden of being the main or the sole provider of services. Its role becomes tri-fold in Option C, as it works:

a) to **deliver** services either directly or indirectly through partners or sub-contractors;

b) to provide **leadership**, where appropriate, convening multiple partner and actors to effect meaningful change (recognising that in some cases the Council’s role will be one of participating, and not leading); and

c) to provide insight-driven, evidence-backed **messaging** to influence at a wider scale, including regionally and nationally, benefitting from the combined expertise and wisdom of multiple partners, and using the public authority platform to exercise influence.

14.7 A New Model for Council Influence and Public Accountability

14.7.1 In this model, it can be seen that the Council retains a strong influence over service boundaries and design, however it is fully responsive to the needs and preferences of Wirral and its communities. This shift of role and relationship lays the foundation for collaborative place-making, and the use of an ADM enables access to the resources necessary for creative and innovative responses to needs and ambitions. Whilst there are clear benefits to an Alternative Delivery Model (“ADM”) in the form of separate entity, it is fundamental to this proposal and the comparison it draws with an in-house provision that this is not a conventional out-sourcing or a spin-out. The ADM vehicle will be able to make its own

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Fig. 19: LLPC as ADM: relationship with the Council
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decisions, to move and respond quickly, and to focus on outcomes for community and the efficient and sustainable delivery of its business model raising new funding and developing new sources of income not accessible otherwise. However, crucially, the Council will, through the way the vehicle is set up, and the way it is influenced on an ongoing basis, retain control and influence over setting the boundaries of its use of leisure and other assets.

14.7.2 In this important sense, the ADM will not fully detach from the Council, as shown in the transition diagram inset (Fig. 3), but will gain the freedom and flexibility to grow and develop. It will move not from the current position of inside the Council (left) to the model on the right (with LLPC outside the Council all together) – hence this is crossed out but to the middle model.

14.7.3 The Council will retain various means of influence and control (shown here in the blown up detail at the foot of the figure, and expanded further in the section on control at Section 12). In addition, both the Council and the charity will co-ordinate activity, one with the other.

14.7.4 The structure of the ADM vehicle should be:

- A company limited by guarantee: to have a clear contracting vehicle and the protection of limited liability
- Registered as a charity: to gain the protections of a regulated entity with
  - Asset lock…it cannot pass value to others but must apply it for public benefit
  - Mission lock…it must retain that public benefit, community of the Wirral focus for ever
- A mixture of independent trustees and directors appointed through open recruitment, and Council opportunities
- A stakeholder (including staff and community) engagement and voice built in through advisory board(s), associate membership, and online and other direct engagement routes.

14.7.5 Control and Influence by the Council is key, and the means for this are alluded to in Figure 3 at 1.20. The transfer of real and other property to an ADM offers benefits, but the Council needs to be able to exercise control. In the way we have proposed, the new organisation can:

- Gain the benefits of the freedom and flexibility of an independently operating charity
- Be able to raise third party funding, and find new and additional income to develop that mission
- Stay in an effective close partnership for delivery with the Council.

14.7.6 However, the most important aspect of the plans being put forward here is that this is not a full separation of the assets and operations from the Council, as would be the case in an outsourcing, or a mutualisation. As explained in 10.2 and 12.5 the charity will remain strongly associated with, and influenced by the Council, their futures intimately entwined. The charity achieves just enough separation to enable it to work effectively and achieve the gains that are possible.
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The Council’s control and influence comes from:

- The annual protective framework of the ADM being subject to asset lock, mission lock and regulatory oversight;
- The terms under which the Council transfers assets into the ADM, restricting future use, and retaining the rights to certain property value gains if realised, whilst giving the ADM sufficient sustainable title to fundraise and operate sustainably in the long term;
- The terms of the annual (grant) funding agreement which, whilst expected to reduce, will stay in place at a material level in future;
- Involvement in governance: in board representation and involvement in advisory roles.

14.8 Summary of Recommendations

In summary, we are recommending that:

- The Council moves LLPC into an ADM, with the autonomy, mission and remit to develop it into a fully community-engaged and needs-focused social enterprise
- LLPC is not put out to tender in a conventional outsourcing model but developed as an entity working closely with the Council on common social goals with a locked-in mission to improve the lives of residents of and visitors to the Wirral.
- The ADM’s mission is to be delivered by embracing efficient and effective business practices, and innovation in delivery and accessibility models so that it can reach more people, in a way that enables them to respond and engage. It should take a leadership role in developing local provision, but harness the ingenuity and energy of grass roots organisations.
- The ADM is in the form of a Company Limited by Guarantee, and registered as a Charity, meaning it is properly regulated, and permanently focused on applying its assets to that public benefit mission
- The Charity takes on the LLPC assets under different terms for different assets such that it gains clear long-term title to a range of them (to make its balance sheet sound and fundable) whilst holding others on shorter term or rolling arrangements
- The Council retains influence whilst allowing the Charity the independence to deliver its mission, by:
  - Working together to coordinate complementary activity
  - Embodying realistic terms in its ongoing funding agreement
  - Putting appropriate restrictions in the terms of tenure of assets transferred into the ADM
    Taking an appropriate role, alongside community and staff, in the Charity’s governance