

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

18 SEPTEMBER 2018

REPORT OF THE CORPORATE DIRECTOR - COMMUNITIES

PLAYING FIELDS, OUTDOOR SPORTS FACILITIES AND PARKS PAVILIONS

1. Purpose of the Report

- 1.1 The purpose of the report is to seek Cabinet approval to undertake a consultation exercise on proposals to make the Council's provision of playing fields, outdoor sports facilities and parks pavilions more financially sustainable moving forward.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

- 2.1 The report links to the Corporate priority of 'Smarter Use of Resources', ensuring that all resources are used as effectively and efficiently as possible and support the delivery of services throughout the community that can help deliver the Council's priorities. It also aligns with the priority of moving to a position where there is less reliance on the Council for the cost and provision of services by seeking ways in which the local community, relevant sports clubs and potentially Town and Community Councils might pay a greater part moving forward in maintaining and operating these facilities.

3. Background

- 3.1 The Council is the main provider of outdoor sports facilities in the County Borough. The provision of these facilities, such as sports pitches and playing fields, is recognised as playing an important contributory part in helping to achieve healthy lifestyles and better levels of physical and mental wellbeing for the County Borough's residents. The Council promotes and subsidises a range of measures intended to support and increase levels of participation in sport and physical activity.
- 3.2 Historically the Council has charged a fixed hire fee for any formal hire of its outdoor sports facilities. However, these fees do not go anywhere near covering the cost associated with providing and maintaining these facilities. The level of subsidy the Council offers will vary depending on the nature of the users (senior or junior) and the type of sport (for example, rugby, football, cricket, bowls). Additionally the quality of the facilities provided will vary to some extent based on factors such as league requirements, drainage facilities and frequency of use. The formal use of outdoor sports facilities is predominantly by boys and men and so there are potentially equality issues in terms of the current distribution of Council financial support. For example, sports played predominantly by women and girls, such as netball, do not receive similar levels of subsidy.
- 3.3 Many of the sites and facilities are used by a number of separate clubs and organisations as well as being accessible on an informal basis to the wider

community. In contrast some facilities are used almost exclusively by a single club or organisation.

- 3.4 A full list of parks pavilions, playing fields and outdoor sports facilities currently provided by the Council is included in **Appendix A**. Please note there are also additional playing fields in sites such as Litchard where the pavilion on site is already managed by the local community council.
- 3.5 As the cumulative impact of many years of substantial budget reductions has been felt by the Council, and the forecast is for further diminishing of resources, it has become apparent that the current level of Council subsidy offered for the provision of outdoor sport and recreation facilities and the associated parks pavilions will not be sustainable. Therefore if no action is taken it is inevitable that the Council will be forced into a position where, as part of future budget reductions, facilities will be forced to close. Even without further specific reductions in the revenue budget associated with maintaining and operating these facilities, many are in a poor state of repair and will be forced to close if minimum levels of health and safety compliance cannot be sustained. However, the Council is committed to finding alternative ways of working and preserving community facilities, including the transfer of responsibility in appropriate circumstances to community groups or Town and Community Councils. This is consistent with the Council's priority of seeking less reliance on the Council.
- 3.6 However, it is recognised that a formal policy change, with a potentially significant increase in charges, is likely to be necessary as a catalyst to prompt a greater up take of Community Asset Transfer (CAT) opportunities. A move towards full cost recovery with regard to the provision of playing fields, sports facilities and parks pavilions is likely to be such a trigger and would be consistent with the Council's commercialisation agenda where it seeks, where appropriate, to cover its costs through charging. Such a move is also similar to changes in other Welsh Local authorities, including the Vale of Glamorgan , Neath Port Talbot and Carmarthenshire, where to varying degrees policies have been pursued that encourage CAT or long leases with user sports clubs as those Authorities have been forced to increase charges towards the full cost of provision. There is however no consistent pattern across Wales and some Councils, such as Rhondda Cynon Taf, continue to support policies that maintain high levels of overall public subsidy for the provision of sports facilities.
- 3.7 In the prevailing financial climate in Bridgend, there would seem to be a justification to review the current level of subsidy offered for these facilities given the pressures on the Council's budget. However, any proposals need to also recognise the important role that sport and physical activity plays for many sectors of the community. It also needs to be recognised that the vast majority of sports clubs are operated by a small number of volunteers and already face other challenges and financial pressures in maintaining the running and operation of sports teams. In Bridgend, even a recent change to the way that sports clubs were charged for their usage (a move towards an average annual charge which did not financially penalise the majority of clubs) elicited some strong negative reactions. However, set against this, cutbacks to the amount of maintenance the Council is now able to carry out has led in some cases to complaints about the standard of sports facility provision and the trajectory of travel with regard to budgets means that maintaining the current level of subsidy is likely to be impossible without wholesale closure of

facilities throughout the County Borough. The aim of the Council therefore is to take a set of proposals and options for public consultation on this matter recognising the issues highlighted in this section to inform future policy and strategy with regard to the provision of, and charging for, playing fields, outdoor sports facilities and parks pavilions, and seek ways in which provision can be sustained without such a financial reliance on the Council. The consultation will be targeted at relevant stakeholders such as sports clubs and local organisations who currently use the facilities in scope but also allow Town and Community Councils and relevant sports governing bodies to have their say.

- 3.8 As things currently stand there are provisional Medium Term Financial Strategy (MTFS) proposals relating to this area of service of £150,000 in 2019/20 and a further £350,000 in 2020/21. This is in addition to other historic financial cutbacks to the area of service over recent years that have reduced levels of service in some cases and overall resilience across the service. To be clear, in order to meet the full proposed MTFS savings over the coming years, as well as changing the basis of charging for these facilities and accelerating the CAT process it is also likely that other measures, for example, a rationalisation of children's play areas, may also be necessary.

4. Current Situation

- 4.1 The current charges for the use of sports facilities for users of the Council's sports facilities are set out in **Appendix B**. The level of subsidy for the provision of each of these facilities, as highlighted earlier in the report, will vary. However, in general terms it is estimated that on average the income received from applying charges to users will only make up 20-25% of the actual costs of providing and maintaining the facilities, so typically for the provision and maintenance of outdoor sports pitches and pavilions the Council is providing a subsidy of up to 80%. In 2018/19 the total budgeted income received from charges is £93,000 and the total budgeted revenue expenditure for this area of service is £452,000. In addition, as the condition of some facilities deteriorates there is an increasing need for investment to ensure the facilities remain safe to use. The Council monitors the charges levied by other local authorities in Wales and historically the charges it applies are in the mid-range in Wales for facilities such as rugby pitches, football pitches, and cricket pitches. The situation is slightly different for the provision of bowling greens where in most cases the Council already has an arrangement with the user club for them to self-manage the facility in return for a small annual grant. As part of the proposed review and consultation exercise it will be necessary to also review these arrangements and ensure value for money moving forward. A significant number of clubs have expressed an interest in potential asset transfer but at this stage only a small number of clubs have progressed or are well advanced with Community Asset Transfer, including Bryncethin RFC and Caerau Football Club.
- 4.2 In the main however, while there has been considerable initial interest in CAT from sports clubs, most have decided not to pursue their interest beyond that initial expression because while the Council continues to provide a revenue subsidy of up to 80% there is a disincentive to do so. The contract of the current CAT Officer is due to end at the end of October 2018. It is clear that any business case to extend that contract should be dependent on there being a greater likelihood of more CAT transfers. This in turn will result in financial savings and hopefully greater long term sustainability of community sports facilities, albeit it is understood that those taking

on CAT will need to be supported appropriately to ensure they have both the skills and expertise to complete the transfer and also the longer term commitment and wherewithal to run the facilities properly moving forward. Cabinet will recall that there is an identified sum of £ 1 million in the capital programme to support CAT of sports pavilions as a way of investing in the buildings as part of any proposed transfer subject to business case. Any extension of the CAT Officer's contract will therefore be explicitly linked to the approval by Cabinet to move forward on this proposal and consult on a new charging policy for the users of playing fields, outdoor sports facilities and parks pavilions, with a move towards full cost recovery. This in turn will change the incentive to progress CAT applications as it is likely that these facilities would make up the majority of potential successful CATs.

- 4.3 As outlined previously, it is proposed to seek the views of various stakeholders including local sports and recreation clubs, relevant governing bodies and Town and Community Councils, via an appropriate consultation exercise, subject to Cabinet approval, on the Council's proposal to move towards full cost recovery for the provision and maintenance of its playing fields, outdoor sports facilities and parks pavilions. In parallel the Council will seek to accelerate (including for example consideration of a fast track process) and promote its offer to local sports clubs, community groups and/or Town and Community Councils of taking the opportunity to transfer the assets and take out long leases or management agreements on them. The Council will continue to offer an appropriate capital investment sum that can be used in the right circumstances to support this process as necessary and evidenced by a business case, and also practical support provided through the CAT Officer.
- 4.4 It is likely that the consultation will propose that charges are amended to cover the full cost of providing the relevant facilities from April 2020. This in turn will allow the various clubs and organisations time to progress and complete CATs before then if they would rather take on direct responsibility for running and maintaining the facilities than pay the full cost recovery charges. The consultation exercise is intended to offer the opportunity to comment on and shape the Council's proposals, including allowing the opportunity for other alternative proposals that would create the same level of required savings to come forward.
- 4.5 This matter was reported to the Corporate Overview and Scrutiny Committee on 5th September 2018 for consideration. Members of the Committee had some concerns with the proposal. In particular Members were of the view that they would rather have had earlier engagement with regard to this matter and also that ideally more detail could have been presented to them prior to embarking on a public consultation exercise. In addition they thought that it was important that previous scrutiny recommendations with regard to improving and streamlining the CAT process needed to be completed, and that in order for clubs and organisations to properly understand their potential future undertakings if they pursued CAT, full and accurate costings and up to date condition surveys were required. They were also keen to support the extension of the CAT officer's role to support clubs and organisations with potential transfers. Finally, Members stated that they thought other opportunities to ensure adequate outdoor sports provision was maintained should be explored, specifically the prospect of greater utilisation of school playing fields.

4.6 In response to these concerns Cabinet should be aware that there is already a task and finish group, including representation from the Deputy Leader and Cabinet Member Communities, looking at a review of the current CAT process with the intention of reporting back to the relevant Overview and Scrutiny Committee in the New Year. A business case is also currently being prepared to extend the role of the CAT Officer, dependent on Cabinet approving the proposals in this report. The necessary MTFs savings in 2019/20 and 2020/21 dictate that a consultation exercise needs to be undertaken as soon as possible. Were it to be delayed pending the collation of all information, for example condition survey details and costs, user clubs and organisations would have much less time to be made aware of the likely situation and respond to it, for example by choosing to pursue CAT. The issue of potential use of schools provision is also a valid one and was already being considered in parallel to the proposed consultation exercise. It is likely however that even if additional community access to school facilities could be successfully negotiated with individual schools, it would only be a partial solution to the issues that have been outlined. It is not a solution that, due to local management of schools, the Council can ensure happens and therefore is not a credible strategy on its own to address the financial imperative. However, it potentially will be part of the Council's future strategy for outdoor sports provision and we would anticipate that part of the consultation response might be with regard to this matter.

4.7 Subject to the approval of Cabinet it is proposed that a consultation exercise is carried out on these matters, with then a further report brought back to both the relevant Overview and Scrutiny Committee and Cabinet in the first half of 2019 to consider the consultation response and any specific proposals with regard to future charging for and management of the Council's playing fields, outdoor sports facilities and parks pavilions. In the meantime all relevant clubs, user groups and Town and Community Councils will be written to setting out the Council's proposal and drawing attention to the consultation exercise.

5. Effect upon Policy Framework & Procedure Rules

5.1 None

6. Equality Impact Assessment

6.1 An Equalities Impact Assessment (EIA) has not been carried out at this stage but it is recognised that a full EIA will be required to be completed prior to any final decision by Cabinet on changes to the charging for and the management of sports facilities, informed by the proposed consultation exercise.

7. Wellbeing of Future Generations (Wales) Act 2015 Implications

7.1 Similarly the proposed consultation exercise will inform the Council's views on the impact of changes to the way it provides and charges for outdoor sports facilities on future generations.

8. Financial Implications

8.1 The 2018/19 net budget for Parks and Playing Fields is £359,380, broken down into an expenditure budget of £452,460 and hire income of £93,080. However, charges

for these facilities also form part of the wider Authority grounds maintenance budget of £1.6 million. In addition there is a separate budget for children's play areas of £116,690.

- 8.2 There are Medium Term Financial Strategy (MTFS) proposals relating to this area of service of £150,000 in 2019/20 and a further £350,000 in 2020/21. This is in addition to other historic financial cutbacks to the area of service over recent years that have reduced levels of service in some cases and overall resilience across the service.
- 8.3 The proposals are intended to ensure that the proposed MTFS savings can be met by securing additional income from users paying the increased charges and/or more significantly by encouraging the transfer of facilities and reducing the overall maintenance and management costs to the Council.
- 8.4 In order to achieve the full level of saving currently proposed in the Medium Term Financial Strategy it will also be necessary to review and consider a rationalisation of children's play areas throughout the County Borough and the current grant arrangements paid to bowls clubs as part of their self-management arrangements.

9. Recommendation

- 9.1 That Cabinet approve that a consultation exercise is undertaken on proposals to make the Council's provision of playing fields, outdoor sports pitches and parks pavilions more financially sustainable moving forward.
- 9.2 That a further report setting out the results of that consultation exercise and any proposals to change the way in which the Council charges for and manages its playing fields, outdoor sports pitches and parks pavilions will be brought to both the relevant overview and scrutiny committee and Cabinet in due course.
- 9.3 That if Cabinet are minded to approve recommendations 9.1 and 9.2, that Cabinet note that a business case will be made for additional funding from the Change Management Fund for the Section 151 Officer to consider and Corporate Management Board to approve, to extend the current contract of the Community Asset Transfer Officer to ensure that adequate resource is available to respond to demand from sports clubs and other organisations to requests for Community Asset Transfer.

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Background Papers:
OVSC1 Report 5th September 2018