

Overview & Scrutiny Committee

Monday 19 January 2015
7.00 pm
160 Tooley Street, London SE1 2QH

Supplemental Agenda No. 2

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Date: 16 January 2015

Item No.	Classification: Open	Date: 27 January 2015	Meeting Name: Cabinet
Report title:		Free swim and gym implementation	
Wards or groups affected		All	
Cabinet Member:		Cllr Barrie Hargrove, Cabinet Member for Public Health Parks and Leisure	

FOREWORD – COUNCILLOR BARRIE HARGROVE, CABINET MEMBER FOR PUBLIC HEALTH, PARKS AND LEISURE

Our commitment to helping the people of our borough to live happier, healthier, more fulfilling lives is at the heart of what we do, all set out in our Fairer Future promises. The provision of free swim and gym access for Southwark residents is an important practical development in our work to deliver these promises and builds on the provision of free healthy school meals and a free piece of fruit at break times for our school children.

Over the last several years, the Council has invested more than £50 million to improve our leisure centres. This includes a new state of the art centre at Elephant and Castle, due to open this year, bringing the Southwark Park Athletics Track back into use later this year and upgrades to all of the other centres. There are also plans to provide another new leisure centre in Canada Water as part of the wider regeneration of the north of the borough.

This investment has seen a huge increase in the number of people using our centres with almost 1.4 million visits last year compared to fewer than 900,000 in 2009/10. We have also seen a significant increase in physical activity levels by our local population. The percentage of residents participating in at least four sessions of at least 30 minutes of moderate intensity physical activity in any 28 day period, as measured by Sport England's Active People Survey, rose from 33.9% in 2009/10 to 38% in 2013/14. Southwark is one of only 5 London boroughs to be showing an increase since the survey began in 2005.

We have good, accessible facilities and many people want to use them, but we know that for some people cost remains a barrier for use. Implementing free swim and

gym removes that barrier, first of all for those eligible for the pilot schemes which will commence in spring 2015 and then from July 2016 for all Southwark residents.

The pilot schemes will focus on young people aged 18 and under and our regular Silver sessions for over 60's. A pilot scheme for people with disabilities will operate from the Castle. There will be a particular focus on young people because whilst there are obesity issues across all age groups, its prevalence amongst young people is particularly concerning. We are already encouraging good eating habits. We now need to help young people get active and develop the habit of regular exercise. The Silver and disability elements of the pilots will also help inform our learning ahead of introducing the general offer – to all residents – in July 2016

RECOMMENDATIONS

Recommendations for the Cabinet

1. That the Cabinet agree the proposals for the pilot offer for free swim and gym to begin in **spring 2015**.
 - **18s and under free swim** – all day Friday; afternoons from 2pm until 6pm on Saturday and Sunday
 - **16 to 18 years free gym** – all day Friday; afternoons from 2pm until 6pm on Saturday and Sunday
 - **14 to 16 years free youth gym sessions** - at selected times on Friday evenings, Saturday and Sunday afternoons
 - **Free 'Silver Sessions'** – access to the 60+ sessions all week
 - **Free access to The Castle for those with disabilities (from Summer 2015)** - all day Friday, afternoons from 2pm until close on Saturday and Sunday.
 - **Free gym and swim for referrals to key healthy lifestyle schemes (from April 2016)**
 - MEND family weight management programme
 - GP physical activity referral scheme including Kickstart
 - NHS Health Checks fitness passport scheme
2. That Cabinet approve the outline proposals for the implementation of the general free swim and gym offer from July 2016 and instruct officers to further develop the offer and report back on the firm proposals by December 2015
 - **Free Access to gym and swimming for all residents** – all day Friday; afternoons on Saturday and Sunday until close
 - **A selection of targeted offers to be developed which could include;**
 - Free 'Silver Sessions' – access to the 60+ sessions all week.
 - Free access to all centres for those with disabilities
 - Free swim and gym throughout the week for referrals to key healthy lifestyle schemes
 - MEND family weight management programme
 - GP physical activity referral scheme including Kickstart
 - NHS Health Checks fitness passport scheme

Recommendations for the Leader of the Council

3. That the leader delegates decisions on the details of the pilot scheme to the Cabinet Member for Public Health, Parks and Leisure.

BACKGROUND INFORMATION

4. The council recognises the importance of improving access to physical activity opportunities as part of the fairer future promises (promise number 2).

'We will make it easier to be healthier with free swimming and gyms for all residents and doubling the number of NHS health checks.'

5. Physical inactivity is an independent risk factor to multiple health problems including cardiovascular disease, type 2 diabetes, stroke, breast cancer, and colon cancer. Premature mortality can therefore be attributed directly to physical inactivity. The effect of physical activity on mental health is also significant with strong evidence of lower rates of depression in those who are physically active.
6. The recommended levels of physical activity are 150 minutes of moderate intensity aerobic exercise per week, equivalent to 30 minutes of activity, five times a week.
7. Known barriers to physical activity are time, self-efficacy and health status. When specifically looking at gym membership, cost and self confidence (including fear of injury, and perceived lack of skill) are the most commonly cited barriers. Research has shown women, older adults, ethnic minorities, and those with a lower educational level are the least likely to be active.
8. The leading causes of death in Southwark, along with the rest of the UK, are cardiovascular disease and cancers, with rates of cardiovascular disease specifically 10% higher than the national average.
9. The Active People Survey (commissioned by Sport England) collects data on the levels of participation in sport throughout the country. Data collected from Southwark shows that 45% of residents had not participated in any exercise or active recreation in the past 28 days. Overall 25% of residents had participated in exercise or active recreation for at least three 30 minute sessions per week, with the most active residents being white males aged 16-34yrs old.
10. Key target groups amongst the inactive population are detailed below. Inactive means those who do less than 30 minutes of physical activity per week.
11. **Low income groups** - Within Southwark a social gradient is seen, where those from the lowest socioeconomic groups have the poorest health, consistent with findings from the rest of the UK. Physical activity is no exception to this phenomenon, with the most inactive people also being amongst the poorest in the borough. Financially stretched families and older people are two dominant segments amongst the 'inactive' population.
12. **Children and young people** - Southwark currently has the highest rate of childhood obesity in the country with 44% of children in year six classed as overweight or obese. By adulthood, levels of overweight and obesity have further increased to 56% of the population. Healthy lifestyle habits formed early are more likely to continue.
13. **Older people** - Interventions that support older people to stay physically active are very

cost effective, as they lower the risk of falls and hospitalisation in later years. Exercise, such as aerobic, resistance or balance activity, is also the most effective way to ward off cognitive decline in healthy older people and to reduce the risk of developing Alzheimer's disease.

14. **People with health conditions modifiable with exercise** - Regular sustained exercise can lower the risk associated with several health conditions that are highly prevalent in the borough including cardiovascular disease, type 2 diabetes, stroke, cancer, breathlessness, depression. Lowering the risk of these conditions could help save lives over the longer term.
15. **People with disabilities** – The number of residents in Southwark registered as having a disability is nearly 39,000, 15% of the borough's population. The level of activity recorded for people with a disability is generally very low across the country. Sport England's Active People Interactive Tool reports that from information gathered in their Active People Survey version 8 (latest data) that 64% of Southwark people over the age of 16 living with a limiting illness or disability would like to do more sport. There are clear benefits for their mental and physical wellbeing through the use of all-ability facilities.
16. The Council has a £70m leisure investment program that seeks to transform the facilities across the borough, to increase participation in physical activity and sport and improve health by providing access to excellent facilities. The investment has already improved participation figures by increasing visitor numbers from nearly 900,000 in 2009/10 to almost 1.4 million visitors in 2013/14. Whilst this is a very substantial increase for some people, price is still a barrier to participation in physical activity.

KEY ISSUES FOR CONSIDERATION

17. Project development so far has centred around the following areas;
 - Background research and options formulation
 - Options appraisal
 - Development of general offer and pilot schemes

Research

18. In order to develop the proposal, research has been undertaken in relation to existing free provision by other authorities and also what the Council already provides.
19. Research has been focused on other authorities where free access schemes already exist.

Birmingham Be Active

20. All residents of Birmingham are entitled to use any of the council run leisure centre facilities for free during off-peak times (before 17.00 on a weekday and after 13.00 on a weekend). This is usually in the form of a 1 hour free gym and swim session per day, with the addition of various free exercise classes.
21. Birmingham have also continued to provide a 12 week GP exercise referral programme with patients able to take advantage of Be Active to complete this.
22. Since its launch in 2009 over 350,000 residents have registered (1 in 3 people in Birmingham). The majority (74%) were not members of their leisure centre prior to registering and users were in the main poor and from ethnic minorities.

23. Evaluation of the scheme found that there was an 89% increase in activity to moderate or very active over 3 months in those who reported being inactive before joining. Economic analysis of the scheme found it to be cost-effective as a public health intervention. Evaluation also exposed that 73% of participants felt more positive about Birmingham as a city after taking part in the scheme.

Let's Get Active Leeds

24. Based on the Birmingham model, all residents have free access to council run leisure centre facilities for 1 hour per day, with access extended to 2 hours per day in deprived areas. The scheme was launched in 2013 with a budget of £1.38 million for 18 months provision. Since the launch 29,461 people have registered, with 49% of these making at least 1 visit. At 5 month follow-up 79% of users at baseline were no longer considered inactive, with swimming found to be the most popular activity.

Existing provision

25. There are seven leisure centres across Southwark run by Fusion Lifestyle. There are broadly two types of leisure offer: membership with a monthly fee run through a card scheme, and pay as you go where people turn up and pay on the day. 78% of the members (just over 10,000) are residents. The visits per year to the seven centres increased from nearly 900,000 in 2009/10 to nearly 1.4 million in 2013/14, with attendance mostly by residents (74%).
26. One of the ways to access the leisure centres in the borough is via a casual use, pay as you play card. This is called a Leisure Access card and for an annual fee, holders of the card receive discounted rates on standard prices for a wide variety of activities. Residents of Southwark receive a considerable discount on the card (30% on standard adult card) and depending on personal circumstances some individuals might also qualify for a Concession Leisure Access card which is available at a nominal annual fee.
27. Individuals who fall into one of the following categories are entitled to this concession upon production of valid documentation and again Southwark residents receive a discounted rate compared to non-residents.
- customers with a disability
 - customers on a low income
 - young people below the age of 19
 - full time students
 - customers over the age of 60
28. The Council already provides some free access to leisure centres for Looked after Children.
29. As a result of the initial review, a range of options are identified for delivering the scheme: everyone, all day every day; the Birmingham model; time specific offers and targeted offers.
30. The current leisure contract is a key determining component as the agreement with Fusion, the Council's current leisure provider, is due to expire in 2016 and the general scheme can only be delivered through major renegotiation of the leisure management contract which may provide the Council with the ability to partially fund the scheme.
31. It is important that the scheme reaches those residents most in need by creating

sustainable opportunities to participate in physical activity for those who do not currently use the leisure centres or take part in any physical activity.

32. Current capacity of the leisure centres is an important factor. Current patterns of use show that centres have most spare capacity towards the end of the week, especially Fridays and Saturday and Sunday afternoons. See attached tables (at appendix 1) outlining capacity of the pools and gyms at the different centres. It shows the current pattern of usage across facilities at different times and days of the week, indicating times of heavy usage and spare capacity.

Options appraisal

33. The following options have been assessed. Estimated costs are also set out below. These figures are purely indicative but give a good guide to the relative costs of the different options.

- Everyone, all day, every day
- The Birmingham model – off peak, selected hourly slots
- Time limited offers
 - Free Fridays
 - Free Friday, Saturday and Sunday afternoons
 - Extended opening hours
- Targeted offers
 - Free swimming for over 60's and under 16's
 - Free GP referral and health checks schemes
 - Free access for people with disabilities
 - Free 'Silver' sessions (programmed session for 60+)

34. **Everyone, all day, every day (£8.7m)** - The most comprehensive potential option is to offer free swim and gym to all residents at all times. However, the likely cost of offering this would currently be prohibitive whilst managing demand at peak times would be difficult with potential for residents to be turned away from facilities.

35. **The Birmingham model (£1.4m)** - The case study in Birmingham is one example of how free gym and swim for all residents can be provided daily but in a manageable way. Offering 1 hour session at specific centres at times of the day, mainly at off-peak hours, this would manage capacity issues and lower cost. This model provides access 7 days a week therefore participants are able to exercise regularly for free, which is important for health benefits to be seen. But with access times potentially differing between centres this would be a complicated message to deliver.

36. The free leisure offer in Birmingham is the only universal offer which has been trialled, evaluated and proven to be effective at improving activity levels. Therefore lessons learnt in Birmingham, and potentially Leeds where there is a similar programme, have been helpful in informing possible approaches.

37. **Free Fridays (£1.4m)** - Offering free access to leisure centres one day per week is one way in which to continue to provide a universal offer but at a lower cost. Use of the gym tends to reduce in the latter part of the week, offering more capacity, but managing user surges and the possibility of turning people away from centres remains a real risk. Additionally an increase in demand would require higher staffing levels on a Friday.

38. 'Free Fridays' is a clear message and easy for people to understand. However if free

access is only provided on one day per week certain sections of the population may find it difficult to take advantage of the offer due to other commitments. In addition to this, if health benefits are to be maximised sustained regular activity needs to be encouraged.

39. Consideration also needs to be given to current leisure centre users with a monthly membership to ensure they can benefit from this offer. This could possibly be addressed by reducing the monthly membership fee, for example by 1/7, providing one day's free access.
40. **Free all day Friday, Saturday and Sunday afternoons (£2.3m)** – all day Friday, Saturday and Sunday afternoons are the quietest times in the week for leisure centres. An offer making use free at these times would use spare capacity and would also be at a lower cost than the 'everyone, all day, every day' offer. Also allowing residents to exercise for free on three days of the week has a larger potential to impact positively on the borough's health.
41. As with 'Free Fridays', residents who are leisure centre users paying for a monthly direct debit membership could possibly benefit from the scheme through reduced membership fees.
42. **Opening earlier/later (£150k)** - Opening leisure centres earlier, keeping them open later and allowing free gym and swim during these times could potentially ease capacity issues. However it is unlikely that inactive people would find the motivation to start exercising at times of the day that may require a drastic change in their daily routine. The risk of an offer like this is that it is used largely by active people who want to fit exercise around their busy daily schedule and that there would be relatively few new beneficiaries.

Targeted offers

43. Targeted offers can be used to maximise the health benefits of the free swim and gym pledge. These would target sections of the population who would receive the most health benefit from increasing their activity levels. The cost of such targeted offers would be minimal as there is already subsidised provision for some of these groups.
44. **Free swimming to over 60's and under 16's (£200k)** - Southwark has previously provided free swimming to over 60's and under 16's in 2009 as part of England's Free Swimming Initiative. Analysis has shown that the initiative increased physical activity levels throughout the country. Variations of this have been put in place elsewhere in the UK with Wales altering the concept by providing free swimming for under 16's during their school holidays, and free swimming for over 60's during school term time. Leisure centres already have experience providing free swimming to these age groups and it would be easy to communicate the offer to residents. It would also be relatively low-cost in comparison to the universal offers. However, to do both may impact on capacity, and it would therefore be helpful to test the likely take-up.
45. **Free health referrals** - Several exercise programmes have been shown to be effective in supporting inactive people with health risks or poorer health (e.g. very overweight or existing health conditions) to be active. Three of these are currently delivered by the Council,
 - MEND family weight management programme (9 weeks)
 - GP physical activity referral scheme including Kickstart (12 weeks)
 - Fitness passport via NHS Health Checks scheme (12 weeks)

46. **MEND family healthy weight programme (£25k)** (Mind, Exercise, Nutrition, Do it!) – This programme is one of the UK's most innovative and effective obesity prevention and treatment programmes for 7-14 year olds. MEND's mission is to educate, motivate and transform kids and families to change their unhealthy habits to ones that support a healthier lifestyle and to ensure sustained health for the whole family.
47. **NHS Health Checks scheme (£30k)** – The NHS Health Check is aimed at adults in England aged 40 to 74, it checks vascular or circulatory health and works out the risk of developing some of the most disabling but preventable illnesses. In Southwark the scheme refers suitable patients to additional motivational support for behaviour change and the chance to receive a free 3-month fitness passport. The Council has been trialling this free offer from Jan 2014.
48. **GP physical activity on referral scheme (£100k)** – The programme supports people over 16 years of age with specific health conditions including obesity, diabetes, cardiovascular disease and depression. It offers access to three levels of supported physical activity. Those with lower support needs are suitable for the 'Kickstart' offer including reduced rate gym membership (£20 per month). Those with medium and high support needs have a more structured timetable of gym and classes with an Exercise Referral instructor and currently pay £1.60 per session for the initial 12 weeks programme, they can visit as many sessions as they like during this time. Thereafter they are offered a reduced cost membership (£20 per month) to help sustain on going activity.
49. **Free for over 60's ('Silver' Sessions) and people with disabilities (£30k and £180k)** - This type of offer is one way to target population groups which are under represented in terms of participation and would receive some of the most significant benefits from increasing their activity levels.
50. People aged over 60 already have a discounted rate of admission through the 'Silver Sessions' programme. The annual membership to access these sessions is £1. This allows members to participate in a range of timetabled activity sessions for £1 (22 sessions per week) and to swim for 60p (9 sessions per week). Those with disabilities are able to use the gym during off peak times for £2.70 and swim for 60p. Taking into account the number of people entitled to take up this offer and the current cost of the sessions it would be one of the lower cost options. The scheme would prioritise some of the Borough's most vulnerable residents.
51. Following the research, it is recommended that a general scheme is developed that balances managing cost, capacity and meeting the fairer future promise through an offer that includes the following,
- a medium scale, time limited, general option for example, free Friday, Saturday and Sunday afternoons for everyone. The 'Everyone, all day, every day' option is not considered cost effective and is likely to cause capacity issues at peak times during the week which could possibly result in negative experiences of the centres.
 - a selection of targeted options e.g. free silver sessions and free health referrals. This element would tackle health inequalities amongst those in greatest need.
52. It is also recommended that a range of pilot schemes are delivered leading up to the introduction of the general offer in July 2016. The pilot scheme would then provide insight into the potential uptake and success of the programme. In particular, it will give information into how successful the scheme and associate marketing are in increasing activity rates, whether any capacity issues arise, and what the impact of the free element is on paid memberships and income at other times, so that the full cost of the general scheme can be more accurately predicted.

53. This approach allows for;

- The general offer to be delivered as part of the new leisure management arrangement and therefore making best use of financial resources.
- A scheme that is introduced gradually by the use of smaller pilot schemes which enable facilities to better prepare for an increase in demand from new customers.
- Targeting those with the greatest health risks early in the roll out of the scheme.
- Managing capacity to ensure that all customers have a positive experience that will encourage them to make return visits.
- Evaluating the impact of the pilot schemes in order to help shape the general offer for 2016.

Proposal for the general offer

54. It is recommended that the outline general offer below is further developed and introduced in **July 2016**. It is not possible to give firm costs now as they will be affected by the Council's leisure management arrangements which expire in June 2016 and for which detailed work is currently being undertaken.

- **Free Access to gym and swimming for all residents** – all day Friday; afternoons on Saturday and Sunday until close.
- **A selection of targeted offers to be developed which could include;**
 - Free 'Silver Sessions' – access to the 60+ sessions all week
 - Free access to all centres for those with disabilities
 - Free gym and swim for referrals to key healthy lifestyle schemes
 - MEND family weight management programme
 - GP physical activity referral scheme including Kickstart
 - NHS Health Checks fitness passport scheme

55. The suggested general offer is spread across three days to provide residents with a number of opportunities to participate in physical activity. A flexible offer increases the likelihood of making leisure centre visits part of their weekly routine.

56. The general offer takes account of where and when the centres are already busy and steers the demand for free swim and gym to the quieter times in the centres where there is spare capacity to absorb the demand for the scheme.

57. The scheme targets people who do not use the centres currently. Offering access at quieter times will ensure that initial visits are not overwhelming for new users. Industry evidence shows that peak times are Monday to Thursday evenings along with Saturday and Sunday mornings. This is also the case in Southwark.

58. The general offer suggests that, following on from the pilot schemes, that there should be a continuous focus on providing opportunities for residents most at risk. It recognises that some will need support to make important changes to their lifestyle by taking part in physical activity. The healthy lifestyle schemes provide that support which can then lead to individuals gaining the confidence to use facilities independently on a regular basis.

59. Consideration will need to be given as to how members who pay by monthly direct debit can benefit from the scheme.

Proposal for pilot schemes

60. The initial options below explore the optimum mix of schemes that may provide useful feedback and which target hard to reach groups. It is recommended that the following pilot schemes are introduced from **spring 2015** at all centres with pools and all centres with gyms.
- **18s and under free swim** – all day Friday; afternoons from 2pm until 6pm on Saturday and Sunday
 - **16 to 18 years free gym** – all day Friday; afternoons from 2pm until 6pm on Saturday and Sunday
 - **14 to 16 years free youth gym sessions** - at selected times on Friday evenings, Saturday and Sunday afternoons
 - **Free ‘Silver Sessions’** – access to the 60+ sessions all week
 - **Free access to The Castle for those with disabilities (in Summer 2015)** - all day Friday, afternoons from 2pm until close on Saturday and Sunday
 - **Free gym and swim for referrals to key healthy lifestyle schemes (In April 2016)**
 - MEND family weight management programme
 - GP physical activity referral scheme including Kickstart
 - NHS Health Checks fitness passport scheme
61. **Focusing on young people** – In order to ensure maximum take up of a target group where participation in physical activity is known to decline the initial universal offer focuses largely on young people.
62. Southwark has the highest rate of childhood obesity in the country for year 6 pupils. Results from the latest National Child Measurement Programme (2013/14) shows that 17.2% of Year 6 pupils are overweight and a further 26.4% are obese (compared with London 22.4% and England 19.1%), meaning more than 2 in every 5 Southwark children at age 10/11 are either overweight or obese.
63. The previous free swim scheme in 2009/2010 showed that a higher take up in the under 16s category when compared to the 60+ group. Re-introducing free swimming for under-16’s could help them to adopt physical activity habits permanently. This will also address the high level of drop-out of this age group..
64. It may be beneficial to also include 18 year olds and under in the youth pilot offer in order for a wider group of young people to be able to benefit from the scheme. This is also to ensure that all young people who are in education or on apprenticeship schemes can gain access due to the recent changes in the national school leaving policy.
65. The challenge of post 16 years drop -out from sport and physical activity is significant. It is a time when many young people leave formal education and lose access to structured physical activity sessions. Only 12% of 16-18 years are in full-time employment and this age group has little disposable income.
66. The pilot schemes will include opportunities for families and young people of different ages to use the pools. This will be encouraged through the provision of sessions targeted at particular younger age groups as well as more general swimming..
67. **Free ‘Silver Sessions’** - The ‘Silver’ programme may be a suitable option for the pilot. The programme is already successful in all leisure centres, is low cost and easily understood. This programme will encourage new over 60s customers to use the

centres. Research shows that some people in this age group feel more comfortable taking part in exercise with their peers. Sessions run at quieter times during the day, and are welcoming and accessible.

68. **Free access to The Castle for those with disabilities** – The Council's new state of the art leisure centre will open in summer 2015. It will be fully accessible and will be the ideal venue for this element of the pilot scheme. It will provide important learning in relation to customer service and programme requirements for the eventual roll out of the scheme to all the other centres, most of which have undergone or are in the process of accessibility improvement works as part of the Council's Borough wide leisure investment capital programme.
69. **Free swim and gym for referrals to key healthy lifestyle schemes** – It is proposed to introduce this pilot in April 2016. It will engage with hard to reach individuals with serious health risks with a structured programme lasting for a minimum of three months. This group are often not confident to participate in physical activity and price is often a further barrier. After three months participants will be encouraged to independently continue physical activity. Introduction of these schemes more than three months in advance of the general offer risks losing those who find price a barrier to participation. The launch of these schemes is timed to coincide with the general offer to maximise retention of this important group.
70. All of the pilot proposals will allow the council to research what the target groups think of the scheme and how their feedback can help shape the general offer. They will provide insight into usage patterns, uptake, costs and customer satisfaction.

Table 1. Current charges

U16 swim	Leisure Access - 60p £1.50 general admission
18 – 16yrs gym	Leisure Access - £2.70 off peak £6.30 peak £8.20 general admission
14 – 16yrs gym session	Leisure Access - £2.00 £2.60 general admission
Silver Sessions	Leisure Access - 60p swim £1.00 gym and classes £1.00 annual membership
Disability swim	Leisure Access - 60p £4.10 off peak general admission £4.40 peak general admission
Disability gym	Leisure Access - £2.70 off peak £6.30 peak £8.20 general admission

Cost and funding

71. The general scheme can only be delivered through renegotiation of the leisure management contract. This may provide the Council with the opportunity to partially fund the general scheme. The Council also has public health objectives to reduce obesity and increase activity, and it is therefore likely that some funding will come from the public health budget. The pilot offer will also reduce income, and the cost of this is being negotiated with the current provider. As a result the final details of the pilot and the timing of its introduction are being settled, and a delegation to the Cabinet Member is requested for approval of the details for spring 2015.

72. Estimated costs of all options are set out in table 2. These figures are purely indicative but give a good guide to the relative costs of the different options.
73. At this stage there is little evidence to predict people's behaviours in reaction to the offer, so it is not known what the uptake of any of the initiatives is likely to be, and how much people will move away from paid to free elements.

Table 2. Estimated costs

Option	Estimated cost per year
Everyone, all day, every day	£8.7m
The Birmingham model	£1.4m
Free Fridays	£1.4m
Free Friday all day, Saturday and Sunday afternoons	£2.3m
Free extended opening hours	£150k
Free swimming U16 and over 60's	£200k
Free health referral schemes	£155k
Free 'Silver Sessions'	£30k
Free access for people with a disability	£180k

74. The estimated cost of the pilot scheme will be £200k. A growth bid will be submitted as part of the 2015/16 budget process. Costs of the pilot scheme will be rigorously monitored each month.

Monitoring, evaluation and reporting back to Cabinet

75. The pilot schemes will be regularly monitored to evaluate uptake and cost. Officers will use this information to shape proposals for the general offer to be reported back to Cabinet in December 2015.
76. Given the scarcity of evidence for this scale of physical activity intervention, it will be of national as well as local interest to properly understand the impact of free swim and gym. Support will be obtained from independent evaluation experts to capture and share the valuable learning about the impact and the process. There has already been some discussion with external partners with regard to evaluation and these are progressing. Evaluation of the Birmingham scheme demonstrated a range of both health and non-health related benefits. It is anticipated that as a minimum, more residents will be more active more often.

Implementation of the free swim and gym offer

77. Broadly the timeframes of next stages of the project will be as set out below.
- January 2015 to spring 2015 – Planning, initiation and communication of pilot offers
 - From spring 2015 – Implementation and roll out of pilot offers
 - July 2016 onwards – Implementation of the general offer

Policy implications

78. The free swim and gym programme is the Fairer Future promise which states - '*We will make it easier to be healthier with free swimming and gyms for all residents and doubling the number of NHS health checks.*' It will also contribute to the Fairer Future promise of making the borough a place to be proud of.
79. Southwark's Health and Wellbeing strategy focuses on:

- Giving every child and young person the best start in life
- Building healthier and more resilient communities and tackling the root causes of ill health
- Improving the experience and outcomes of care for our most vulnerable residents and enabling them to live more independent lives

80. The free gym and swim offer supports this strategy by:

- encouraging 'the best start in life' - prioritising access for children and young people whose early physical activity habits are important in determining their later lifestyle choices
- endorsing 'healthier communities' - with a full offer that allows the whole community access to health promoting facilities
- 'tackling the root causes of ill-health' - with a free offer that overrides the barrier of financial inclusion which is one barrier to health
- supporting 'vulnerable residents - more independent lives' - supporting older people, and those with health conditions to access leisure services is key in helping them maintain active sociable lives

Community impact statement

81. An initial scoping exercise has been carried out in terms of the potential equalities impacts of the proposed FS&G options.
82. Based on the information in this report, there are no directly negative impacts on the specific protected characteristic equality groups or the wider community.
83. Due to the nature of the free swim and gym initiative and the involvement of partners in this process, the proposals set out in this report are likely to create only positive impacts and benefits.
84. However, whilst it is unlikely that the introduction of the pilot scheme or the subsequent roll out will have anything other than positive impacts for the community, there may be accessibility and parity issues with the timetabling of activities and the range of activities being offered. Therefore a further Equalities Analysis of the options will be carried out once this level of detail is clearer.

Resource implications

85. The estimated cost of the pilot scheme for 2015/16 is £200k. This consists of potential reduction in income; additional cleaning and marketing cost payments to Fusion Lifestyle. The actual cost will be dependent on the take up of the pilot and the impact of residents' behaviour and is, therefore, difficult to predict. A growth bid is being submitted as part of the 2015/16 budget setting process. Should the overall cost exceed the estimated £200k; this will be met from within the council's overall budget. The costs of the pilot scheme will be rigorously monitored each month.
86. The cost of implementing the proposed free swim and gym general scheme is currently estimated to be approximately £2.8m. The aim is to meet this cost through the re-tendering of the leisure contract and re prioritising public health spend. This is an initial stage estimate and therefore, the learning from the pilot scheme will facilitate an improved estimate of the costs; this will be updated in the December 2015 report.

Consultation

87. Partner consultation has been a key part of the formulation of these proposals.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

88. This report seeking approval of a free swim and gym offer pilot scheme and implementation of the same, the details of which proposal are outlined under paragraph 54. The proposed scheme is consistent with corporate policy, in particular the council's Fairer Future promises.
89. Pursuant to Part 3B of the council Constitution, the Cabinet has responsibility to formulate the council's overall policy objectives and priorities and therefore the decision to approve the report recommendations is expressly reserved to Cabinet.
90. The Public Sector Equality Duty ("PSED") imposed by the Equality Act 2010 requires the council to have due regard to the need to eliminate discrimination of those individuals and groups within the local community having a "protected characteristic" (including disability) under the Act and to advance equality of opportunity and to foster good relations between persons having a disability and those who do not. The report advises that, when undertaking an options appraisal and formulating the report recommendations officers have conducted an equality analysis in order to consider and evaluate the likely effect and impact of the proposed pilot scheme on those individuals and groups. Such an analysis assists the council to demonstrate compliance with the PSED.
91. The report also confirms that a consultation exercise has been carried out as part of the review of options and in order to inform the report recommendations. Officers should ensure that such consultation is updated on a regular basis with customers and key partners for the purpose of monitoring the effectiveness of the pilot scheme and to assist future decision making in this area.

Strategic Director of Finance and Corporate Services

92. The report seeks cabinet approval to agree the proposals for the pilot offer for free swim and gym to begin in spring 2015 and initial, outline proposals for the general free swim and gym offer from July 2016.
93. The financial implications are set out in paragraphs 86 and 87; the risks regarding the estimated costs are noted.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix 1	Leisure centre capacity table

AUDIT TRAIL

Cabinet Member	Cabinet Member for Public Health, Parks and Leisure	
Lead Officer	Deborah Collins, Strategic Director Environment and Leisure	
Report Author	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure	
Version	Final	
Dated	14 January 2015	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
	Officer Title	Comments Sought
		Comments Included
	Director of Legal Services	Yes
	Strategic Director of Finance and Corporate Services	Yes
	List other officers here	N/A
	Cabinet Member	Yes
	Date final report sent to Constitutional Team	16 January 2015

Appendix 1

General distribution of usage at Southwark leisure centres

	Mon					Tue					Wed					Thu					Fri					Sat					Sun				
	7-9	9-12	12-2	2-6	6-10	7-9	9-12	12-2	2-6	6-10	7-9	9-12	12-2	2-6	6-10	7-9	9-12	12-2	2-6	6-10	7-9	9-12	12-2	2-6	6-10	7-9	9-12	12-2	2-6	6-10	7-9	9-12	12-2	2-6	6-10
CLC	Red	Yellow	Green	Yellow	Red	Yellow	Yellow	Green	Yellow	Yellow	Yellow	Green	Yellow	Green	Yellow	Yellow	Yellow	Green	Green	Yellow	Yellow	Green	Green	Green	Green	Red	Red	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
DLC	Green	Red	Yellow	Red	Red	Green	Red	Yellow	Red	Red	Green	Red	Yellow	Red	Red	Green	Red	Yellow	Red	Red	Green	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Green	Red	Red	Yellow	Yellow
Pulse	Green	Red	Yellow	Yellow	Red	Green	Red	Yellow	Yellow	Red	Green	Red	Yellow	Yellow	Red	Green	Red	Yellow	Yellow	Yellow	Green	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Red	Yellow	Yellow	Yellow
SILC	Yellow	Green	Green	Yellow	Yellow	Yellow	Green	Green	Yellow	Yellow	Yellow	Green	Green	Green	Yellow	Yellow	Green	Green	Green	Yellow	Yellow	Green	Green	Green	Green	Red	Red	Red	Yellow	Yellow	Yellow	Green	Green	Green	Yellow
SDWC	Green	Green	Yellow	Yellow	Red	Green	Green	Yellow	Yellow	Red	Green	Yellow	Yellow	Red	Yellow	Green	Yellow	Yellow	Red	Yellow	Yellow	Green	Green	Green	Green	Yellow	Red	Red	Yellow	Yellow	Yellow	Red	Red	Yellow	Yellow

Key

Green	Less than 30% usage of the centre - lots of capacity for growth
Yellow	Approximately 50% usage of the centre - good capacity for growth
Red	Over 80% usage of the centre - limited capacity for growth
White	Centre not open

SOUTHWARK CHAMBER OF COMMERCE PROCUREMENT OF CONTRACTS FOR LOCAL BUSINESSES

Introduction

Southwark Chamber of Commerce and Industry is Southwark's largest voluntary business organisation and has recently celebrated its role of representing businesses in Southwark for over 90 years.

The Chamber has had a long concern over the issue of procurement and the processes used by large organisations in procuring goods and services. Our concern is that current procedures discriminate against firstly small business, which make up the vast majority of local businesses and tend to employ locally; and secondly potential new entrants to the market place.

Much of our concern is about the current process which place unnecessary financial burdens on smaller locally based SMEs.

Reports to the Chamber have informed the Executive that reasons given, by the Council, for not awarding contracts have been the company's balance sheet is not big enough, managers were not briefed on health and safety matters despite the company only having a smaller number of employees; insufficient management; and no suitable vehicles. In all these cases contracts were awarded to businesses based outside the borough who were not familiar with local issues.

If the Council is serious about stimulating the local economy then the Chamber believes that they must make their own, and other major project businesses in the borough, tender process fair for all businesses. We set out below the steps we feel the Council should take.

Recommendations

- 1 Local SMEs being included on council tender lists for council contracts.
- 2 The council assisting SME's in how to approach the tendering process. We attach a note regarding how Lambeth give this help.
- 3 How to ensure that SME's do not have to do a lot of expensive work to tender, only to find that they were not successful. For instance tenders could be accepted subject to appropriate accreditations being achieved.
- 4 Making tenders and contracts appropriate to enable local businesses to tender.
- 5 The Council should set targets for the amount, percentage and number of contracts awarded to local businesses.
- 6 The council could publish data on the progress made to ensuring an adequate number and percentage of contracts going to smaller and local businesses.
- 7 The council can work with Southwark Chamber of commerce in hosting events to promote the tendering process.

- 8 Ensure that a minimum percentage of local businesses are employed on larger developments, thus reducing the risk of being just 'window dressing' i.e. being seen to help local businesses without any real commitment to do so.
- 9 Designating a council officer to work in partnership with the chamber in promoting procurement and other council matters that effect local business.

As a result the 8,000 or so SME'S that form the backbone of economic production and employment within the borough can be promoted and become more focussed on local issues and employment. This can be achieved through both the procurement process and the other items on the Chamber's Manifesto for Business in Southwark. The chamber is confident that with a real business input working in partnership with the council that results can be effectively and quickly be achieved.

- 10 SME's being given a chance to compete for work on major projects in the borough. This can often be achieved by being specified as part of 106 agreements. Evidence has shown that at several business fairs where large employers have been there ostensibly looking to engage and use local services in practice local businesses are not awarded contracts

One instance of this is the rebuilding of London Bridge Station, this is very disruptive for the borough and local employers, giving something back in return would not be unreasonable. They are spending £6b on this over 4 years, whilst recognising they are working on promoting local apprenticeships, at a public meeting they were unaware of how many Southwark SME's were used, i.e. they have no policy to promote their work locally.

Conclusion

The Chamber has developed a Manifesto for Business which should aid the Council in its aim of being a more business friendly borough, helping prosperity, employment and reduce travelling. We urge the Council to support our proposals.

Southwark Chamber of Commerce and Industry



Southwark Branch

Submission to Overview and Scrutiny Committee report on Commissioning and Procurement at Southwark Council

In response to the headings in the chairs presentation to Overview and Scrutiny Committee held on the 20th October 2014.

How are procurement decisions made and scrutinised?

At present this is a mystery to Southwark UNISON. We have not participated in any procurement decisions until very recently in connection with Home Care. We know that the branch secretary of Ucatt has attempted to influence procurement decisions connected to the provision of repair services to Council Tenants. Our involvement has been limited to lobbying Council Members as to what options Council reports contain and which options they should choose. Regrettably it is our view that options for procurement in council documents bare a similarity to TV phone-ins. There is inevitably one obvious option with the others discounted by Council Officers in their recommendations.

It is noted that one Council has recently returned to a committee system of governance. UNISON believes that this is the most accountable form of decision making. The problem with individual member decisions is that it requires a great deal of determination to keep up with decisions even if in the forward plan. It isn't clear how one would publically lobby the Council over decisions made by IDM. Southwark UNISON believes that the Council should go much further in notifying the public of decisions to be made by IDM and set out more formal public consultation processes in respect of procurement and consult service users at the time of commissioning.

How much political/democratic input is there? How open and transparent is the process

It is the view of Southwark UNISON that these questions cannot be separated. In order to have democratic input it is necessary to have an open and transparent process. Too often procurement decisions recommended by Council officers are ratified in closed session as the information is deemed

commercially sensitive. It is the view of Southwark UNISON that our members employed by the Council are as equally confined by the terms of their employment contracts in respect of disclosure as the officers presenting the reports. UNISON would also be willing to give serious consideration to signing confidentiality agreements if this is necessary to enable us to see the bids and procurement information.

E.g.

- Home Care Commissioners have recently asked for a forensic study of the books of our current home care contractors in order to enable them to present the costs to the council of an in-house option. We note that the auditors commissioned to carry out this study have a track record in that they provided similar financial information that allowed the council to take decisions to bring Revenues and Benefit Services and Customer Contact Services back in house. However we have been told by Commissioning Officers this it is very unlikely that Southwark UNISON will be able to see the findings of the forensic audit as they will be commercially sensitive.

In nearly all cases a service review will be triggered which we assume looks at contractors performance and considers alternative methods of provision. This review will also consider in which way the service will be delivered. This will include technical considerations in respect of methods of payment, length of contract and partnership arrangements. It will also review policy and objectives and the nature of the service required to deliver them. In most cases the first that a trade union knows this is taking place is when a decision has been arrived at. UNISON would like members involved in delivering a service to;

- Receive notice that such a process is to commence
- Receive a timetable for the process
- Be permitted to submit a trade union concurrent to any subsequent reports received by the Council
- To be allowed access to tender documentation
- To be allowed access to bids
- Be involved in stake holder consultations about “co-production” etc.

Southwark UNISON invites the Council to enter into a procurement agreement. The provisions of such an agreement are attached as an appendix. It is recognised that in many cases Southwark UNISON would neither have the resources or the expertise to comment, for example on the purchase of energy supplies, however by early notification and access through the process Southwark UNISON members would be in a strong position to challenge assumptions made within the commissioning and procurement process, in so doing making such decisions more robust.

How do we monitor the contracts?

Southwark UNISON currently has members, with excellent professional skills, involved in the monitoring of contractor performance. However, anecdotally it would appear that our concerns about contractor performance whilst noted are not able to bring about significant improvement in performance.

E.g.

- A home care agency has three times failed inspection by the Care Quality Commission. The failure has been in the training and development of staff and the failure of the corporate centre to support its branches. UNISON has provided evidence that this company expects it's workforce to complete back to back appointments. It can only be assumed that the home care agency has a contractual requirement to satisfy the CQC?
- Ucatt has regularly reported that housing repair contractors have been "subbing out" a great deal of its work and yet this practice continues as recently reported to the press.

The cost of monitoring is a duplication of the management costs of the contractor. However because of conflicting interests it is not possible for the council to take on trust the performance information provided by the contractor. People will point to partnering arrangements where this cost is said to be curtailed – however Southwark UNISON believes this involves the Council accepting a sub standard service on the basis that the losses are not greater than the costs of independently monitoring and enforcement action.

Are the outcomes good enough?

"Good enough" is an existential question. Southwark UNISON believes the Council should develop its commissioning and procurement values so that the Council is able to say they have "the best" available. Emphasis should be placed on the core values of the contractor. The Council should not be commissioning on the basis of cost. Even in simple procurement of stationary or energy supplies it is still important to consider environmental sustainability and supply chain ethics before cost.

Are we getting value for money?

"Value" again assumes a set of values to be established within a Council procurement and commissioning charter. In arriving at the benefits of a contract the Council should be taking a holistic approach that considers not only the benefits to the service user but the benefits to the borough (and wider) as a whole. The way in which the Council commissions and procures services has an impact on the local market and may distort pricing and skills in areas that were not intended. This impact can be positive in that other suppliers will need to react and adapt – however the impact can also be negative. How this is costed will be a "head scratcher" and the Council's fiduciary duties mean that instinct and belief will not satisfy the district auditor, but the Council should be brave and set trends in commissioning and

procurement. We have seen many Tory boroughs fly in the face of sound evidence about privatisation not working and still follow ideological processes to reduce the scale of local government to its minimum. Southwark Council has an opportunity to enhance the position of local government in the local economy by ensuring “Value” isn’t just counted in “pounds shillings and pence”.

What is the impact on the workforce?

This question depends on the nature of commissioning and procurement. Southwark UNISON believes that the Council should set out a set of principles in respect of the workforce.

Historically Southwark Council has brought services in house which has had a very positive impact on the workforce and would comply with any set of principles the Council could establish.

However UNISON has serious concerns about the use of “service contracts”. When we call the Council to account for it’s expenditure on consultants, “interims” and agency staff we are conscious there is a body of people carrying out work through a service contract that aren’t recorded as any form of temporary staff. Often these workers are filling establishment posts that could be used to mitigate redundancies. It is difficult to ascertain which are establishment posts and which are supernumerary. It creates a two tier workforce within teams.

When the Council renews contracts or (heaven forbid) outsources services to the private or voluntary sector as a minimum the following should apply

- Access to the LGPS
- Trade Union recognition agreements
- London Living Wage
- Company sick pay
- Local delivery employing local people where possible
- Work creation and training programs
- Defined hour contracts without unreasonable “availability clauses”
- Free access to personal protective equipment
- Guarantees that TUPE terms and conditions will last for the term of the contract

E.g.

- The Council’s provider of leisure services has a two tier workforce, has placed people on short term and ad hoc contracts, has a poor record of training, including training in safeguarding and at times health and safety practices have been of concern to the branch.
- The Council’s provider for day centre services for adults with learning disabilities has recently cut the terms and conditions of staff and is

increasingly relying on “bank staff” (zero hour contracts) to deliver routine services. We are at this very moment trying to establish whether they intend to remunerate their bank staff for attending training.

Both of these employers enjoy charitable status. The branch recently sought information from the day centre provider as to when and where their board meetings took place. This information was refused. Recently a charitable provider was swallowed up by a larger organisation whilst maintaining its trading identity. The governance arrangements are now even more complex. The company is set up as a company limited by guarantee. They are able to change articles of association without agreement with service users, clients or members. The frequency of meetings and the involvement of service users in governance arrangements are below those that would be routine if the services were provided in house. Where Councillors do sit on charity boards there is no obvious place where a member of the public can enquire as to attendance and contribution.

Do we need a new corporate procurement strategy?

Southwark UNISON does believe that the Council should develop a new procurement strategy. This should include a commitment to delivering services in house where possible

E.g.

- We have a successful pest control service treating Council homes and providing services to a neighbouring authority yet this service does not provide pest control services for Council offices?
- We have an established team of grounds maintenance workers who look after estates and some parks yet we have a contract with Quadron for the major parks where employees are on worse terms and conditions than their Council employed colleagues.
- The best performing LGPS scheme is one which has in house investment advisers.

Other reasons for bringing services in house;

1. Contracts are in-flexible for the length of their term. In a quickly changing environment where savings have to be made the Council would have more flexibility in reshaping an in house service than trying to renegotiate a contract. In house services will allow the council to respond more quickly and simply to the integration and localities agenda for example.
2. The financial benefits of outsourcing a service are not always delivered. As mentioned above, commissioning, tendering, monitoring and enforcement action all sap resources. The Council should value the

service in house in long term ways, including economies of scale across the workforce and Council premises. The LGPS scheme would have increased members and be more sustainable.

3. In respect of Home Care Contracts the Council has had to pay additional costs to contractors to lift wages to the London Living Wage, ensure that travel time and training time is remunerated. At the same time one of the contractors has reported a quadrupling of assets within the last 4 years and the profit going to a private limited company owned by a Hedge Fund. £5,187,912 2009 to £22,187,399 2013¹. Home Care is not a service that requires many assets or investment other than in high quality trained staff and software.
4. The Council should take responsibility for it's services and reputation directly. It is an abdication to wash hands of a poor service and blame contractors.
5. The Council can be assured of service cost transparency if the service is delivered in house. Contractors will hide costs or inflate them and use confidentiality clauses to prevent the Council from knowing the true costs of providing a service,
6. An in house bid will never be a "loss leader or under bid". Large contractors frequently pump prime their services with a pitch team and many promises about investment on which they will subsequently renege. Once the contract is awarded key personnel are moved to the next bid and the quality of services suffers from the lack of resources made by under bidding. This in turn increases Council costs in monitoring and enforcement.
7. Tendering costs are high. Professional services for specifications and quantities etc, lawyers for the contract documents, advertising and officer time. The Audit Commission has estimated that a "Client" will need to set aside between 2 – 7% of the contract cost to maintain the client side during the life of a contract and more for larger more complex PPP arrangements.

Appendix One

UNISON Branch Guide to Negotiating a Procurement Agreement

<https://www.unison.org.uk/upload/sharepoint/On%20line%20Catalogue/21274.pdf>

¹ <http://companycheck.co.uk/company/03117278/LONDON-CARE-LIMITED/financial-accounts>

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		Dated: January 2015	