



OLD TRAFFORD SPORTS BARN

Needs Assessment and Delivery Options Appraisal

Stage 2 Report – Delivery Options Appraisal



A REPORT BY FMG CONSULTING LTD
SUPPORTED BY SPORT ENGLAND - APRIL 2024



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1. Introduction

Introduction

- 1.1 FMG Consulting, commissioned by Trafford Council with support from Sport England, have carried out a needs assessment and viability appraisal for the Old Trafford Sports Barn situated in Manchester.
- 1.2 The facility is a Barclays Spaces for Sport Project. The project also included contributions from the Football Foundation, Groundwork, Manchester United, Nike, Trafford Council and Trafford Community Leisure Trust.
- 1.3 As well as increasing participation, particularly amongst residents who previously did not take part in sport or physical activity, the aim was to use the facility as a catalyst for community engagement (particularly amongst young people); create training and development opportunities for young people and help with the reduction of anti-social behaviour and crime in a high-risk area.

Context

- 1.4 Trafford Council aims to provide better health, better jobs, and a greener future. To help achieve this, they've adopted a recent Strategic Outcomes Planning Model ('SOPM') for effective and sustainable physical activity opportunities.
- 1.5 The SOPM, initiated after a Council decision in October 2018 to invest significantly in leisure centres, was presented in a December 2021 report. The report outlined investment options for Altrincham, Stretford, and Sale Leisure Centres, along with updates to the Physical Activity Plan and Active Travel Plan. Governance between the Council and Trafford Leisure CIC is under review based on SOPM outcomes and new financial projections.
- 1.6 The SOPM revealed the potential for different management of the Old Trafford Sports Barn due to positive local engagement. Despite an unsuccessful attempt to transfer ownership to the community in 2022, the facility remains under the management of Trafford Leisure, a wholly owned company of Trafford Council.
- 1.7 The Council, with support from Sport England, are now seeking to understand the future need and operating model for the facility with an ambition to retain it as a key local community asset with a long term sustainable future. The facility will therefore need to be relevant to current and future needs and capable of maximising opportunities to increase use and income.
- 1.8 The support has been conducted in two stages with stage 1 (a report completed in February 2024) covering the following elements:
 - Strategic Context;
 - Local Context, including a needs assessment and identification of future opportunities for improved performance;
 - Consultation with key stakeholders; and
 - Summary and recommended delivery options for further evaluation.

Stage 1 Report

- 1.9 The stage 1 report conclusions are provided below:
- 1.10 The report identified clear strategic alignment for increasing participation and levels of physical activity, often related to supporting 'linked' agendas, such as health improvement, educational attainment, economic development, and social cohesion.
- 1.11 The Old Trafford Sports Barn is well positioned strategically to support the Council's health and wellbeing outcomes of reducing health inequalities and supporting people out of poverty, however this will require a place-based community focus working with local stakeholders more closely and linked to targeted investment for reputational enhancement.
- 1.12 The Old Trafford Sports Barn has the potential to increase its level of sport and physical activity opportunities through effective programming and local delivery that can support a wide range of agendas including health, education and skills, and economy and regeneration.
- 1.13 It is however ever more important that the development of the Old Trafford Sports Barn should not be delivered in isolation and a multi-agency approach is required to achieve the Council's and potentially wider stakeholder outcomes, addressing the wider determinants of health indicators.
- 1.14 This in turn will help people to live longer, build confidence, increase life expectancy in the area and help to reduce the amount of people suffering from disease. Encouraging people to take part in social, sport, and physical activity is a key factor in meeting local priorities and improving the overall health of Trafford.
- 1.15 The lack of funding for the building over time is evident and inevitably impacts on the ability for the site/operator to respond to local need.

Local Context

- 1.16 The consultation, and local context review, has confirmed the continued need for OTSB along with several consistent priorities which should be reflected in the future operating model and programme of use including:
- ✓ Physical and Mental Wellbeing
 - ✓ Black, Asian, and Minority Ethnic Groups
 - ✓ Poverty
 - ✓ Health Inequality
 - ✓ Children and Young People (Youth Diversionary)
 - ✓ Women and Girls
 - ✓ Unemployment (Affordability)
 - ✓ Social Inclusion, Community Safety and Cohesion.
- 1.17 These findings are consistent with priorities set out in the Corporate Plan, Health & Wellbeing Strategy and Trafford Moving, all of which include reducing health inequalities, and supporting people out of poverty.
- 1.18 From a health inequality perspective, OTSB is in one of Trafford's most deprived communities as defined by the Indices of Multiple Deprivation, Trafford North Neighbourhood profiles and the Joint Strategic Needs Assessment.
- 1.19 When compared to Trafford and UK Averages, the local neighbourhood statistics indicate a:
- ✓ high percentage of overweight and obese children

- ✓ high emergency admissions
- ✓ high all age cause mortality
- ✓ high all age cancer
- ✓ high incidence of lung cancer
- ✓ high all age and premature (under 75) cancer deaths

1.20 The Sport England Active Lives Survey data and local data from the Public Health Outcomes Framework, highlights inactivity rates that are higher in certain groups of the population these include:

- ✓ Children and Young People aged 5-16
- ✓ Women and Girls
- ✓ Older adults
- ✓ BAME Residents
- ✓ Those with disabilities and long-term conditions
- ✓ Those from low socio-economic groups

1.21 The current performance of the centre suggests a site in significant decline, requiring investment and potentially a new delivery model to help drive use and engagement. Staffing costs which are higher than 50% of total income rarely achieve a low/zero subsidy position, the sports barn now has staffing costs of over 80% as a proportion of income.

1.22 Opportunities for investment include refurbishment linked to creation of more flexible spaces in the sports hall and multipurpose room, renewal of the 3G training pitch and potential opportunity to introduce a new sport to the area in the form of Padel.

Consultation

1.23 The consultation strongly supports the continued need for a community leisure facility in Old Trafford that can use sport and physical activity to support the wider priorities that exist within the community.

1.24 The consultation also supports the Council's ambition to identify a local group whose roots are within the community to provide a sustainable solution that will reflect community priorities.

1.25 Three organisations that took part in the consultation confirmed that they were interested in operating OTSB. These were Trafford Leisure who would work with UA92 and OTSB, UA92 with Trafford Leisure and Positive Community Spaces Old Trafford in partnership with UA92.

1.26 All responders provided consistent themes in their feedback which confirmed that:

- ✓ The facility did not currently meet the needs of the community.
- ✓ The programme of use was not reflective of the community priorities.
- ✓ The facility had significant potential to support priority groups as identified above.
- ✓ The facility is in a poor state of repair and needs investment.
The need for a local management solution
Positive Community Places and Spaces Old Trafford are well respected and rooted in the community.

Recommended Operating Models for Evaluation

1.27 The stage 1 report recommended and the Council confirmed the following operating models/options be subject to further consideration and evaluation in stage 2, these are:

- 1) **Status Quo: Trafford Leisure** - This option would include maintaining the current operating model with Trafford Leisure and programme of use, with no capital investment to enable facility improvements.
- 2) **Trafford Leisure Plus** – This option would include maintaining the current operating model with Trafford Leisure but investing in the facilities and making significant improvements to the programme of use to increase the relevance and revenues generated, as well as increasing collaboration with local stakeholders.
- 3) **Community Places and Spaces Old Trafford ['PCSOT'] in partnership with UA92** – This option would include PCSOT and UA92 working in partnership to operate the facility.
- 4) **UA92 Plus** - This option would see UA92 operating the facility potentially continuing to work with Trafford Leisure in delivering a locally driven community use programme.

1.28 Regardless of the operating models identified it is important to say that there is significant opportunity identified by consultees for increased utilisation of the Sports Barn, subject to the necessary investment to enable the improvements to be made to the facility and the programme of use. To that end option 2 with the additional work undertaken by FMG as part of this paper seeks to identify targeted / phased investment in OTSB based upon the needs assessment undertaken by FMG in the stage 1 report.

1.29 There are many ways to increase use at the centre, including Trafford Youth Service who expressed an interest in utilising the facility as an outreach base for the Youth Service, UA92 who are interested in occupying the facility five days a week during term time at 'off peak' times and PCSOT who would utilise the facility throughout the week. All the groups consulted as part of the stage 1 report fully supported the increase of local community use.

1.30 Initial investment would be required under all management options considered in this paper to upgrade the sports hall, outdoor artificial pitch, and multipurpose room/activity studio.

Stage 2 Report

1.31 This report seeks to provide an independent evaluation of four potential delivery options from both a financial and non-financial perspective considering the strategic and local context and consultation with stakeholders, and covers the following elements;

- Section 2: Overview of the delivery models;
- Section 3: Objectives and Reporting - identification of key objectives for the Sports Barn in line with a place-based approach to delivery;
- Section 4: Options Evaluation against financial and non-financial criteria; and
- Section 5: Recommendations and Implementation including a suggested road map to future delivery based upon the overall findings and recommendations.

2. Overview of Delivery Models

Introduction

- 2.1 The stage 1 report identified four potential operating models for OTSB, It is important before undertaking detailed evaluation that we understand the delivery models, in the context of key characteristics, risks and comparisons.
- 2.2 For completeness we have also included in the following overview the ‘direct management’ by the Council, i.e. not through the Trafford Leisure CIC.
- 2.3 We have assumed that the organisations identified in the stage 1 report have legal structures as summarised in table 2.1 below:

Table 2.1 – Delivery Models Overview for OTSB

Organisation	Status	Delivery Model for Comparison
Trafford Council	Local Authority	‘In-House’ Direct
Trafford Leisure	Community Interest Company – Trafford Council have the only share.	‘In-House’ through Council Owned CiC
UA92	Limited Company Limited by Shares, a joint venture between Lancaster University and other individual shareholders drawn from former Manchester United Footballers, the Class of 92 and their associates.	‘Outsourced’ Private Limited Company – Community Asset Transfer
Positive Community Spaces Old Trafford	Community Benefit Society and registered charity.	‘Outsourced’ registered charity – Community Asset Transfer

- 2.4 Please note that we ruled out the evaluation of outsourcing of OTSB through an external operator, by means of a competitive procurement process, as the Stage 1 assessment and consultation did not support this approach.

In-House Direct Delivery by Trafford Council

- 2.5 This option would involve an in-house direct service delivery approach where the Council has direct responsibility for the management and operation of OTSB. Key issues relating to this options are:
- Staff employed in the day-to-day operation of OTSB are employed by the Council.
 - The Council gathers all income generated by the in-scope facilities.
 - The Council is responsible for all associated expenditure incurred in the delivery of the service.
 - The service uses the central support services of the Council.
 - The operating risks of the service lie with the Council.
 - The maintenance of the assets within the site lies with the Council.

- 2.6 The typical advantages and disadvantages of Council 'in-house' management are summarised in the table 2.2 below.

Table 2.2 – Typical Advantages and Disadvantages of Direct In-House Council Management

ADVANTAGES	DISADVANTAGES
The Council retains complete strategic and day to day control of the sites and services.	The Council retains the liability for the operational performance of the OTSB.
The service can share existing central support costs with other Council departments.	The Council retains liability for the capital maintenance costs associated with OTSB facilities and any capital funding requirements.
The Council retains the greatest level of control for the building under this option.	The Council may miss the wider professional expertise at a strategic level through a dedicated service provider and this could impact performance negatively through processes and providing greater autonomy for staff to act commercially.
	Limited access to the benefits of developing new opportunities and from economies of scale and to the wider knowledge gained by other operators for innovation and development as a result of competing agendas.

- 2.7 In summary, under this option the Council will retain all income and expenditure and control over the service. However, this solution is unlikely to benefit from significant economies of scale, or address risk transfer.
- 2.8 Importantly the in-house operating model does not enable certainties in financial planning and could leave OTSB exposed to further financial cuts given that sport and leisure is not a statutory service.

A Wholly Owned Council Company – Trafford Leisure Community Interest Company

- 2.9 This option relates to both the Status Quo and Trafford Plus delivery options evaluated later in this report.
- 2.10 The key characteristics of the operation of services by Trafford Leisure are as follows:
- The Council enters into contract and specification for the management and operation of OTSB.
 - The sites will be transferred under a lease to Trafford Leisure in return for the services and management of the site and its facilities, Trafford Leisure receive an agreed fee (or pay an agreed fee) to the Council, in the form of an annual grant/management fee.
 - The operating risks of the sites and associated facilities and services ‘theoretically’ transfer to Trafford Leisure but only in practice if Trafford Leisure has the financial resources to absorb unforeseen operational losses.
 - The Council as owners of the Company can attract VAT benefits in the same way as the local authority, on both income and expenditure, but will not usually be able to avoid NNDR costs.
 - Trafford Leisure may not have the ability to raise capital finance, so again will rely on the Council to raise capital.
 - Trafford Leisure retains existing expertise and management across the wider service which could benefit the future operation of OTSB following targeted investment.
- 2.11 Some of the advantages and disadvantages of a wholly owned company are set out in the table 2.3 below.

Table 2.3 – Typical Advantages and Disadvantages of a Wholly Owned Company

ADVANTAGES	DISADVANTAGES
The local management team are likely to understand the business, demographics, and market together with the opportunities that this provides.	The Council potentially loses direct control of the site and facilities and uses the contract and lease as a control mechanism (less so as it owns the company).
Potential for increased community and staff involvement in the management of the site and services.	Capital finance can be more expensive than that provided by the public sector although investments may be financed from borrowing by the Council (subject to State Aid advice).
Directors are likely to be senior officers of the council depending upon scale, (can also be external Non-Executive Directors who will bring external expertise to the table)	Trafford Leisure may not be able to demonstrate track record of expertise to potential customers and investors.
Benefits of having a single-issue focus for the management team.	May have difficulty in identifying Directors of suitable expertise with capacity.
Can access VAT benefits and could access NNDR benefits if structured through local trust model and charitable status.	
Potential benefits from additional external funding opportunities.	

- 2.12 The Council is the single shareholder of Trafford Leisure CIC and retains control and can provide a more commercial focus for the company.
- 2.13 The Council control the shares in the company and exercise effective day-to-day control over its affairs; in other words, the same as the relationship between the Council and one of its internal directorates.
- 2.14 The company must be “inwardly and not outwardly focused”. The directive requires that at least 80% of its turnover must be for its public-sector owners.

Community Asset Transfer - Outsourced to a New External Operator(s)

- 2.15 This option selects a suitable partner usually following an expression of interest and defined process with the best bidder being selected to operate the facility.
- 2.16 This approach was previously considered by the Council in response to continued reductions in budget levels and has been regularly used by local authorities in recent years to mixed success.
- 2.17 This is particularly relevant to smaller community facilities such as community centres and small sports centres, transfers are not typically used or appropriate for larger leisure service portfolios due to their complexity.
- 2.18 The main difference between this and other delivery approaches is that there may not be a full services specification although there may be a service level agreement or even a funding agreement.
- 2.19 Asset transfers are subject to the provisions in the Local Government Act 1972 which requires that local authorities do not dispose of land “for a consideration less than the best that can reasonably be obtained”.
- 2.20 There are a number of different asset transfers and set out below are the main ones used in the sector:
 - Community Asset Transfers
 - Long-term leases with restrictions
 - Long-term leases without restrictions.

Community Asset Transfers (CAT)

- 2.21 These involve a shift in the long-term management and/or ownership of land or buildings from local authorities to groups and organisations such as trusts, social enterprises, voluntary groups, sports clubs, national governing bodies etc. However, it could also be an asset transfer to another public body, such as a town or parish council or to a school (in the scenario of dual use facilities particularly).

Long-term leases with restrictions

- 2.22 In response to diminishing budgets in recent years, some local authorities are also taking a more fundamental approach to asset transfers whereby sites are transferred via a long-term lease to external organisations. This is more likely to occur on an individual facility basis. The leases can either contain restrictive covenants so that the use of the land is reserved for physical activity, sport and wellbeing purposes or come without any restrictions and allow disposal of the site for a commercial value.
- 2.23 The key features of community asset transfers (the option which Trafford Leisure have pursued) are:

- The operator partner or community group will have a long-term lease and the delivery is purely a property transaction and not a management contract.
- Trafford Council will not be able to install a sophisticated services specification associated with a management contract and as such has limited influence over the service, programming and overall outcomes delivered by OTSB in the long-term lease.
- The assets normally run at a revenue surplus or breakeven, and the local authority does not subsidise them.
- The local authority will have less control over the assets and be unable to use the land they occupy for other purposes for the duration of the lease.
- The operating risks of the services lie with the leaseholder although in some cases the local authority may have certain landlord responsibilities, particularly with community asset transfers where the community group have limited resources.

Table 3.3 – Typical Advantages and Disadvantages of Community Asset Transfers

ADVANTAGES	DISADVANTAGES
A local operator / group are more likely to optimise opportunities for social outcomes against income generation and economies of scale.	The Council does not have direct control over the sites and manages through a long lease.
The Council is likely to be able to transfer considerable operational risk over to the operator.	Operator may prioritise commercial rather than social objectives e.g. profit (unless stipulated in the lease to some extent).
Access to capital finance to provide investment into facilities and services is likely to come from grant applications although some organisations may have working capital such as UA92.	Potential loss of community focus (unless stipulated in the lease to some extent).
The Council has greater certainty of cost in relation to the on-going revenue subsidy or surpluses made.	Staff are usually transferred to the operator under TUPE, although pension benefits may be comparable only.
Potential benefits from additional external funding opportunities (if utilising NPDO / charitable structure or private sector investment).	

- 2.24 Typical lease agreements are for a minimum of 15 years with many up to 30 years to enable the operator to apply for external grants and to deliver their development plans for the facility over the longer term.

Key Risks

- 2.25 This section provides an overview of the key risks that impact on the different management options in the context of the Council.

Balancing Risk with Value for Money

- 2.26 In general terms, from the Council's perspective, each management option may have a different level of risk and consequently will have a potential cost to the Council and the operating vehicle. The principles of risk management are generally that risks should be allocated to the party best able to manage the risk.
- 2.27 This approach provides improved value for money, as the operating vehicle does not need to include any contingency or additional provisions within the annual management fee / grant for risks that they cannot fully manage, and it ensures that the Council is not paying the operating vehicle for a risk that it is best able to manage itself (e.g., the building structures).
- 2.28 We have already provided details of the characteristics associated with each of the management options for OTSB, which include elements of risk, however this part of the section seeks to provide further detail of the headline risks and who is best able to manage these.

Balancing Risk with Service Quality

- 2.29 Service quality is a measure of how well a delivered service matches a customer's expectation. The main reason to focus on quality is to meet customer needs while remaining economically competitive. Satisfying customer needs is very important for a business to survive, particularly where a business is reliant upon income from users.
- 2.30 On that basis, operators need to find a balance between meeting customer expectations within the financial constraints imposed upon them from the cost of providing the service and managing the risk.
- 2.31 The outsourced management through community asset transfer will face the issue of balancing service quality with cost. Without this fine balance, most of these operating businesses would not survive.
- 2.32 Service quality and risk are however directly linked. By managing the risk through maintaining buildings, replacing equipment at the end of its economic life, focussing on the operating costs that are important to delivering income and providing services that meet the needs of customers, a quality service is more likely to ensure, i.e. the Trafford Leisure Plus model.
- 2.33 In summary, all management options need to address this balance of service quality and financial competitiveness and it will be the option that can deliver the experience and can manage these risks the most efficiently (through direct management or from cash reserves across its business) that will provide the best value for money solution.

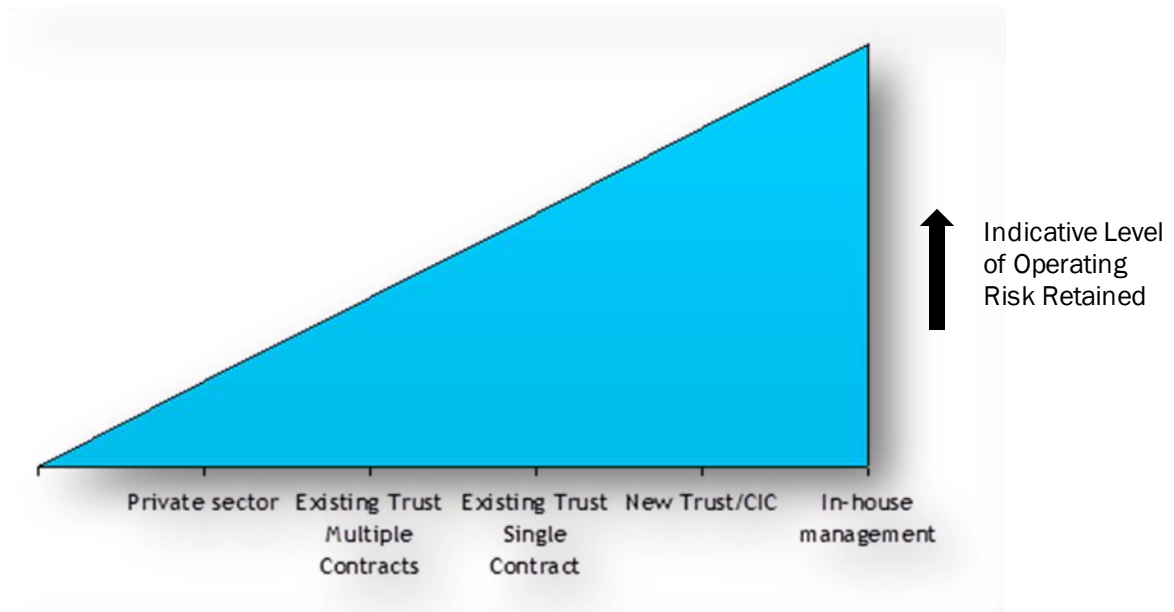
Operating Risks Income and Expenditure

- 2.34 The level of risk associated with the operation of sport and recreational facilities is down to the experience of the management and the likely liquidity of the business. The failure to use resources efficiently, managing price sensitivity and programming requirements for users, marketing and branding and price changes for services (e.g. utilities) are likely to lead to additional costs on the business.
- 2.35 One of the key drivers to determining the level of annual cost for a facility are the assumptions relating to income and expenditure. Income from users is used to offset the operating costs of the facilities but income is more sensitive to market changes as demonstrated by COVID than operating costs. The gearing effect of a reduction in income can be high when translated to a change in the annual profit / loss.

- 2.36 The key drivers in the management of income levels require expertise and experience and include:
- marketing and branding;
 - reaction to changes in the market;
 - opportunities to recognise new ideas (market knowledge and innovation); and
 - ability to implement changes to the business model.

2.37 Figure 2.5 below provides an overview of the operating risk across the different management options.

Figure 2.5 - Indicative Assessment of Operational Risk to the Council Under Each Option



2.38 Figure 2.5 demonstrates the relationship between control and risk with the Community asset transfer able to remove operating risk to the Council albeit with greater control and vice versa for the Council delivered service.

2.39 In general, large private sector operators / Councils are more likely to have the resources to manage and sustain any short-term losses arising from operating risks occurring. A new company (e.g. Positive Spaces Old Trafford) may not have the commercial experience or financial reserves to manage short term losses.

Buildings and Plant

2.40 Under management contracts it is likely that the maintenance and responsibility for the structure and foundations of the assets remains with the Council (for example roof / walls / foundations / underground services), unless a longer-term asset transfer is pursued. It is unlikely that an operator (under any of the options) would wish to take the risk on the assets without a full structural survey and a condition survey, and even then, it is unlikely that they will take all the risk.

2.41 Although the probability of the risk of structural failure occurring in some cases may be low, were the risk to occur, this may result in a substantial liability which the operator would not be able to sustain. On that basis, and in common with most management-only contracts, this risk would remain with the Council.

- 2.42 Experience suggests that although operators will not take the structure of the buildings as a risk (without including financial risk premiums in the price), agreements on the plant and building fabric may be taken, with caps on liabilities etc. with the operator. This allows the operator to include in their price an amount to cover the capped liability of the risk if it were to occur and allows some level of coordination or repairs and maintenance by the on-site team.
- 2.43 An asset transfer will theoretically transfer responsibility for the assets away from the Council together with the risks associated with them. However, as noted previously, the organisation will need to have the resources to manage these risks and may have to revert to the Council for support and / or surrender the assets in the worst-case scenario.

Section 2. Delivery Options - What does this mean for Trafford Council?

We have considered the delivery options recommended in the stage 1 report including 'in-house' community asset transfer and wholly owned company.

Income Risk

One of the key drivers to determining the level of annual cost for a facility is the assumptions relating to income and expenditure. Income from users is used to offset the operating costs of the facilities but income is more sensitive to market changes than operating costs. The gearing effect of a reduction in income can be high when translated to a change (%) to the annual profit / loss.

Operational Expertise and Performance

The level of risk associated with the operation of sport and recreational facilities is down to the experience of the management and the likely liquidity of the business. The failure to use resources efficiently, managing price sensitivity and programming requirements for users, marketing and branding and price changes for services (e.g., utilities) are likely to lead to additional costs on the business.

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- 2.44 The next section sets out suggested objectives and a future reporting framework for OTSB.

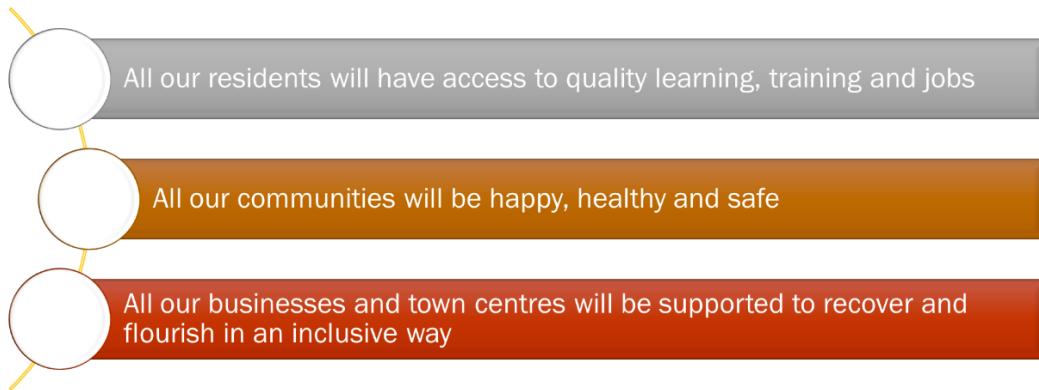
3. Objectives and Reporting

Introduction

- 3.1 In this section we consider the key strategic priorities and local delivery objectives for the future operation of Old Trafford Sports Barn, and suggested reporting mechanism.
- 3.2 The previous/current measurement of performance could be developed as part of the successful future delivery for the facility irrespective of the future operating model and should be integral to a future operating agreement, lease, and/or licence to operate.

Strategic Priorities

- 3.3 The following strategic priorities are in line with the Council's vision '*where all residents, businesses and communities prosper*'.
- 3.4 Working in partnership the Council's outcomes in delivering the vision are:



- 3.5 To achieve the three outcomes the Council is committed to three key priorities up to 2024, which are:
 - 1. Reducing health inequalities;
 - 2. Supporting people out of poverty; and
 - 3. Addressing our climate crisis.

Old Trafford Sports Barn Local Delivery Objectives

- 3.6 To help the Council reach its outcomes and priorities, the specific objectives for OTSB should closely match. We have suggested objectives for OTSB that they could support in Table 3.1, and we recommend the Council considers these in any new operating agreement.

Table 3.1 – Local delivery objectives for OTSB

Priority	OTSB Objective
Reducing health inequalities	<ul style="list-style-type: none"> ✓ Prevent poor health in children and promote good mental and physical health. ✓ Ensure more people are in good health for longer. ✓ Work with local partners to improve how services are delivered, and to help reduce health inequalities. ✓ Provide effective and sustainable physical activity and sport opportunities for our communities.
Supporting people out of poverty	<ul style="list-style-type: none"> ✓ Give people skills and opportunities to enable them to get out of poverty.
Addressing our climate crisis	<ul style="list-style-type: none"> ✓ Reduce our carbon footprint and increase the amount we re-use, repurpose and recycle. ✓ Promote and increase environmentally friendly travel, such as walking and cycling. ✓ Put in place the measures in the GM Clean Air Plan and develop our leisure offer, parks and green spaces. ✓ Promote sustainable, healthy and lower-carbon diets, such as locally grown and seasonal food.

Place Based Approach

- 3.7 As well as alignment to local policy it is essential for any new operating model at OTSB to recognise the importance of creating conditions at a local level that can help people to be more physically active.
- 3.8 This place based approach is where current and potentially all future investment will be targeted by the Government and Sport England through its universal support mechanism.
- 3.9 This new way of working directly supports the government’s Get Active strategy, which sets ambitious targets of getting 2.5 million more adults and 1 million children active by 2030 to tackle the disparities in activity levels across society.
- 3.10 The new operating model for OTSB will therefore benefit from a range of data sources, including physical activity data from the Active Lives surveys, as well as wider social data including the index of multiple deprivation (IMD), community need and health inequalities data.
- 3.11 Essentially this can be translated to OTSB as ‘local people driving better local outcomes’.

Measurement and Review

- 3.12 To support a better understanding of place and achievement of the future operating model of OTSB, performance framework as shown in figure 3.2 below and reporting measures which are suggested in table 3.3 below.
- 3.13 These fall into seven areas as shown in the infographic below, these are closely aligned to the Council's vision and outcomes as well as to national policy context.

Figure 3.2 – Performance Framework for Better Place Based Understanding at OTSB



- 3.14 We recommend that these seven strategic outcomes are reviewed each year as part of future Council/Operators strategic governance meetings.

No	Table 3.3 - Reporting Measure Description	Primary Performance Measure
1	Establishing and running a local advisory group with residents and user representatives.	<ul style="list-style-type: none"> Evidence through case studies of how this group is supporting the objective to maintain consistent and constant dialogue with local people and service users.
2	Increasing involvement in sports and physical activities, including collaborative efforts through the Active Community Partnership.	<ul style="list-style-type: none"> Total number of visits with activity breakdowns. Total number of 'unique' participants with specific breakdowns including children, older people, and target demographics. Total number of people undertaking free/discounted sessions/programmes. Customer postcode mapping. Number of participants who completed the programmes.
3	Enhancing health and well-being outcomes by boosting activity levels among underrepresented and target groups, such as disabled individuals and specific local communities with low physical activity.	<ul style="list-style-type: none"> Number of people with disabilities and long-term conditions contracted and participated in activity. People with disabilities & long-term conditions.
4	Generating broader social benefits through improved partnerships, collaboration, and positive engagement with partners.	<ul style="list-style-type: none"> Total social value generated in the last 12 months including value per member, case of non-communicative diseases prevented, and health savings generated. Total economic value including employment, GVA, and local operational revenue expenditure. New skills and training provided to paid staff and volunteers.
5	Providing customer led services and service innovation that not only meet service standards but also surpass customer expectations.	<ul style="list-style-type: none"> Net promoter % scores compared to benchmark.
6	Ensuring financially sustainable facilities are delivered	<ul style="list-style-type: none"> Reporting of income and expenditure versus business plan. Level of External Funding achieved. Capital investment in OTSB.
7	Ensuring environmentally sustainable facilities are delivered	<ul style="list-style-type: none"> Delivery of Planned Maintenance and reporting of utility usage & trends. Carbon Use (CO2 Tonnes) and contribution to the Council's Climate Change Strategy.

4. Options Evaluation

Introduction

- 4.1 In this section we provide an overall evaluation of the selected management options brought forward from the stage 1 report against financial and non-financial evaluation criteria agreed with the Council based on the main drivers identified for this study.
- 4.2 Before starting any evaluation of management options, it's crucial to understand why evaluating these options is important.
- 4.3 The infographic shown in 4.1 below summarises the key reasons why this process helps establish a clearer understanding.

Infographic 4.1 – Drivers for leisure management options appraisals



- 4.4 This evaluation process helps inform the overall recommendations later in section 5 of our report.
- 4.5 Based upon the stage 1 report the options we have tested in agreement with the Council are colour coded throughout the remainder of this section and are:

1. **Trafford Leisure Status Quo** – This option would include maintaining the current operating model with Trafford Leisure and programme of use, with no capital investment to enable facility improvements
2. **Trafford Leisure Plus** – This option would include maintaining the current operating model with Trafford Leisure with targeted investment in the facilities and making significant improvements to the programme of use to increase the relevance and revenues generated, in partnership with UA92.
3. **Community Places and Spaces Old Trafford in partnership with UA92** – This option would include PCSOT in partnership with UA92 to operate the Sports Barn.
4. **UA92 in partnership with Trafford Leisure** - This option would include UA92 operating the Sports Barn in partnership with Trafford Leisure who would continue to offer a community programme.

- 4.6 Option 2 - The 'Trafford Leisure plus' model was developed and assessed based on the needs assessment conducted by FMG, which created the 'Plus' operating revenue model described in this paper. While the findings of this paper specifically relate to the 'Trafford Leisure plus' model, they could also be partially applicable to other investment and sustainability options. These findings are grounded in the evidence presented in the stage 1 report. For clarity, the 'Plus' model is detailed in Appendix A and Appendix A1 of this report.
- 4.7 Irrespective of the operating models considered in this section significant interest has been demonstrated from the various consultees for increased utilisation, subject to the necessary investment to enable the improvements to be made to the facility and the programme of use for the benefit of local people.
- 4.8 Most notably Trafford Youth Service expressed an interest in utilising the facility as an outreach base for the Youth Service, UA92 are interested in occupying the facility five days a week term time during off peak hours and PCSOT are interested in developing a full community programme.
- 4.9 The work to date articulated why 'status quo' is not an option as it is likely to lead to further decline of the OTSB. To make progress, specific investments are needed in the sports hall, outdoor artificial pitch, and multipurpose room/activity studio. Additionally, the future operating model will need to address the essential aspects outlined in the condition survey at the very least.
- 4.10 Ultimately, these improvements will make the facility more flexible, enabling a wider range of dynamic programmes for community groups, local users, and partners as shown earlier in infographic 4.1.

Evaluation criteria and process

- 4.11 Following consultation with the Council the evaluation is based across ten criteria split between financial and non-financial with specific weightings for each criteria as summarised in Table 4.1 below.

Table 4.1 – Delivery Option Evaluation Matrix and Criteria

Item	Type	Criteria	Description	Weighting
1	Financial	Annual Subsidy	What is the likelihood of achieving a zero-cost revenue position for the Council moving forwards?	10.0%

2	Financial	Capital Investment	Will the option provide capital investment to improve the facility?	10.0%
3	Financial	Financial Resilience	Is there evidence to show that the option has financial resilience in case of a downturn in performance?	10.0%
4	Financial	Transfer of Risk	Will the option provide a full transfer of risk?	5.0%
5	Financial	Implementation Costs	What are the financial implications associated with changing the Management Option?	5.0%
6	Non-Financial	Opportunity for Partner & Community Involvement	Will the option provide the optimum opportunity for community engagement in the use of the facility?	30.0%
7	Non-Financial	Control and Influence	Will the Option provide a Governance structure that allows for local community involvement?	10.0%
8	Non-Financial	Impact on Staff	Will the Management Option protect staff terms and conditions?	5.0%
9	Non-Financial	Innovation	Is the option innovative in approach, is it well positioned to actively seek out and deliver new products and services	10.0%
10	Non-Financial	Strategic Outcomes Delivery	Will the option contribute to the Council's strategic outcomes?	5.0%
				100%

4.12 Each option has then been assessed and been given a RAW score out of 5 for each criteria, with five being the highest/best outcome and zero the lowest/worst outcome.

4.13 The rationale is provided in the table 4.2 below.

Table 4.2 – RAW Score Rationale

Raw Score Rationale	
Score	Rationale
0	Is a disbenefit, for example, high cost
1	A poor outcome and would not be satisfactory performance, E.G. poor quality of service
2	Lower than average performance
3	Would deliver an average outcome when looking at the potential opportunities
4	Higher than average performance, for example, higher risk transfer
5	Provides significant benefits and best outcome

4.14 Details of the raw scores is set out in the table 4.3 below and the detailed commentary supporting each of the scores is attached in **Appendix B** to this report.

Table 4.3 – Summary of the Raw Scores

Item	Type	Criteria	Trafford Leisure Status Quo	Trafford Leisure Plus	PCSOT and UA92	UA92 and TL	Max Raw Score
Raw Scores							
1	Financial	Annual Subsidy	2	3	4	3	5
2	Financial	Capital Investment	1	3	3	5	5
3	Financial	Financial Resilience	1	3	4	5	5
4	Financial	Transfer of Risk	2	2	5	5	5
5	Financial	Implementation Costs	5	5	4	4	5
6	Non Financial	Opportunity for Partner & Community Involvement	2	3	4	2	5
7	Non Financial	Control and Influence	3	4	5	2	5
8	Non Financial	Impact on Staff	5	5	3	3	5
9	Non Financial	Innovation	1	4	4	2	5
10	Non Financial	Strategic Outcomes Delivery	1	4	4	3	5
Total			23	36	40	34	50

- 4.15 The highest overall RAW score is the PCSOT and UA92 partnership with 40, unsurprisingly the Trafford Leisure status quo option scored the lowest RAW score of 23.
- 4.16 In terms of the split between financial and non-financial RAW scores UA92 Plus score the highest financial RAW score with 22, again Trafford Leisure status quo scores lowest with only 11.
- 4.17 The non-financial RAW scores have the PCSOT and UA92 option scoring highest with 20, with UA92 plus option and Trafford Leisure options scoring 12.
- 4.18 We now take these raw scores and apply the weightings allocated to each of these criteria agreed with the Council which reflect their overall strategic priorities and outcomes for OTSB.
- 4.19 The overall result of the evaluation with weightings is provided in the table 4.4 below.

Table 4.4 – Overall Scores applying the weightings

Item	Type	Criteria	Weighting	Trafford Leisure Status Quo	Trafford Leisure Plus	PCSOT and UA92	UA92 and TL
1	Financial	Annual Subsidy	10.0%	4.00	6.00	8.00	6.00
2	Financial	Capital Investment	10.0%	2.00	6.00	6.00	10.00
3	Financial	Financial Resilience	10.0%	2.00	6.00	8.00	10.00
4	Financial	Transfer of Risk	5.0%	2.00	2.00	5.00	5.00
5	Financial	Implementation Costs	5.0%	5.00	5.00	4.00	4.00
6	Non Financial	Opportunity for Partner & Community Involvement	30.0%	12.00	18.00	24.00	12.00
7	Non Financial	Control and Influence	10.0%	6.00	8.00	10.00	4.00
8	Non Financial	Impact on Staff	5.0%	5.00	5.00	3.00	3.00
9	Non Financial	Innovation	10.0%	2.00	8.00	8.00	4.00
10	Non Financial	Strategic Outcomes Delivery	5.0%	1.00	4.00	4.00	3.00
Total % Score			100%	41.00	68.00	80.00	61.00
Total		Financial		15.00	25.00	31.00	35.00
Total		Non Financial		26.00	43.00	49.00	26.00

- 4.20 As can be seen from the table 4.4 above, by applying the weightings results in a clear preferred outcome with the option of PCSOT and UA92 scoring 80%. This is followed by the Trafford Leisure Plus option with 68%, UA92 Plus with 61% and the status quo Trafford Leisure option bringing up the rear with 41%.
- 4.21 It can therefore be concluded, if it was not already clear from earlier in the study, that 'status quo' is NOT an option with the PSCOT plus UA92 option being the best option for future delivery of a sustainable community led solution for the Sports Barn.
- 4.22 The full detailed matrix is provided in **Appendix B**.
- 4.23 Clearly this process provides a view on the most appropriate delivery option and these results are alongside the overall reports with recommendations that follow in section 5.

5. Recommendations and Implementation

Introduction

5.1 The stage 2 report has included:

- An overview of the delivery models;
- Identification of key objectives for OTSB irrespective of the operator in line with a place-based approach community delivery;
- Production of a high level five year business model for the Trafford Leisure Plus Option some of which can be applied to all future operating models; and
- An evaluation of the four delivery options identified in the stage 1 report against five financial and five non-financial criteria and weightings agreed with the Council.

Summary of Findings

- 5.2 The needs assessment and financial modelling support targeted investment in OTSB under the Trafford Leisure plus option and work undertaken by FMG, aligning with the Council's strategic outcomes and priorities.
- 5.3 The PCSOT and UA92, is the best overall option to deliver a long term community led financially sustainable solution for the Sports Barn, combining the excellent local community connectivity of PCSOT and the financial backing and committed involvement from UA92.
- 5.4 Status quo is not an option and would likely lead to decline for the facility.
- 5.5 The UA92 option scored highest in financial RAW score but fell short in non-financial criteria, importantly UA92 require use of the Sports Barn from September 2024 to meet increased demand.
- 5.6 The PCSOT option scored highest on the non-financial criteria and are well positioned to deliver change by connecting to the local community, however in our view, both financial and non-financial support will be required including additional business and investment planning support, as well as the establishment of a robust governance structure for the future operating partnership model.

Recommendations

5.7 Following the completion of the stage 2 report we recommend:

1. The Council acknowledge the results from both stage 1 and stage 2 reports and share the outcome with stakeholders to help shape the future delivery model for OTSB.
2. The Council develops an implementation plan with PCSOT and UA92, a draft of which is which is provided below for consideration.

3. The Council should provide additional support to aid the smooth and timely transfer of the Sports Barn to include:
 - Finalisation of the future governance and community engagement structures,
 - Additional business planning support to reconfigure plans in line with current and future funding routes, and
 - Formulation of an investment plan to allow for phased development of the site utilising the work undertaken by FMG in stages 1 and 2 reports.
4. The Council plans to complete the transfer during the 2024/25 financial year to optimize the chance of securing external funding from Sport England and other external sources. Some of this funding may be tied to exchequer contributions and could be time sensitive.

Implementation

- 5.8 The following implementation plan is provided in table 5.1 below, it is also provided in excel format in Appendix C for consideration, editing and development purposes. The plan shows that with support and a positive approach by all partners that a new operating model could be in place by January 2025 in line with potential fundings sources available in 2024/25.

