



## Over 30% savings achieved through establishment of new leisure and culture trust



### THE CHALLENGE

To make savings of up to 30 per cent while protecting frontline services and facilities in a commissioning model that would be affordable and fit for the future. Despite the tough financial challenges, the city council also wanted to improve and develop the opportunities available for local people.

Find a way for the city council to drive out the necessary magnitude of savings while protecting the level of services provision and harnessing the enthusiasm, skills and experience within an already successful Cultural Services Team.

### THE SOLUTION

Following an options appraisal it was determined that the best value solution was likely to involve a locally established 'culture trust', set up for the specific purpose of managing a wide range of facilities and services in Peterborough, including:

- ➔ **Sports and leisure**
  - all swimming pools and leisure centres, events and sports development (physical activities and health interventions).
- ➔ **Libraries and archives**
  - including 12 libraries and the archive services.
- ➔ **Theatres and arts**
  - including the Key Theatre, City Gallery and John Clare Theatre.
- ➔ **Heritage and museums**
  - Peterborough Museum.
- ➔ **Festivals and events**

An EU compliant procurement process was used to test the market to validate the finding of the options appraisal and to provide further assurance that a local culture trust would provide the best solution.

Having established the business case and dealt with procurement formalities, 'Vivacity – Peterborough Culture and Leisure' was established as a company limited by guarantee (with charitable status). In order to realise the savings potential and deliver the wide range of service benefits as soon as possible the programme was accelerated, and within six months, the transfer of all facilities, services and more than 300 employees was achieved on 1 May 2010.



Vivacity is an independent, not-for-profit organisation with charitable status. Established in 2010, we manage many of Peterborough's most popular culture and leisure facilities on behalf of Peterborough City Council including libraries and archives, sport and leisure, theatres and arts, museums, heritage and festivals. Steve Laird of V4 Services worked with the council and Vivacity from the business case to the date of transfer. With an enthusiastic, professional, highly knowledgeable approach, he provided real "hands on" support. The new partnership delivers very significant financial benefits as well as first class facilities and services.

Kevin Tighe, Vivacity, Chief Executive





## About V4 Services Limited

We have worked in partnership with over 120 UK public sector organisations including: councils, NHS, social enterprises and trading bodies providing hands-on delivery support to set up new business structures, improve the efficiency of in-house services, encourage a commercial approach and generate savings and service improvements.

## THE BENEFITS

- ➔ Above target savings – estimated at c.£500k per annum but currently projected at circa.£1.2m per annum.
- ➔ Increased utilisation and improved income generation.
- ➔ A new approach to marketing and communications with a complete rebrand and revitalisation of the services.
- ➔ A new vibrancy and single-minded focus on quality and delivering what customers want.
- ➔ Significantly reduced subsidy from the city council, and the prospect of this reducing further.
- ➔ Rapid improvement in services including a new and more market-led approach to the city's gym membership offer, and the expansion of the heritage service through the addition of Flag Fen.
- ➔ Introduction of new skills and experience from the high quality Board Members/Trustees.

- ➔ Introduction of a volunteering strategy which has now attracted over 300 active Vivacity volunteers involved in a range of activities across every area of the service.
- ➔ A "liberated and invigorated" staff and management team – actively responding to the opportunities and challenges ahead.
- ➔ Frontline services protected and developed, with a "virtuous loop" involving any surplus being re-invested into the facilities and services.
- ➔ A long-term partnership that is sustainable and capable of delivering even more innovation – and further financial and service benefits to local people.
- ➔ The city council is able to focus on long term strategic priorities – leaving the day-to-day operating responsibilities in the hands of the Vivacity team.



## V4 SERVICES' SUPPORT

- ➔ Project management, including member and officer briefings and ownership of the timeline.
- ➔ Evolution of the business case and business planning.
- ➔ Launch event and communications planning.
- ➔ Acting as an "honest broker" supporting the full range of documentation including:
  - Funding and management agreement.
  - Transfer agreement.
  - Lease agreements.
  - Service level agreements – support service functions.
  - Admissions agreement – local government pensions scheme.
  - Gain share agreement, utility risk sharing framework and funding review mechanism.
  - Services specification and performance framework.
  - Business plan.

## THE FIGURES

In its relatively short life, Vivacity has already become a high performing Trust, increasing income significantly and reducing its dependency on council subsidy.

	Q3 2010	Q3 2011
City council funding	£ 885,000	£ 832,365
Vivacity income	£ 875,993	£1,070,798
Other external income	£ 13,847	£ 33,519

### INCOME STREAMS

