

# Sports trusts as social enterprises in Britain: a major new form of sports provider

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## Introduction

Mrs Thatcher believed that commercial providers had to be more efficient than public ones; so in 1989 she instituted Compulsory Competitive Tendering of public leisure management, rather than the voluntary form that exists in Netherlands for example, reckoning that it would stimulate new providers. Yet only 8% of facility contracts were won by commerce (for reasons explained in the paper), and thereafter some companies failed. Criticism of this form of provision was that it was over-concerned with financial, 'bottom-line' outcomes, and not with quality for users (Nichols and Taylor, 1995; Collins,1997).

The advent of New Labour saw a continuing concern with efficiency but also with quality and effectiveness under the programme of Best Value, where municipalities are challenged to consider and demonstrate whether they or commercial or non-profit organisations are the best providers. Now a new version of resource transfer/outsourcing (Glover and Burton, 1997) has appeared, which now controls many more public facilities than commercial contractors. Thus governance is becoming even more plural (Pierre and Peters, 2001). These are trusts in one of two 19<sup>th</sup> century guises - companies limited by guarantee or Independent Provident Societies (Reid, 2003, Simmons,2003). With the incentive of tax reductions, over100 trusts have appeared in less that ten years, many of which are total transfers of local authority services (Table 1).

*Table 1: Facilities in the sport and leisure market*

	1997	2002	index.....
No of centres/pools	3,265	3,640	116 dry 126 pools 89
Admissions (m)	332	343 <sup>est</sup>	103
Turnover (£m actual)	810	1,007	124
(97 prices)	810	834	103
Private contractors	sites 316		
NPDOs/Trusts (54)	sites 430		
Health/Fitness clubs	2,200	2,631	120.....

adapted from Mintel , 2002

## Method

The paper will draw on two postal/email surveys by Collins (2003) and SporTA, the association of leisure trusts and case studies.

## Results/Discussion

The paper will examine issues of

- The process of transfer from local authorities
- The new relationship with the 'host' local authority
- The nature of trust governance(Reid,2003; Simmons, 2003)
- Handling problems of investment and risk.

## Conclusions

While there are many good news stories of trusts flourishing under their new-found freedom from municipal professional and political controls, with much of the new investment and income coming from new fitness suites, there are larger long-term financial problems:

1. there is insufficient money, with declining National Lottery income, to refurbish or replace the well-used and well-worn 1970s and 1980s facilities
2. in addition, the Blair government has the incredible aim of raising levels of regular/moderate sport

and physical activity by 2020 from % to Finnish levels of 70% (DCMS, 2002), without willing the money for the new facilities and extra human resources needed.

It remains to be seen whether these trusts are indeed a third way between direct provision and contracting; a test may be when a major trust goes bust!

Consequently, there could appear the paradox of the UK winning more medals with the stimulus of Lottery and Exchequer money for World Class training programmes, aided by sponsorship, while participation struggles to stay level or even declines.

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