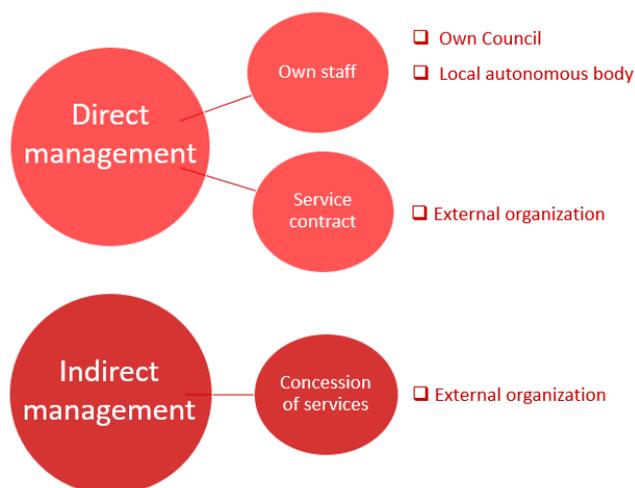


In the public sphere, the Councils have the powers to promote sport thanks to its proximity to the citizens. Municipal sports facilities are an essential means of offering a universal and accessible practice. There are several formulas for managing them, each with its advantages and disadvantages, so the choice must be made based on the study and analysis of each situation, local sports system, and goals to be achieved. This article reviews the existing management models and their evolution over the last few years.

## Management models: advantages and disadvantages

Municipal sports facilities, as a local service, can be managed directly or indirectly. With direct management, the councils directly control the provision of the service, assuming the operational risk of the activity. On the other hand, with indirect management, this risk is assumed by the adjudicators.

In this sense, the most common management models of municipal sports facilities are those shown in the following figure.



The choice of the management model is based on the assessment of different factors, so each municipality will apply what is most appropriate to it according to its context. However, care should always be taken to implement formulas that boost:

- Economic agility
- A fair and restrictive staff policy
- A strengthening of sports associations

The most characteristic features of each model are described in the following tables and the main advantages and disadvantages are analysed.

DIRECT MANAGEMENT	
All decision-making and management powers are exercised by the Council without intermediaries and exclusively. The service is usually carried out by employees of the sports service or the autonomous body. Funding comes from the budgets themselves.	
ADVANTAGES	DISADVANTAGES
<ul style="list-style-type: none"> <li>▪ Guarantee of continuity and stability</li> <li>▪ Guarantee of total control over the offer of the sports service</li> <li>▪ Guarantee of accessibility</li> <li>▪ Applicable to all types of municipalities</li> <li>▪ Direct collection of income</li> </ul>	<ul style="list-style-type: none"> <li>▪ Bureaucratic culture</li> <li>▪ Slowness of procedure and decision making</li> <li>▪ Administrative complexity</li> <li>▪ Provision of an intensive and dynamic service at work level. It will require tuning in with the Sports Service, providing staff capable of participating in the management of the service</li> <li>▪ Tax impact of VAT incurred on investment and supplier expenses</li> </ul>

INDIRECT MANAGEMENT	
Management is outsourced in its entirety to non-municipal entities. The successful bidder participates in the risk of the operation of the equipment, taking charge of the income and expenses generated during a certain number of years and based on a specification where all the relative aspects are determined to use and exploitation, and to duties and obligations.	
Advantages	Disadvantages
<ul style="list-style-type: none"> <li>▪ Reduction of the level of expenditure (especially in staff)</li> <li>▪ Ability of the operator to provide a greater degree of specialization and to stay permanently updated, incorporating new trends and innovations</li> <li>▪ Possibility of investment by a private company</li> <li>▪ Greater flexibility and agility in management and decision making</li> <li>▪ Greater facility for the incorporation of new technologies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Greater job instability</li> <li>▪ Loss of control by the Administration, with the potential risk of loss of management quality</li> <li>▪ Generation of an image of private equipment, disconnected from other municipal sports facilities</li> <li>▪ Duration of the contract must guarantee amortization of the investment by the private</li> <li>▪ Risk of insufficient self-financing and, therefore, the need for public funds.</li> </ul>

## How has the management model evolved?

The management model of municipal sports facilities has evolved according to the context of each stage. Thus, we can speak of four key stages in terms of changes in management model prevalent in recent decades:

### 1. Councils build and manage

In the 1980s, Councils allocated a large part of their budget and investment to multi-sport pavilions, used mainly for competitive sports and managed, for the most part, directly.

### 2. Councils build and a third manages

From the 1990s onwards, with the emergence of indoor sports complexes, the demand for leisure sports grew exponentially, with an audience that had not been seen before in sports facilities: families and the elderly. This greater increase in demand required a more professional service, evolving the management model towards indirect management, starting with the outsourcing of sports staff to the administrative concession of management.

### 3. Concession to construct and manage the equipment

A third moment of change is from the 2000s, when, increasingly, the companies awarded the concessions are responsible for the management, construction and / or renovation of sports facilities built on municipal land.

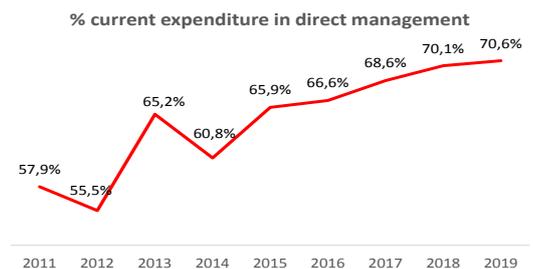
### 4. Recovery of direct management

From 2010, because of the economic crisis, concessions began to lose profitability. There are several factors that lead to situations unfavourable to concessions: loss of subscribers or customers, increased private competition, the emergence of low-cost gyms, the rise in VAT from 8% to 21% (13 points) or the increase in outdoor sports, among others.

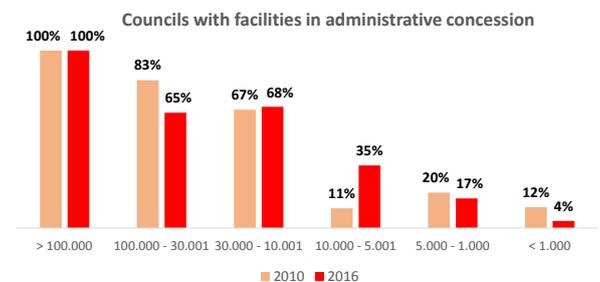
On the other hand, poor approach to the bid specifications governing has sometimes been detected and many contracting municipal bodies do not establish the appropriate control and monitoring mechanisms. This set of facts, along with others such as a high concentration of swimming pools in the same territory that reduces the potential demand for installation, or the increasingly widespread political trend to direct services and have a greater structure and professionalization of sports services, cause that, in many cases, the awarded companies can not continue to take charge of the management, and this happens to be again in the hands of the Council.

## The evolution in numbers

An indicator that shows the return to direct management in recent years is the '% current expenditure in direct management', measured in the framework of the project Cercles de Comparació Intermunicipal d'Esports (Diputació de Barcelona). This shows a clear trend towards an increase in the current expenditure of the Sports Service budget for direct management over the last 6 years. Although it is a representative figure of the province of Barcelona, the trend is extrapolable to mature local sports systems.



In this sense, the study 'Councils and Sport in the Demarcation of Barcelona' analyses the variation in six years of the city councils that have a sports facility under an administrative concession according to the size of the municipality. There is a significant decrease (18.3%) among the municipalities of 100,000-30,001 inhabitants. The same study indicates a reduction in the % of concessional indoor pools of 16.4 points from 2010 to 2016.



## Thoughts on change

This change in trend, however, depends very much on the context of the municipality and its sports system. Many municipalities that opted for an indirect management model have found that the solution became a problem, as management companies have had great difficulty in dealing with the economic balance of farms due to these factors. In this sense, a key factor for the success of indirect management is to have clear bid specifications adapted to real needs, avoiding inapplicable clauses and including appropriate control mechanisms.

