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The impact of ownership type on citizens' service engagement

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The Impact of Ownership Type on Citizens' Service Engagement

Abstract

Purpose – Traditionally some public services have been provided at a reduced cost for greater access opportunities among disadvantaged citizens, but is this the case under service externalisation? And if service accessibility is no longer prioritised by external agents in delivery, does this impact the participation of disadvantaged citizens? These are the research questions addressed by this exploratory study in the context of a public sector sport and leisure service.

Design/methodology/approach – Secondary objective data is used to capture different ownership types that coexist in service delivery, the cost of access (£) to sport and leisure opportunities provided by these ownership types, and the level of inclusion of specific citizen segments between these ownership types. Multivariate analysis of variance with a post hoc test is used to examine if significant differences exist between ownership types.

Findings – Policy-makers should not attach normative values to ownership types for perceived greater access to sport and leisure opportunities. Contrary to common assumption, private ownership reports the highest levels of inclusion across most citizen segments, including the recreationally disadvantaged, despite their pricing being significantly higher than public ownership.

Originality/value – The move to increased service externalisation and away from traditional public ownership is expected to result in certain service priorities such as social welfare being degraded in search of revenue. Yet whether an instrumental or normative driven pricing strategy is implemented, the inclusion of disadvantaged citizens does not appear to be significantly impacted.

Keywords Pricing; Social inclusion; Participation; Stakeholders; Ownership

Introduction

A central motivation for state provision of public services is to ensure access for all citizens and this is emphasised in recent UK public policy concerning citizens sport and leisure opportunities, where understanding the barriers that exist for specific groups of society to participate is considered a critical consideration in the development of provision (Sporting Future, 2015). The push by public policy to address 'participation poverty' is driven by the

potential of sport and leisure participation to benefit society by improving health and reducing crime in local communities (Sporting Future, 2015); these are social objectives that have traditionally provided the justification for the subsidy of public sport and leisure services (Robinson, 2004; Vandermeerschena and Scheerder, 2017). In the UK, the specific responsibility for the delivery of sport and leisure lies with local government (e.g., Health and Social Care Act, 2012) who spend approximately £1 billion per year on sport and leisure, such as leisure centres and swimming pools (Alonso *et al.*, 2016).

Local government service provision is best described as a mixed-ownership servicescape, where contracting out service delivery to private for-profit firms and non-profit organisations has been prevalent; reflecting the commonly held assumption that external ownership types deliver better results than traditional direct public ownership (Hodgkinson *et al.*, 2017). While the decision to outsource service delivery has typically revolved around motivations for increased efficiency and effectiveness of public services (Hodgkinson, 2013), in times of austerity and with increasing service externalisation there is an assumption that the inclusion of recreationally disadvantaged citizens is no longer a service priority (Hodgkinson and Hughes, 2012). Traditionally, some public services have been provided at a reduced cost for greater access opportunities among disadvantaged citizens, but is this the case under service externalisation? And if service accessibility is no longer prioritised by external agents in delivery, does this impact the participation of disadvantaged citizens? These are the research questions addressed by this study in the context of a public sector sport and leisure service.

Accordingly, this study examines whether price is relevant (or not) to the participation of recreationally disadvantaged citizens (cf. Smith *et al.*, 2012) across three ownership types: in-house *public*, non-profit *trust*, and *private* management contractor. The inclusion of such groups is likely contingent upon the monetary effort required to participate i.e., price of access (Nicolau, 2011) and this logic has informed European public policy initiatives that typically focus on providing financial discounts to specific segments of society (Vandermeerschena and Scheerder, 2017). Though recent studies have sought to examine the extent to which public sector sport and leisure facilities are used by recreationally disadvantaged citizens, there remains a lack of knowledge about whether under-representation is due to constraints such as facility pricing (Liu, 2009) and if indeed price and inclusion are influenced by the sport and leisure infrastructure (Hallmann *et al.*, 2012). This exploratory study addresses these knowledge voids and in doing so contributes new empirical knowledge on the impact of ownership, and more broadly publicness in the public sector,

which is of core priority to the public administration and management discipline (Andrews *et al.*, 2011)¹.

This article is structured accordingly: first, the main discourses within stakeholder management are discussed in relation to disadvantaged citizens. This is followed by a consideration of resource dependency between different ownership types and the prioritisation of specific stakeholder groups; together these insights from the reviewed literature frame the exploratory study. Next, the methods are outlined followed by the analysis and results. A discussion of the findings is presented in the context of public policy interventions, with conclusions drawn to bring the article to a close.

Stakeholder management: disadvantaged citizens

In the context of the sport and leisure participation of recreationally disadvantaged citizens, the public sector has a normative role to play in promoting the health of local communities, as well as pragmatic motivations to reduce costs and seek out savings. Local authorities, therefore, find themselves performing a variety of stakeholder roles that may run-in conflict, for example, the cost conscious management of facilities and the desire to deliver on socially inclusive policies. This is reflected in stakeholder theory that assists in highlighting groups and individuals who can affect, and are affected by, the organisation (Freeman, 1984), and also explains and guides the structure and operation of the organisation (Donaldson and Preston, 1995). Three stakeholder discourses can be discerned from the literature: descriptive (or empirical), instrumental, and normative.

First, descriptive or empirical stakeholder theory is used to describe specific organisational characteristics and behaviours, for example, the way managers think about managing, or how management think about the interests of constituencies. Essentially, the descriptive aspect of stakeholder theory reflects and explains past, present, and future states of affairs of organisations and their stakeholders; here, ‘simple description is common and desirable in the exploration of new areas and usually expands to generate explanatory and predictive propositions’ (Donaldson and Preston, 1995, p. 71). Second, instrumental stakeholder theory identifies the connections (or lack thereof) between stakeholder management and the achievement of traditional private sector organisational objectives, such

¹ It is important to stress here that the focus is on ownership types and their outcomes for service provision, which speaks directly to notions of publicness versus privateness. This study is not directly concerned with the participation and sport management literatures in which there are many studies investigating the drivers of participation among disadvantaged groups; for a detailed overview of research in this related but tangent field see for instance Downward (2007), Downward and Riordan (2007), Downward *et al.* (2014), Lera-López, and Rapún-Gárate (2005, 2007, 2011) and Taylor *et al.* (2011).

as profitability (Agle *et al.*, 1999). Therefore, instrumental studies often generate implications for the adoption of stakeholder principles, suggesting that adherence to such principles and practices achieve conventional organisational performance; but, the end result may have nothing to do with the welfare of stakeholders in general. As Berman *et al.* (1999) acknowledge ‘...the objective of managers is to maximise profits, not to advance the morally legitimate claims of stakeholders other than shareholders’ (Berman *et al.*, 1999, p. 492).

Finally, and superficially most appropriate to the public sector, a normative discourse is much more aligned to traditional public service objectives where the association between stakeholder management and conventional performance is not ‘a critical test’ (Donaldson and Preston, 1995: 72). Rather, the theory is used to interpret the purpose of the organisation, including the identification of moral or philosophical guidelines for the action and management of organisations. Essentially, an organisation establishes clear, fundamental moral principles or values that guide organisational behaviour, particularly with respect to how it treats stakeholders, using those values to drive decision-making (Berman *et al.*, 1999). This approach recognises that stakeholder interests have intrinsic worth. In other words, certain stakeholder claims are based on fundamental moral principles unrelated to instrumental value. In the context of sport and leisure this would be recreationally disadvantaged citizens.

Such groups are characterised as those who typically do not hold down rewarding or well-paying jobs, rely on local government housing for their accommodation, on public transport to get around, and state benefits to fund even the bare essentials; these groups are typically on lower incomes and/or elderly people reliant on the state and most of these individuals spend money only on the basic necessities of life (Hodgkinson and Hughes, 2012). Given a normative stakeholder orientation, a public sector sport and leisure organisation shapes its strategy around moral obligations to specific stakeholders, for example, European public policy has prioritised interventions to create ‘better’ access to facilities for low-income groups that may not be able to afford such opportunities in the private sector (Vandermeerschena and Scheerder, 2017). Here, then, the intrinsic value of stakeholder interests influence organisational decision making forming a moral foundation for strategy (Berman *et al.*, 1999).

While this normative approach is familiar to the welfare state philosophy of the past, traditional in-house public delivery by local government (i.e. public ownership), has declined steeply in favour of service externalisation to non-profit and private ownership types. Given the externalisation of delivery to agents outside of local government direct control, it is

expected that the prioritisation of stakeholders may subsequently vary; particularly with regard to those citizen segments that are being prioritised in service delivery. The focus of delivery among external ownership types, for instance, may not hold a normative motivation to meet the needs of the recreationally disadvantaged. Instead, external providers that receive significantly less government subsidy to provide sport and leisure opportunities may focus on a revenue generating capacity to satisfy shareholders (in the context of private ownership) or to simply sustain service delivery (as is often the case for non-profit ownership) (Audit Commission, 2006). Such a decline in social inclusion objectives has been observed in the context of increasing service externalisation of sport and leisure provision (Ramchandani et al., 2018). Therefore, the resource dependence of different ownership types might actually influence the pricing strategies adopted and the citizen segments targeted. This in turn could be a barrier to the participation of recreationally disadvantaged citizens. This resource-dependence between ownership types is now considered.

Resource-dependence model

Here, organisations are not viewed as self-directed and autonomous but are dependent on other actors for required resources. The level of dependence upon such actors is directly related to the significance of a resource to the organisation, the level of discretion that those who control a resource have over its allocation and use, and how far those that control a resource have a monopoly of it (Watson, 2013). However, the dependency of the organisation on its environment is not a single, undifferentiated dependency; it is a complex set of dependencies that exist between an organisation and the specific elements of its environment found in the inter-organisational network (Hatch and Cunliffe, 2012).

External constituencies are identified by Watson (2013) as key individuals, material suppliers, customers and clients, departments or divisions, owners or shareholders, trade unions, government agencies, consumer bodies, pressure groups; who at any given time will be more strategic than others by a threat of resource withdrawal. As an example, since private ownership does not receive the same financial security provided by local government as in-house public ownership, this ownership type must cover service costs using revenue generated from their service offering and, therefore, seek increased financial return by investing into facilities and increasing their value in an attempt to target higher income groups (Audit Commission, 2006). This may, therefore, reduce priority on recreationally disadvantaged citizens since the providers' resource dependency on these groups is less significant. In the case of non-profit ownership, charitable status is often awarded on the

grounds of community benefit and such facilities must improve the conditions of life for persons who ‘by reasons of their youth, age, infirmity or disablement, poverty or social and economic circumstances’ are recreationally deprived’ (MacVicar and Ogden, 2001, p. 126). In contrast to private ownership, then, the service mission of non-profit ownership should lead to a focus on access to all in their service delivery.

Watson (2013) advocates the suitability of this model for public sector organisations where the range of relevant external constituencies tends to be especially complex (e.g., Bryson, 2004; Bryson *et al.*, 2018). The model also contributes towards a way of conceptualising organisational effectiveness by pointing to the indicator of effectiveness which matters most in the circumstances of the particular organisation at a particular time (Watson, 2013). In other words, private ownership may strive for revenue generation, while in-house public ownership and non-profit ownership types are likely to prioritise the inclusion of recreationally disadvantaged groups, where the normative motivation is expected to be the strongest. But the picture is not so black and white, as even non-profit ownership has struggled with the lack of public funding driving this ownership type toward the pursuit of revenue for survival (Audit Commission, 2006). The resource dependence framework suggests that organisational effectiveness can be judged in terms of balancing the range of often conflicting coalition demands in combination with the ability to recognise and handle priorities, that is, in the sense of which constituents are currently most strategic (Watson, 2013). Thus, it is contended that this will vary depending on who is delivering sport and leisure opportunities, i.e. ownership type will influence the stakeholder groups that are prioritised in service delivery.

While stakeholder theory states that effective management can be achieved when stakeholders are taken into account in a systematic fashion (Freeman, 1984), the resource-dependence model allows the interpretation that this will likely vary depending on the external forces between ownership types, which will influence the pricing strategies adopted by different ownership types in the public sector. In turn, the actual pricing strategy adopted is expected to impact the participation of the recreational disadvantaged between different ownership types given the ‘structural constraints’ faced by disadvantaged citizens i.e., financial problems, lack of resources, and accessibility issues (Alexandris *et al.*, 2008).

Exploratory research focus

This exploratory study bridges extant research on participation by socioeconomic status and the much less studied role of service infrastructure (Hallmann *et al.*, 2012), by examining the

inclusion of recreationally disadvantaged segments between different ownership types. The focus on recreationally disadvantaged citizens is particularly pertinent since these groups do not actively participate and are at a health disadvantage to other citizen groups in society. For example, the Office for National Statistics (2006) identify those in the UK who have never worked have the highest rate of 'not good' health, six times higher than the rate for those in higher managerial and professional occupations. Consequently, increasing the sport and leisure participation of recreationally disadvantaged citizens has become a central priority of UK public policy (Sporting Future, 2015). While the built environment of sport and leisure delivery has been identified in UK public policy as central to increasing the health and wellbeing of local communities, government planning decisions appear to revolve around who should be providing these opportunities (Hodgkinson *et al.*, 2017). There are three main ownership types by which local authorities manage their service provision:

Public ownership: This management arrangement involves local authorities directly managing sport and leisure facilities. The local authority takes full responsibility for income, expenditure, pricing and programming, and is accountable for all risk involved. Consequently, in-house providers receive a considerably higher level of local authority subsidy than any other option. However, long-term strategic financial planning is often weak (Audit Commission, 2006).

Non-profit ownership: Non-profit distributing organisations (NPDOs), these may or may not have charitable status (Simmons, 2004). The development of a leisure trust involves the local authority, under the Local Government Act (1976), transferring the service and facility to a leisure trust. A leisure trust is intended to be independent of the local authority, retaining all income and incurring all expenditure. However, local authorities can exercise significant influence over the leisure trust's objectives and operations through a subsidy, in the form of a revenue grant of around 50% of operating costs or in the form of a management fee income, and secondly, by virtue of its ownership of sport and leisure facilities which are leased to the leisure trust (Simmons, 2001). The local authority usually leases premises to the leisure trust on a long-term lease, between 15 and 25 years in return for a nominal rent (Audit Commission, 2006).

Private ownership: Developed in partnership between a local authority and a management contractor, this relationship is a somewhat complex arrangement when, in exchange for a lengthy management contract, a commercial company invests in the facility that provides the service. The contractor is subsequently granted the lease of the facilities and contracts with the local authority for their management. The contractor retains all income and is generally responsible for most expenditure other than the external fabric of the buildings. According to the Audit Commission (2006), the financial performance of such facilities appears on average to be stronger than for the other management options; attributable to a superior level of customer-orientation.

Barriers to the sport and leisure participation of recreationally disadvantaged citizens are typically linked to their lack of means to participate as reflected by public policy interventions (Vandermeerschena and Scheerder, 2017). There is, then, a need to consider whether different ownership types pursue disparate pricing strategies and to see if this carries implications for the degree of inclusion among different types of ownership. Doing so can contribute new empirical evidence of the impact of outsourcing in the sector and the role of ownership specifically, with the hope of moving beyond the emotions, opinions, assumptions, and normative biases typically attached to different ownership types in practice (Anderson and Taggart, 2016).

Research methods

Research setting: UK public sport and leisure

In 1997, New Labour was elected into office heralding the end of the preceding Conservative administration's policy of Compulsory Competitive Tendering (CCT), and the birth of its replacement, the policy of Best Value (Stevens and Green, 2002). The Best Value regime removed the mandatory obligation on the part of local authorities to put the management of their services out to tender. Best Value was the key theme in New Labour's agenda for 'modernising' local government and refers to the duty to secure continuous improvement in the economy and the efficiency and effectiveness with which local authorities exercised their function (Benson and Henderson, 2005). The key managerial dynamics believed to achieve these performance improvements through Best Value were summarised as *Challenge* why and how a service is being provided; *Compare* performance with the achievement of other organisations; *Consult* with a wide range of stakeholders in the setting of new performance measures; and, *Competition* as a means of enhancing performance, by securing efficient and

effective services (Nelson and Henderson, 2005). The New Labour ideology was entrenched within Third Way politics, which essentially rejected the ‘old left’ and the ‘new right’, discovering a middle path based on a mix of the perceived strengths of both (Stevens and Green, 2002) and with the aim of strengthening civil society by, in part, addressing inadequate social participation (Coalter, 2007).

Best Value was a clear example of this ideology and had strong links to the rise of performance measurement, performance review, stakeholder involvement and corporate strategic management in the public sector (Martin, 2002). Under Best Value, services could not be delivered directly by local authorities if other more efficient and effective means were available. For public sector sport and leisure, this created a mixed-servicescape that comprises public, non-profit, and private ownership types. This study concentrates on the year 2007 as this was the final year in which the Best Value regime was fully operational and represents the height of regulatory effort to encourage service externalisation among English local governments (Alonso *et al.*, 2016). Moreover, since participation rates have remained stable over time (Ramchandani *et al.*, 2018), it is thus deemed an appropriate time point to investigate ownership effects.

Data

Secondary objective data was sourced from Leisure DB for 2007. Leisure DB is an independent leisure market intelligence company providing data, analysis and insight for strategic and tactical decision making. During 2007, this database powered Sport England’s Active Place platform and holds a 95% accuracy rate. To capture the different types of sport and leisure service providers this database contains information about the ownership type of each facility run by all the local governments in England (i.e., public, non-profit, private). Technical data within this auditing process includes the objective cost (£) of both ‘pay & play’ (one off payments to access facilities as and when required) and facility membership. In a separate audit of facilities Leisure DB also collect objective data on the participation of specific citizen segments at the facility level. The inclusion of recreationally disadvantaged citizens is calculated from the postcode distribution of facility usage compared with the postcode analysis of the population within a three-mile radius of the facility, and is expressed as a percentage ‘penetration rate’. Using Experian’s demographic classification system Mosaic, the recreationally disadvantaged are defined as:

Welfare Borderline...is comprised of many people who are struggling to achieve the material and personal rewards that are assumed to be open to all in an affluent society. Few hold down rewarding or well-paying jobs and, as a result, most rely on the council for their accommodation, on public transport to get around and on state benefits to fund even the bare essentials. The lack of stability in many family formations undermines social networks and leads to high levels of antisocial behaviour among local children.

Municipal Dependency...mostly contains families on lower incomes who live on large municipal council estates where few of the tenants have exercised their right to buy. Often isolated in the outer suburbs of large provincial cities, Municipal Dependency is characterised as much by low aspirations as by low incomes. Here people watch a lot of television and buy trusted mainstream brands from shops that focus on price rather than range or service.

Twilight Subsistence...consists of elderly people who are mostly reliant on state benefits, and live in housing designed by local authorities and housing associations. Some live in old people's homes or sheltered accommodation, while others live in small bungalows, set in small enclaves within larger council estates. Most of these people spend money only on the basic necessities of life.

Drawing on secondary citizen segment data separates this study from a large body of extant participation research that has focused only on demographic variables such as gender, age, education, and marital status (e.g., Luna-Arocas and Li-Ping Tang, 2005). Appendix A presents detail on all citizen segments that comprise the Mosaic classification, including corresponding labels and descriptors. Given the uniqueness of the social inclusion data this was not available for the entire population (unlike ownership type and cost of access) across the three ownership types and sample sizes here consisted of: public $n = 18$, non-profit $n = 19$, and private $n = 18$; a total of 55 cases.

Analysis and Results

The analysis draws on analysis of variance, which is a statistical technique for examining the means for two or more populations using a single dependent variable. Multivariate analysis of variance (MANOVA) is an extension of analysis of variance to accommodate more than one

dependent variable. The objective is the same, since multivariate analysis of variance also examines differences between groups. However, it is a dependence technique that assesses group differences across multiple dependent variables simultaneously (Hair *et al.*, 2006). In multivariate analysis of variance, the null hypothesis is that the vector of the means of multiple dependent variables is equal across groups. Although multivariate analysis of variance enables for the rejection of the null hypothesis that the groups' means are all equal, it does not identify where the significant differences lie among more than two groups (Hair *et al.*, 2010). In order to systematically examine group differences across specific pairs for one or more dependent variables, a post hoc approach—Tukey—is adopted. The results presented in Table 1 demonstrate clear differences between ownership types.

Table 1. Cost of access and inclusion between ownership types

Study Variables	Ownership type (Means [SD])			F-ratio	Tukey Test (p≤.05)
	Public	Trust	Private		
<i>Price (£)</i>					
Pay and Play	4.64 (1.07)	5.04 (1.20)	5.43 (.95)	11.11**	Public < Non-profit; Public < Private
Membership	29.31 (5.90)	32.69 (5.83)	33.38 (5.72)	13.59**	Public < Non-profit; Public < Private
<i>Recreationally Disadvantaged (%)</i>					
Welfare					
Borderline	.87 (.72)	1.50 (1.85)	1.73 (2.09)	1.28	<i>n.s.</i>
Municipal					
Dependency	.97 (.73)	1.35 (2.37)	1.38 (1.37)	.35	<i>n.s.</i>
Twilight					
Subsistence	1.07 (1.28)	2.22 (2.14)	8.42 (28.67)	1.04	<i>n.s.</i>
<i>Other Segments (%)</i>					
Symbols of					
Success	2.22 (2.18)	4.71 (5.49)	5.13 (5.80)	1.95	<i>n.s.</i>
Happy Families	2.39 (1.92)	3.89 (2.83)	8.08 (18.48)	1.36	<i>n.s.</i>
Suburban					
Comfort	2.60 (3.48)	3.45 (2.58)	4.40 (4.66)	1.10	<i>n.s.</i>
Ties of					
Community	1.76 (1.43)	3.19 (2.93)	3.73 (4.75)	1.70	<i>n.s.</i>
Urban	3.92 (11.26)	5.74 (5.53)	4.21 (6.51)	2.72	<i>n.s.</i>

Intelligence					
Blue Collar	1.63 (1.20)	2.15 (1.64)	2.40 (2.32)	.87	<i>n.s.</i>
Enterprise					
Grey Perspectives	2.22 (3.60)	2.78 (2.14)	3.02 (2.78)	.37	<i>n.s.</i>
Rural Isolation	8.59 (23.06)	8.33 (18.11)	17.22 (21.42)	1.07	<i>n.s.</i>

Notes: $^{***}p \leq 0.01$; *n.s.*: no significant differences found. Largest mean value emboldened for emphasis.

Based on the mean values, public ownership charges the lowest prices for accessing their facilities on both pay and play and membership when compared to non-profit and private ownership types. This difference is significant between public ownership and non-profit ownership, and between public ownership and private ownership, establishing a clear divergence in pricing strategies between traditional in-house public ownership and external ownership types. This suggests that if price is a barrier to participation, this would be more likely evident when facilities are outsourced to external agents. When considering the actual inclusion of recreationally disadvantaged citizens there appear to be no significant differences between the three ownership types. However, based on the mean values, public ownership achieves the lowest rate of the three groups, despite having the lowest price to entry. Though private ownership charge the highest price for pay and play across the three groups, they experience a higher rate of social inclusion among recreationally disadvantaged citizens, when compared against other ownership types. In fact, there level of inclusion is greater across all citizen segments, apart for Urban Intelligence.

Discussion

The sport and leisure of recreationally disadvantaged citizens, it is argued here, is situated within their local leisure activities. These groups are identified as existing at the ‘base of the pyramid’ (e.g., Hodgetts and Duncan, 2015) and UK public policy has historically targeted the sport and leisure activity of such groups as a key policy priority largely owing to the power of participation to transform local communities’ health, wellbeing and happiness (Sporting Future, 2015). These desirable community outcomes are weakened by participation poverty. Yet there remains a limited examination of the possible barriers that might exist to the participation of disadvantaged citizens, such as the impact of pricing strategies among the different ownership types that provide such services. Social leisure participation is suggested to improve family ties, social capital, and self-esteem among the deprived (Minnaert *et al.*, 2009), and the same holds for when participants are engaged in physical activity (Downward

et al., 2009). For recreationally disadvantaged citizens specifically, this highlights the important role of local sport and leisure opportunities which are examined here as those sport and leisure facilities within reasonable reach of public transport i.e., within a three mile radius, given the lack of means of disadvantaged citizens to travel.

Superficially at least, encouraging recreationally disadvantaged citizens to partake in local sport and leisure opportunities is likely dependent on price as a barrier or enabler to their participation (Vandermeerschena and Scheerder, 2017). This normative assumption underpinned the ‘welfare state’ ideology that promoted equal access to all in public sector provision (Hodgkinson and Hughes, 2012), but with increasing service externalisation and the presence of external agents managing and delivering traditionally in-house public sport and leisure services there has been concerns raised that this undermines the achievement of social objectives (Coalter, 1995; Liu, 2009). While income level has been shown to impact participation away from home, the effect of price of the actual activity has not been considered ‘at-home’ (Nicolau, 2011). In social research it has been argued that exclusion from participation features heavily in what it means to experience disadvantage and social marginalisation (Morgan *et al.*, 2015). Recreationally disadvantaged citizens participate less than the population as a whole (Sporting Future, 2015) and are by definition in the lower socio-economic demographic and, thus, hold low-income employment or no employment status at all. If we hold to the logic that low income status will raise the monetary effort required to participate in sport and leisure opportunities, the assumption could be made that price becomes a barrier to entry for recreationally disadvantaged citizens (Liu, 2009). However, this does not appear to be the case as private ownership carries a significantly higher price to entry relative to public ownership, yet realises the highest levels of inclusion across the three recreationally disadvantaged citizen segments examined: welfare borderline, municipal dependency and twilight subsistence.

While the use of citizen segmentation data to identify recreationally disadvantaged citizens has been criticised for confirming stereotypes (Morgan *et al.*, 2015), the findings reveal that in actual fact recreationally disadvantaged citizens do not appear to view the price of entry as a barrier to their participation; this is clearly illustrated by the findings which demonstrate that despite having the lowest cost of entry, public ownership achieve the lowest levels of inclusion of recreationally disadvantaged citizens across the three ownership types. Thus, the findings challenge the common stereotypes held within public policy intervention that the exclusion of disadvantaged citizens from sport and leisure participation stems from a lack of financial means on their part to participate (Vandermeerschena and Scheerder, 2017).

This appears not to be the case, thus, rejecting the typical stereotypes inherent in public policy discourse that disadvantaged citizens do not participate because of lack of means.

‘Price’ can be discerned into two components: the transportation cost and the prices of goods and services consumed at the destination (Seetaram *et al.*, 2016), which in this case is the public sector sport and leisure facility. This study only examines the latter since recreationally disadvantaged citizens are often dependent on public transport and will only typically travel short distances owing to their general price sensitivity and cost consciousness. In examining price from a consumption perspective, two possible routes to participation are considered: pay and play and membership. This reflects a temporal nature to the pricing of provision (one-off versus multiple possible visits) and also reflects the bundling of goods and services consumed by participants i.e., membership includes access across a range of facilities, while pay and play is typically attached to an activity. The move to increased service externalisation, and away from traditional public ownership, is expected to result in certain service priorities such as social welfare being degraded in search of revenue. This has been referred to as a shift from welfarism to entrepreneurialism (Coalter, 1995). While evidence of this is demonstrated in the pricing of service entry being significantly lower for public ownership and significantly higher for external ownership types (e.g., non-profit and private), there appears to be no negative impact on the inclusion of recreationally disadvantaged citizens. In fact, the opposite is observed in the results of the MANOVA.

Thus, the findings challenge the normative stakeholder approach used to often justify public sector service provision at subsidised prices, as greater access and inclusion of disadvantaged citizens does not appear to follow. This suggests that in the context of local government sport and leisure service delivery, the relationship between service externalisation and disadvantaged citizens is more complex than normative or instrumental stakeholder discourses would suggest. In other words, an instrumental approach to delivery is not damaging to the inclusion of recreationally disadvantaged citizens, despite these stakeholders seemingly not being prioritised in the pricing of service delivery. Rather, facilities under private ownership report the highest levels of inclusion across most citizen segments, including the recreationally disadvantaged, despite being instrumentally driven in their pricing strategy. These findings therefore challenge the validity of public policy interventions on the grounds of cost of entry to disadvantaged groups.

Conclusion

The findings of this study must be considered in light of its limitations. First, the purpose here was to conduct an exploratory investigation into the pricing behaviour of different ownership types and their degree of social inclusion for a public service. Subsequently, additional service variables that might carry implications for the inclusion of recreationally disadvantaged citizens were not included. Second, objective secondary data helps to illustrate whether significant differences do indeed exist between different ownership types. However, due to the fact that many facilities did not actively collect postcode data of their users in 2007, the sample sizes across the different ownership types are small. Whilst this does not inhibit the MANOVA, larger sample sizes would be preferable. Third, understanding the views and perceptions of disadvantaged citizens was beyond the scope of this exploratory investigation, but the voices of such groups would have added another layer of interpretation to better understand enablers and barriers to sport and leisure participation. This is an appropriate avenue for future research.

The intent of public ownership to pursue price-based strategies for social welfare ends has been shown to be ineffective in achieving social inclusion as an aggregate outcome (Hodgkinson and Hughes, 2012). This finding is extended here through the use of objective data on service pricing and by delineating comparisons in inclusion levels across citizen segments, rather than relying on perceptual measures and aggregate social outcomes. The inclusion of recreationally disadvantaged citizens in sport and leisure opportunities is a social problem that warrants public policy intervention (Vandermeerschena and Scheerder, 2017). While social inclusion confers the act of overcoming barriers, such that the recreationally disadvantaged have more opportunity to participate (Collins, 2004), price is not a barrier to this end. This highlights a reconciliation of social democratic values with the neoliberal economic agenda that was pursued by New Labour (Kelly, 2011) and is arguably even more present in contemporary public policy and the neoliberalised service system (Kumar *et al.*, 2018). There is, therefore, a need to move away from a focus on price of access and who delivers services toward service features and the needs of disengaged citizens more broadly. Future public management research must now focus on establishing the drivers of increased service participation among disadvantaged citizen groups specifically, rather than assuming that price matters to such groups or that a certain ownership type is better placed to achieve this end. These have been flawed assumptions that have driven public policy decision making resulting in public policy interventions based on price and ownership that have been ineffective in increasing participation among the disadvantaged.

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Appendix A. Mosaic classification: ‘other’ citizen segments

Symbols of Success	Symbols of Success contain people whose lives are ‘successful’ by whatever yardsticks society commonly uses to measure success. These are people who have rewarding careers rather than jobs, who live in sought after locations, who drive the more modern and expensive cars and who indulge in the most exotic leisure pursuits. Most, though not all, appear to enjoy stable household arrangements.
Happy Families	...contains people whose focus is on career, home and family. These are mostly younger age groups who are married, or at least in a permanent relationship, and are now raising children in post war family houses, often in areas of the country with rapidly growing populations. The focus of expenditure is on equipment for the home and garden, and the immediate family unit is the principal focus of leisure activities.
Suburban Comfort	...comprises people who have successfully established themselves and their families in comfortable homes in mature suburbs. Children are becoming more independent, work is becoming less of a challenge and interest payments on homes and other loans are becoming less burdensome. With more time and money on their hands, people can relax and focus on activities that they find intrinsically rewarding.
Ties of Community	...is comprised of people whose lives are mostly played out within the confines of close knit communities. Living mostly in older houses in inner city neighbourhoods or in small industrial towns, most of these people own their homes, drive their own cars and hold down responsible jobs. Community norms rather than individual material ambitions shape the pattern of most residents’ consumption.
Urban Intelligence	...mostly contains young and well educated people who are open to new ideas and influences. Young and single, and few encumbered with children, these people tend to be avid explorers of new ideas and fashions, cosmopolitan in their tastes and liberal in their social attitudes. Whilst eager consumers of the media and with a sophisticated understanding of brand values, they like to be treated as individuals, and value authenticity over veneer.
Blue Collar Enterprise	...comprises people who, though not necessarily very well educated, are practical and enterprising in their orientation. Many of these people live in what were once council estates but where tenants have exercised their right to buy. They own their cars, provide a reliable source of labour to local employers and are streetwise consumers. Tastes are mass market rather than individualistic and focus on providing comfort and value to family members.
Grey Perspectives	...consists mostly of pensioners who own their homes and who have some source of income beyond the basic state pension. Many of these people have, on retirement, moved to the seaside or the countryside to live among people similar to themselves. Today many of these people have quite active lifestyles and are considered in their purchasing decisions.
Rural Isolation	...contains people whose pattern of living is distinctively rural. They live not just outside major population centres but also deep in the countryside, in small communities which have been little influenced by the influx of urban commuters. These are places where people with different levels of income share attachments to local communities, and where engagement with the community and with the natural environment is more important to most residents than material consumption.