



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Leisure Transformation Programme – next steps and resourcing
Date:	23 August 2013
Reporting Officers:	Andrew Hassard, Director of Parks and Leisure Ronan Cregan, Director of Finance and Resources
Contact officer:	Caroline Wilson, Neighbourhood and Development Manager

1.0	Relevant background information
1.1	<p>Under the Investment Programme Implementation Plan, agreed by Strategic Policy and Resources Committee in June 2012, Deloitte MCS Limited was appointed to undertake a project to enable the re-development of the leisure estate. In March, Deloitte presented their recommendations to Committee which included 3 ‘business model’ options going forward:</p> <ol style="list-style-type: none">1. Non-profit distributing organisation e.g. social enterprise as a new organisation2. Transformed in-house council-run services, supported by external expertise3. Private sector <p>In this context, SP&R agreed the urgent need for fundamental change, with a focus on delivering better health outcomes and improved value for money. Committee also agreed the indicative phasing of capital transformation:</p> <ul style="list-style-type: none">– Phase 1: Investment Programme (Windsor/Olympia; Andersonstown; Girdwood)– Phase 2: Reform of Local Government (e.g. Avoniel; Castlereagh; Lagmore/Poleglass/Colin)– Phase 3: One Public Estate(e.g. Ballysillan; Ozone; Shankill; Loughside; Whiterock).
1.2	<p>At its meeting in June, SP&R set a £105m capital expenditure affordability limit for the leisure transformation programme. The committee also agreed a capital financing strategy which includes allocating £3.23m of the £6m Belfast Investment Fund annual rates contribution to finance the £38m Olympia and Andersonstown schemes and £2m efficiency savings from the leisure service budgets, deliverable by 1 April 2016.</p>
1.3	<p>At the June committee, Members also agreed to consider a report in August on the resourcing requirements of the Leisure Transformation Programme. This report outlines the required resources and how they can be financed.</p>

2.	Key issues
2.1	<p>The transformation programme consists of a number of key areas of work:</p> <ul style="list-style-type: none"> – Better Services: delivery of increased health outcomes through improved programming, marketing, etc. – Better Business: transformed business operating model to deliver improved value for money and a sustainable service – Better Assets: capital programme of modern, fit-for-purpose facilities across the city.
2.2	<p>Over the coming months there are 4 stages:</p> <p>1. Information gathering – ongoing</p> <p>This information-gathering phase will include study visits to good practice sites and research on all 3 Deloitte recommended options (as described above) including social enterprise models and in-house transformation processes. This information will provide the necessary baseline information, as well as highlight potential strategic partners with the relevant expertise.</p> <p>2. Developing the business case – up to November 2013</p> <p>A detailed analysis of the pros and cons, benefits and costs of each option will be presented to Committee in late 2013. This will outline the potential to deliver against the efficiencies target as set by SP&R. It will also set out the various legal, procurement, governance, asset and human resource implications of each option. The business case will also include the key political ambitions on health outcomes and potentially set out a number of key principles at the outset of the transformation programme.</p> <p>3. Developing the transformation plan – up to March 2014</p> <p>Consequent to Committee’s decision in late 2013, an intensive period to develop a transformation plan will follow. This will include for SP&R’s consideration: business strategy; governance; finances; and performance targets. The transformation plan will also include the fully scoped capital programme across each area of the city, based on the affordability limits already agreed. The transformation plan will give assurance that the efficiencies targets, agreed as part of the capital financing strategy will be met.</p> <p>4. Implementation – up to March 2015</p> <p>The implementation phase will include a concentrated focus on the human resources aspect of the transformation, including staff learning and development, as well as reform of working practices. This period will also include detailed work on developing the necessary business cases for Phase 2 capital projects, as well as detailed scoping of the agreed Phase 3 projects, to ensure balanced investment across the city. Work will also be undertaken on re-shaping the programmes and services to deliver against the agreed health outcomes targets.</p>
2.3	A detailed plan for the next 18 months has been developed, covering these 4 stages. A

	critical pathway overview is attached at Appendix 1.
2.4	<p>In order to deliver this, there are a number of key areas of resources that are required to uplift the organisation's capacity to ensure delivery. These resources and costs associated are detailed in appendix 2 and include:</p> <ul style="list-style-type: none"> – Expert advice on options available for business operating models and specialist leisure advice on marketing, programming and product development – Additional project sponsors to develop Phase 2 and 3 capital projects – Human resources advice and support on working arrangements, trade union consultation and negotiations, job evaluations, learning and development – Communications and engagement in relation to capital programme delivery and staff engagement – Legal advice on business model options, resource implications, contracts and procurement – Independent cost control analysis to provide assurance to Members on affordability and deliverability. <p>It is estimated that the total cost for this resource will be £1.15m. The Director of Finance and Resources has agreed that these costs are non-recurrent in nature and, if agreed, should be funded from reserves. The general reserves currently stand at £13.3m. A £1.15m reduction will still leave reserves at an adequate level.</p>
2.5	Members are also asked to consider a request for delegated authority for the Chief Executive to undertake any procurement processes or recruitment required. This will be within the agreed budget, with no impact upon the rate, and any staff resources put in place will be on a fixed-term/temporary basis. These will be guided by normal recruitment and selection and procurement practice and procedures.
2.6	Members recognise the compelling case for holistic and urgent transformation of the Council's leisure services and estate. Given the unprecedented scale of the business transformation, linked to the realisation of the ambitious capital programme of £105m, Members are requested to consider the request for dedicated resources' as set out above.

3.0	Decisions required
<p>Members are asked to:</p> <p>3.1 Consider the contents of the report and agree the leisure transformation programme (LTP) outline plan attached at Appendix 1</p> <p>3.2 Consider and agree the resources plan attached at Appendix 2</p> <p>Agree to allocate £1.15m from reserves to the Leisure Transformation Programme.</p> <p>3.3 Agree that delegated authority is given to the Chief Executive to put in place appropriate capacity and staff resources to support delivery of LTP.</p>	

4.0	Resource Implications
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Human: This will be a major physical and service transformation process and the implications for staff will be fully assessed as part of the development of the transformation plan.

Financial: The £1.15m cost for the outlined additional resources required to develop the transformation plan

Assets: To be scoped and presented to Committee for consideration by March 2014.

5.0	Equality Implications
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Provision has been made within resources to screen the Leisure Transformation Programme at relevant intervals in line with the Council's equality obligations.

6.0	Appendices
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1. High-level critical pathway
2. Resourcing and costs plan

1. Information-gathering - ongoing

Better services

Gather 'as-is' baseline service information; good practice study visits

Better business

Understand legal, HR, financial and asset implications on range of business model options

Better assets

Agree decisions to invest on Windsor and Andersonstown

Initiate planning for Phase II projects: East Belfast; Outer West Belfast

SP&R decision on resources Aug 13

2. Business Case (Sep 13 – Nov 13)

Better services

Define objectives and outcomes for transformation e.g. health

Better business

Develop rationale (costs/benefits analysis) for transforming the business operating model

Detail efficiencies programme to support capital plan financing

Better assets

Assess land assembly and LGR (transfer + maintenance) implications

Provide funding and procurement strategy for capital programme

SP&R decision on business model option Nov 13

3. Transformation Plan (Dec 13 – Mar14)

Better services

Define performance targets

Develop marketing strategy inc. products and programming

Better business

Develop transformation plan inc. finance and efficiencies plan; enabling flexible working practices

Develop improvements programme inc. staff learning and development

Better assets

Agree phases 2 and 3 of capital programme and overall local area provision

SP&R decision on transformation plan and area hierarchy March 14

4. Transfer or transform (Apr 14 – Mar15)

Better services

Monitor delivery of outcomes e.g. Participation rates

Better business

Implement transformation plan to include e.g. Internal organisational re-structure
or transfer via contract to external provider

Deliver staff learning and development programme and monitor delivery of efficiencies plan

Better assets

Phase 1 projects: construction; Phase 2 projects: business cases and appraisal; Phase 3 projects:
scoping and funding; undertake planned maintenance

