



Belfast Leisure In- house Transformation Option

Report for Belfast City Council

This report has been prepared by Sue Finnigan, Andrew Uprichard and Andy Mudd in April 2014

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APSE (Association for Public Service Excellence) is a not for profit local government body working with over 300 councils throughout the UK. Promoting excellence in public services, APSE is the foremost specialist in local authority front line services, hosting a network for front line service providers in areas such as waste and refuse collection, parks and environmental services, leisure, school meals, cleaning, housing and building maintenance.

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Report for Belfast City Council

Contents

1.Executive summary.....	4
2.Introduction and Scope.....	10
3.Current Performance and Service Provision.....	11
4.Methodology.....	12
5.What will an in house service look like?	19
6. Staffing.....	21
11.Programming and Consultation.....	28
12.Infrastructure	29
13.Income Generation Opportunities	29
14. Financial Summary	33
15.Conclusion	34
Appendix 1 – Analysis of options.....	36
Appendix 2 – Staff SWOT analysis.....	39

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1. Executive summary

- 1.1 APSE has been commissioned to undertake an expert view on Belfast's leisure estate options presented in the Deloitte Report dated February 2013.
- 1.2 The review is to include:-
 1. The development of evaluation criteria to support a political decision regarding the future operating model for leisure provision in Belfast. To include areas such as value for money, feasibility, benefits and scale/complexity of change and capacity.
 2. Develop a transformed in-house service model including governance arrangements
 3. Work in conjunction with a panel or reference group composed of key leisure staff
 4. Identify the level of savings and where they can be made
 5. Liaise or engage with relevant Council officials in respect of access to all information
 6. To consider a sustainable model which can demonstrate the capacity to deliver a minimum of £2m efficiencies by March 2016, as per the Council decision of 1 July 2013.
 7. Develop an analysis of the range of governance options and legal frameworks most appropriate to Belfast City Council's vision for leisure transformation
 8. Development of a business case and presentation of a final recommendation based on the above findings.
 9. Prepare a final report by the 11th April 2014, in advance of the SP&R Committee meeting on 18th April 2014.
- 1.3 It should be noted that this review is undertaken in the context of an extremely short timescale and with limited resources; hence some of the areas of the report are not worked up in detail as would normally be the case when undertaking the development of a new service structure and review.

Current Performance and Service Provision

- 1.4 The Deloitte reports have provided an analysis of the current performance and service provision and so it is not our intent within this report to reiterate that information. We are broadly in agreement with the content of the reports as far as they relate to the analysis of current service provision, it is, however, our intention to challenge a number of assumptions that have been made in the Deloitte report of the inability of the In House option to be able to deliver the same level of savings required as an NPDO model, with the exception of the VAT element.
- 1.5 The assumption made on staff savings was based on detailed work done at Andersonstown Leisure Centre which is in fact not representative of the whole of the service. The assumption was made that the whole of Leisure Service could make a reduction in staff costs of 25% i.e. £2.1million and generate additional income of £350,000.
- 1.6 A further assumption was made that the In House model would only be able to generate savings of 5% i.e. £425,754, whereas the NPDO could deliver 19% i.e. £1.596, 576 not including VAT.
- 1.7 If the In House option is able to make timely decisions and manage the service without referring constantly back to central services i.e. the governance is improved, there is no real reason why the In House service should not realise the level of savings required.
- 1.8 It is our intent to focus on the changes required to deliver a successful and sustainable in house service model which will deliver the outcomes required by Belfast City Council.

1.9 This review has been undertaken in line with the guiding principles already agreed by Members, which are:

- Quality
- Focus on health and well-being outcomes
- Value for Money
- Balanced investment and accessibility
- Partnership
- Affordability

Methodology

1.10 APSE has:-

- Investigated the options regarding future governance of an In House service
- Undertaken a desk top analysis of current and potential performance
- Worked with staff to identify new ways of working, and opportunities for improvement
- Identified new potential income streams
- Calculated, where possible, financial impacts on the revenue budget

Governance

1.11 One of the key elements of change required to deliver a successful In House service is a change to the governance arrangements in order to speed up the decision making process and to provide managers with the autonomy to manage.

1.12 As part of the Review of Public Administration In Northern Ireland (RPA) the Local Government Bill currently completing its passage through the Northern Ireland Assembly will transform the decision making process of all local authorities in the province.

1.13 We consider that the governance arrangements for the transformed in house service should:

- maximise the ability of the service to meet its objectives
- streamline the decision making process to support this
- delegate appropriate authority to management to meet service objectives
- retain overall member control of the service at an appropriate level
- enable overview and scrutiny by elected members of the service
- Engage local elected members in reviewing service delivery in their district electoral areas.

1.14 Whilst the governance arrangements for the new local authority are a matter for it to decide we consider that any of the permitted governance arrangements under the Bill will enable a new structure such as the one outlined below to be put in place:

- Full Council sets the Leisure Service operating budget for the year.
- The scheme of delegation for the new Council establishes a Leisure Services Board (LSB) - comprised of a politically balanced smaller number of elected members responsible for the management of the service under its budget and could include other non-elected members with relevant expertise and experience.
- A Leisure Services Senior Management Team (SMT) is given delegated authority to manage the service reporting to and accountable to the LSB with certain decision making matters also reserved to the LSB. LSB to meet regularly.

- Oversight of the Leisure Service and its performance to be carried out by a Performance Review committee (PRC) on a periodic basis (say 4-6 times a year). The LSB Chair and key officers in SMT to attend with service presentations 2 times per year.
 - Local service delivery issues to be reviewed and discussed with local elected members 2-3 times per year in a Local Leisure Forum (LLF) based on District Electoral Areas.
 - LSB, PRC and LLFs to be transparent and accountable and open to the public but LSB business likely to require regular [Part 2] commercial and confidential business with restricted access.
- 1.15 The adoption of such a structure would enable the transformed in house service to be more responsive, make operational decisions swiftly, be held accountable to elected members and have its service performance properly reviewed and scrutinised within a democratically accountable framework, under the continued ownership and control of the Council.
- 1.16 Unions will also play a part in the governance arrangements through the negotiation process working much more closely with management on an ongoing basis.

Future Strategy

- 1.17 APSE has identified the need to develop a strategic approach to leisure provision linked to, but wider than, the corporate strategy to inform the future direction of leisure across all communities, voluntary sector, public sector and private sector provision and to ensure maximum impact for Belfast from the capital investment programme.
- 1.18 A city wide Leisure Strategy would form the basis of the community planning process in relation to leisure facilities and would enable resources to be utilised more effectively by reducing duplication.
- 1.19 The Leisure Strategy would firmly link the service to the developing government changes linking public health, neighbourhood development, community planning and social care.
- 1.20 Leisure is still a key driver of community cohesion and health benefits linking this more openly to a clear cohesive shared strategy would enable the Council to clearly show its commitment to the communities it currently serves and will assist in bringing together the new communities which will be joining Belfast as part of RPA.
- 1.21 There is little, or no, profile for the Leisure Centres and their offering in Belfast at the current time, raising the profile by working with partners, stakeholders and communities to develop a new Leisure Strategy could provide a catalyst for improved partnership and neighbourhood working, as has happened in other local authority areas where this process has been undertaken.

Support Services changes

- 1.22 Key areas and processes that are in need of change in order to improve the efficiency and effectiveness of the front line leisure service business are HR, Marketing, Finance, Maintenance and Sports/physical activity development.
- 1.23 Each of these areas is currently centralised and as such they do not have the necessary focus to ensure the delivery of an effective front line service.
- HR needs to be streamlined with autonomy passed to managers.

- Marketing and Finance resources should be moved back into Leisure to provide the necessary focus required to manage and develop the service effectively.
- Maintenance plans should be developed jointly as part of the business planning process and should support the developments required to improve the customer experience in the centres. A sinking fund should also be identified in order to ensure ongoing higher levels of service provision.
- Active Belfast – Sports Development needs to be more focussed on developing the attendances at the leisure centres. There needs to be dedicated Swimming Development, Health and Fitness and Memberships roles in order to drive the attendances upwards from a commercial perspective. These roles have been added into the new staff structure for the Leisure Centres however it is recognised that there may already be some capacity in Active Belfast for these roles. For the purposes of this report we have assumed that that is not the case. There does however still need to be far more interaction and cross service working between the Active Belfast team and the Leisure Centres in the future. This should be built upon as the service develops, linking more proactively into their local communities.

Staffing

- 1.24 The In House service will require strong leadership, business management skills and commercial acumen to drive the changes forward and will need the autonomy to make quick decisions in order to move the service forward in the timescale agreed.

Leadership

- 1.25 Key to the future success of the service is the development of a clear business improvement plan which is performance focussed, the implementation of which is led by a strong leader able to implement change and new management systems.

Leisure Centre Staffing

- 1.26 There is a need to change the inefficiency of the current staff structure and working practices as detailed in the main body of this report and as outlined in the Deloitte report.
- 1.27 A new draft staffing structure has been developed as a starting point to the transformation process. The intention is to move the service from reactive to proactive and whilst some roles have been deleted new roles have also been added. The restructure needs to be applied in the context of changing working practices, changing rotas and shifts, more flexible job roles, reduced opening hours, new centre programmes and a focus on changes to swimming and health and fitness.

Potential Savings from staffing

- 1.28 It is proposed to negotiate savings on shift allowances, weekend enhancements, agency costs and overtime.
- 1.29 Overtime will be managed out by reducing the number of opening hours at the centres, redistributing rotas and using part time staff to cover for sickness, holidays etc. however there may be a need to negotiate a flexibility allowance to replace shift and weekend working allowances for those staff currently affected by any reductions in shift or weekend enhancements.
- 1.30 Taking into account the current figures (as provided by BCC) for overtime, shift allowance, weekend enhancements and agency payments and also allowing for a revised flexible working allowance, we have identified potential savings in the region of

£1,037,222. The realisation of this figure is dependent on the outcomes of negotiations regarding revised terms and conditions.

- 1.31 If only overtime and agency work are managed out completely then the savings figure will be in the region of £732,214.
- 1.32 The summary of changes to job roles is included in the main body of the report.
- 1.33 APSE has also looked at the potential changes to the staff structure based on changing the emphasis from reactive to proactive and changes to opening hours, shifts etc.
- 1.34 The main changes would be reductions in duty managers, changes to participation roles, leisure assistants and reception staff but an increase in health and fitness staff, a new Health and Fitness Coordinator role, a new swimming development role, a new Memberships and Sales Coordinator and a budget of £40,000 for contracts for specialist coaches. As a result of changes we have identified further saving in the region of £438,947.

Programming and Consultation

- 1.35 The realisation of savings and the potential for increased income will be dependent on making changes to the current activity programmes i.e. phasing out activities which are not popular and replacing them with new initiatives, balancing programmes between leisure centres and coordinating opening times across partner centres.

Customer and Community Consultation

- 1.36 Customer and community consultation is a prerequisite of managing any community facility i.e. we should be providing what the community wants. The admin staff will be utilised to develop ongoing consultation and feedback processes in order to improve the customer experience.

Opening Hours

- 1.37 There is potential to reduce the opening hours of some centres without any real impact on the community and which would assist in achieving staff savings. All centres should be scrutinised to establish the viability of their current opening hours e.g. some centres are viable in the early mornings, others are not, and some are more viable than others on Saturday and Sunday afternoons.

Leisure Centres

- 11.1 We are proposing that the feasibility of Loughside LC should be investigated further. Current income in 2012/13 was £19,815 set against expenditure of £ 195,599. A loss of £175,784. The feasibility of retaining the leisure centre and taking a more proactive approach to the management and programming of the facility should be explored, the future potential assessed. Should the facility be withdrawn from the leisure portfolio this would result in a saving to the authority of £175,784 including staff costs, £ 52,268 without staff costs. For the purposes of this report we have included the staff reductions in the main area of the staffing report.

Infrastructure

- 1.38 Investment will be required in IT systems regardless of which option is adopted. There needs to be far greater use of intelligence if performance is to improve.
- 1.39 Gym equipment will also need a sinking fund if we are going to increase the level of health and fitness memberships and compete with the private sector on standards.

Income Generation Opportunities

1.40 The main income generators are

Swimming Lessons,

Health and Fitness,

Admission Fees,

Reduce Free use for over 60's,

Increase vending,

Increase parties

Ensure Summer Schools break even by means testing the charges

Reduce 'free use' of facilities by other local authority departments

Training – develop a training service which can be sold to others

Work more closely with schools

Increase secondary spend

Increase events and other community activities

Increase partnership activities with public health.

1.41 These are just some of the ways in which income can be increased, more details of which are in the main body of the report.

Financial Summary

1.42 This is the financial summary of the areas we have covered in the report. It should be noted that these figures will to be worked on in more detail, these are the overview figures available in the short timescales given to undertake this piece of work.

1.43

Savings/Income generation	Expenditure Savings	Potential Income Generation
Staffing overtime and agency	£ 732,214	
Staff Structure savings	£ 911,807	
Total Potential Savings	£ 1,644,021	
Increase of 10p on all admissions prices		£110,719
Swimming Lessons		£ 81,000
Health and Fitness		£ 306,000
Over 60's		£ 90,000
Vending		£ 60,000
Total Potential Increased Income		£ 647,719

Total Potential Reduction in Revenue		£2,291,740
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The total potential reduction in revenue budget identified to date would indicate that the service is able to move towards achieving the financial figure of £2m as identified. The current estimated potential figure is in the region of: £ 2,291,740

Conclusion

- 1.44 We have been able to highlight the areas in which change can be made and although there is still detailed work to be undertaken behind the figures, i.e. new staffing rotas, changes to opening hours and charges to be agreed, changes to terms and conditions of staff etc., the saving of £2m on the revenue budget bottom line should be able to be achieved. The caveat to this is that all parties will need to be in agreement to the changes i.e. Members, staff and unions, if agreement is not reached by any one of these partners then the ability to achieve significant change will be lost. Suffice to say that agreement and negotiations with staff and unions will still need to be undertaken by the NPDO option. If any one of these factors is not changed then there will be little potential for the transformation to succeed. The VR process will also be an influence on the level of savings which may be achievable in the short term.
- 1.45 The levels of change are considerable and it is clear that the current staff that we have spoken to are in support of change and are willing to work with the Council proactively to make that change happen. The added advantage for the in house option are:-
- that the potential reduction on revenue/increases income over £2m will remain within the Council, this will not be the case with the NPDO option
 - that the Council will retain the services for the longer term enabling it to take a more cohesive approach to community service delivery in the future.
- 1.46 It is our considered opinion that with the right leadership, the changes in governance and cooperation between staff, unions and the Council that the in house bid can achieve the outcomes required. If these elements cannot be resolved then the In House service will not be able to succeed however if agreement is reached and a new way forward agreed together with protocols for future working relationships then the service has immense potential. At this stage it should be said that the unions seem willing to negotiate constructively to work towards achieving an in house option.
- 1.47 The level of work involved however should also not be underestimated and it is unlikely that the In House team could deliver the level of change without external support. However contrary to the Deloitte report there do appear to be staff willing to undertake some of that work and influence the future of the service.

2. Introduction and Scope

- 2.1 APSE has been commissioned to undertake an expert view on Belfast's leisure estate options presented in the Deloitte Report dated February 2013.
- 2.2 The review is to include:-
- 1) The development of evaluation criteria to support a political decision regarding the future operating model for leisure provision in Belfast. To include areas such as value for money, feasibility, benefits and scale/complexity of change and capacity.

- 2) Develop a transformed in-house service model including governance arrangements
 - 3) Work in conjunction with a panel or reference group composed of key leisure staff
 - 4) Identify the level of savings and where they can be made
 - 5) Liaise or engage with relevant Council officials in respect of access to all information
 - 6) To consider a sustainable model which can demonstrate the capacity to deliver a minimum of £2m efficiencies by March 2016, as per the Council decision of 1 July 2013.
 - 7) Develop an analysis of the range of governance options and legal frameworks most appropriate to Belfast City Council's vision for leisure transformation
 - 8) Development of a business case and presentation of a final recommendation based on the above findings.
 - 9) Prepare a final report by the 11th April 2014, in advance of the SP&R Committee meeting on 18th April 2014.
- 2.3 It should be noted that this review is undertaken in the context of an extremely short timescale and with limited resources; hence some of the areas of the report are not worked up in detail as would normally be the case when undertaking the development of a new service structure and review.
- 2.4 APSE has used information passed to us by BCC staff and unions on the understanding that this information is accurate.
- 2.5 The review has been undertaken as the development of the in house bid and NOT as a critique of the NDPO option. APSE have however reserved the right to comment in the Deloitte report and the assumptions made against the options included in their report, as they impact on the development of the In House option.

3. Current Performance and Service Provision

- 3.1 The Deloitte reports have provided an analysis of the current performance and service provision and so it is not our intention within this report to reiterate that information. We are broadly in agreement with the content of the reports as far as they relate to the analysis of current service provision, it is, however, our intention to challenge a number of assumptions that have been made in the Deloitte report of the inability of the In House option to be able to deliver the same level of savings required as an NPDO model, with the exception of the VAT element.
- 3.2 The assumption made on staff savings was based on detailed work done at Andersonstown Leisure Centre which is in fact not representative of the whole of the service. The assumption was made that the whole of Leisure Service could make a reduction in staff costs of 25% i.e. £2.1million and generate additional income of £350,000.
- 3.3 A further assumption was made that the In House model would only be able to generate savings of 5% i.e. £425,754, whereas the NPDO could deliver 19% i.e. £1.596, 576 not including VAT.
- 3.4 If the In House option is able to make timely decisions and manage the service without referring constantly back to central services i.e. the governance is improved, there is no real reason why the In House service should not realise the same level of savings as the NPDO.

- 3.5 We have worked through the Strategic Evaluation criteria highlighted in the Deloitte report and compared the revised In House model to the NPDO. A summary of the comparison issues is attached **at Appendix 1**.
- 3.6 The In House option is unable to deliver on the VAT savings, other than that, given the right governance and direction we see no reason why the In House team should not deliver the same level of savings as the NPDO. They will be delivered by the same staff, using the same resources; the only significant difference is the governance and the potential lead officer.
- 3.7 It is our intention to show that there is potential to change the governance structure and with this in mind and all parties working together, i.e. Council, staff and unions, changes can be made. All parties will need to work closely together in order to ensure the process moves forward without delay.
- 3.8 It is our intent to focus on the changes required to deliver a successful and sustainable in house service model which will deliver the outcomes required by Belfast City Council.
- 3.9 This review has been undertaken in line with the guiding principles already agreed by Members, which are:
 - Quality
 - Focus on health and well-being outcomes
 - Value for Money
 - Balanced investment and accessibility
 - Partnership
 - Affordability

Impact of Local Government Reform e.g. Boundary changes

- 3.10 Due to the current lack of information available regarding sites transferring into BCC as part of the RPA changes, we have not taken into account the impact of those sites on future service delivery. Suffice to say, the impact has not been considered to date in the Deloitte reports either.

4. Methodology

- 4.1 An assessment was undertaken of the potential governance of an in house service which is detailed in Section 4 of the report. This takes into account the changes in legislation which will impact on Northern Ireland in the next 12 months and therefore can affect the way the in house service is managed in the future.
- 4.2 APSE then commenced the review process with an initial desk top assessment based on work undertaken by Deloitte during 2013, analysis of documentation provided by Belfast City Council (BCC) and an analysis of APSE's Performance Networks data. Our report is based on the assumption that the figures provided by all parties are correct.
- 4.3 APSE then facilitated a workshop with key operational staff from the service that will be affected by the changes to the service provision and also a number of trade union representatives.
- 4.4 Following on from the workshop APSE undertook a number of impromptu conversations with a variety of front line staff to try to establish a feel for the level of willingness for change.
- 4.5 Follow up one to one meetings were undertaken with key managers at various levels across BCC.

- 4.6 A further more detailed meeting was undertaken with key operational staff to clarify changes in practical terms and to establish the potential for real change to the services. This meeting provided an operational input into both the practical potential and inevitably, the likelihood and willingness of staff to implement change to the level required by the transformation plans. There has been ongoing dialogue with a number of key staff throughout the process.
- 4.7 Dialogue was also undertaken with Trade Unions on their willingness to embrace transformational change should the in house bid be successful.

Staff Workshop

- 4.8 The staff workshop was made up of an explanation of the various service options available and an outline of the level of change that will be required regardless of which option is taken forward. It was within the context of the assumption of transformational step change that we asked staff to undertake a SWOT analysis and to be open and honest about the potential for identifying both savings and income generation across the service. The issues highlighted in the workshop are detailed in Appendix 2.
- 4.9 It should be acknowledged that amongst the staff we met there is an acceptance that change is inevitable and indeed, that the majority of the staff we were in contact with welcomed the changes. There was a willingness by the staff we met to help to not only deliver that change but to influence it in the planning stages. There were however obvious concerns as to how they would each be personally affected, e.g. reductions in overtime etc.
- 4.10 A number of staff have undertaken further work with APSE to assist in the provision of forecasts/income generation ideas/changes to staffing levels etc.
- 4.11 The VR process is also in the process of being undertaken by BCC with all leisure centre staff.

Context

- 4.12 Throughout the process we have been minded to ensure that the review and recommendations we make will be within the context of what is achievable within the current period of broader change taking place across Northern Ireland at the present time.

5. Governance - What changes need to be made?

Shortcomings of the NPDO Governance structure

- 5.1 The Deloitte report highlighted delays in decision making in the current structure and suggested that these could be resolved through an NPDO structure with a smaller board comprised of people with relevant skills and expertise and including elected members.
- 5.2 A smaller focused decision making body has much to commend it in terms of speedy decision making and clear lines of accountability for the service. However under the NPDO proposal the Council would cease to be the owner of the service, elected member involvement would be severely diminished (with fewer than 20% of the board

members) and transparency and accountability to the public would also be reduced, with the public's right to attend meetings also removed.

- 5.3 The Council would continue to be required to provide substantial revenue support to the service and to make the significant capital investment it is committed to for the benefit of an NPDO entity which is independent and accountable only under the terms of its contract. Any elected members on the NPDO board would in that capacity always have to act in the best interests of the NPDO rather than represent the Council's interest.
- 5.4 The transformed in house service option, as well as addressing identified issues in service delivery, also needs to improve the speed and efficiency of decision making whilst retaining democratic accountability and transparency in the decision making process.

Current Governance Position

- 5.5 The Council's Constitution reflects the legislative basis on which all local authorities in Northern Ireland currently operate which is grounded in the Local Government (Northern Ireland) Act 1972. This provides for local authority governance on a committee based system and represented the then standard approach across the whole of the United Kingdom.
- 5.6 Currently responsibility for leisure services under the Council's constitution is split between full Council and two of the Council's Standing Committees, Strategic Policy and Resources and Parks and Leisure.
- 5.7 The full Council is the overarching decision-making body. Each of the committees submits draft budget proposals to the Strategic Policy and Resources Committee as part of the annual budget-setting process. The decision of the Strategic Policy and Resources Committee is in turn subject to approval by the Full Council.
- 5.8 The Full Council considers the decisions of the Standing Committees at each of its monthly meetings. The Council can adopt the decisions or amend them. In practice, most decisions by committees are approved by Full Council but it is common for a small number of decisions each month to be either rejected or amended or referred back to the relevant committee for further consideration.
- 5.9 Any decisions taken by the Standing Committees cannot be implemented until they have been ratified by the Full Council, except where committees have been granted delegated authority to make decisions.
- 5.10 The committees themselves are large bodies with 20 Councillors each and although they meet regularly are not designed to support swift decision making. Whilst most of the decisions affecting the leisure service fall to the Parks and Leisure Committee some are outside of its remit falling instead to the Strategic Policy and Resources Committee.
- 5.11 This division of responsibilities between the Standing Committees can be characterised as leading to fragmented and protracted decision making and comments to this effect

appeared in the Deloitte report. Moreover fusing the executive and scrutiny functions in a single committee increases the possibility of failing to fully discharge either of these roles appropriately.

The Opportunity for Change

- 5.12 As part of the Review of Public Administration the Local Government Bill (the Bill) currently completing its passage through the Northern Ireland Assembly will transform the decision making process of all local authorities in the Province.
- 5.13 The traditional committee system approach to governance has been systematically removed in England Scotland and Wales in successive waves of reform, largely replacing it with models based on cabinet or executive decision making or through elected mayors.
- 5.14 Section 7 of the Bill contains powers to delegate any of a local authority's functions (save for rate setting, setting an affordable borrowing limit and monitoring it, borrowing money or acquiring or disposing of land) to a committee, sub-committee or officer. Section 11 permits any such committee to include persons who are not elected members of that authority (as non-voting members).
- 5.15 Section 19 of the Bill requires a council to operate a committee system unless it decides by qualified majority (80% of members present and voting) to operate executive arrangements or prescribed arrangements. Whilst these are matters for determination for the new council any of them, when adopted will enable a more effective governance structure to be introduced for leisure services without diluting transparency and democratic accountability.
- 5.16 We consider that the governance arrangements for the transformed in house service should:
- maximise the ability of the service to meet its objectives
 - streamline the decision making process to support this
 - delegate appropriate authority to management to meet service objectives
 - retain overall member control of the service at an appropriate level
 - enable overview and scrutiny by elected members of the service
 - Engage local elected members in reviewing service delivery in their district electoral areas.

Proposed New Structure

- 5.17 Whilst the governance arrangements for the new local authority are a matter for it to decide we consider that any of the permitted governance arrangements under the Bill will enable a new structure as the one outlined below to be put in place:
- Full Council sets the Leisure Service operating budget for the year.

- The scheme of delegation for the new Council establishes a Leisure Services Board (LSB) - comprised of a politically balanced smaller number of elected members responsible for the management of the service under its budget and could include other non-elected members with relevant expertise and experience.
- A Leisure Services Senior Management Team (SMT) is given delegated authority to manage the service reporting to and accountable to the LSB with certain decision making matters also reserved to the LSB. LSB to meet regularly.
- Oversight of the Leisure Service and its performance to be carried out by a Performance Review committee (PRC) on a periodic basis (say 4-6 times a year). The LSB Chair and key officers in SMT to attend with service presentations 2 times per year.
- Local service delivery issues to be reviewed and discussed with local elected members 2-3 times per year in a Local Leisure Forum (LLF) based on District Electoral Areas.
- LSB, PRC and LLFs to be transparent and accountable and open to the public but LSB business likely to require regular [Part 2] commercial and confidential business with restricted access.

5.18 The adoption of such a structure would enable the transformed in house service to be more responsive, make operational decisions swiftly, be held accountable to elected members and have its service performance properly reviewed and scrutinised within a democratically accountable framework, under the continued ownership and control of the Council.

Arrangements for Performance Improvement

5.19 Part 12 of the Bill details the arrangements to be made for performance improvement in the new councils commencing with the general duty, as follows:

(1) A council must make arrangements to secure continuous improvement in the exercise of its functions.

(2) In discharging its duty under subsection (1), a council must have regard in particular to the need to improve the exercise of its functions in terms of:

- (a) strategic effectiveness;
- (b) service quality;
- (c) service availability;
- (d) fairness;
- (e) sustainability;
- (f) efficiency; and
- (g) innovation.

5.20 It goes on to talk about establishing objectives for improvement and put in arrangements to secure those objectives. It states that the Department may by order specify factors or performance indicators by reference to which a council's performance in exercising functions can be measured and standards or performance standards to be met by councils. The Department must consult with relevant bodies before doing so.

5.21 The Bill notes that councils must make arrangements for the collection of information which will allow it to:

- assess whether it has met its improvement objectives during a financial year;
- measure its performance during a financial year by reference to those performance indicators specified by the Department and self-imposed performance indicators applicable for that year;
- assess whether it has met during a financial year those performance standards set by the Department and self-imposed performance standards applicable for that year.

5.22 Section 91 states that each council must use the information it collects to compare its performance in exercising the functions to which the information relates with its performance in exercising those or similar functions during previous financial years and so far as is reasonably practicable, the performance of other councils in exercising those or similar functions during the financial year to which the information relates and during previous financial years. It must also use the information to assess whether it could improve its performance in exercising its functions and in the light of that assessment, decide what steps it will take to improve its performance in exercising its functions.

Improvement planning and publication of improvement information

5.23 The Bill goes on to say that each council must make arrangements for the publication of:

- the council's assessment of its performance during a financial year, in meeting the improvement objectives it has set itself which are applicable to that year, by reference to performance indicators and standards;
- the council's assessment of its performance in exercising its functions during a financial year as compared with its performance in previous financial years and so far as is reasonably practicable, the performance during that and previous financial years of other councils;
- details of the information collected in respect of a financial year; and
- what the council has done to discharge its duties in relation to that year

5.24 Those arrangements must be framed so that the information is published before 30th September in the financial year following that to which the information relates or such other date as the Department may specify by order.

5.25 The council must make arrangements for the publication of a description of the council's plans for discharging its duties in a financial year together with, if the council thinks fit, its plans for subsequent years in an "improvement plan" and those arrangements must be framed so that the information is published as soon as is reasonably practicable after the start of the financial year to which the plan must relate or as soon as is reasonably practicable after such other date as the Department may specify by order.

5.26 Unions will also play a part in the governance arrangements through the negotiation process working much more closely with management on an ongoing basis.

6. Future Leisure Strategy

6.1 The operation of the current Leisure Service also needs to be considered within the wider strategic context of Northern Ireland.

- 6.2 The current in house service is delivered through the Parks and Leisure Departmental Plan which links to the current Belfast City Council corporate objectives and links to the corporate Values.
- 6.3 There does not seem to be a strategic approach to investment in Parks and Leisure from a Belfast wide perspective. The level of capital investment coming into the city together with the increase in provision being brought in through RPA are key drivers which should ensure that future investment and service delivery is coordinated in a strategic way in order to avoid potential continuation of, and inevitable business failure through over provision.
- 6.4 Whilst consideration needs to be taken of the current political situation in Belfast, a more strategic approach would seem sensible in light of the impending development of future community planning and the need for the Council to prove continuous improvement.
- 6.5 Current provision not only competes against the private sector and new builds but also against community facilities (some of which are also funded by BCC).
- 6.6 Consultation with communities on the services they require, and will use, are key to developing future business plans for both new and existing facilities. A 'one size fits all' approach is no longer sustainable.
- 6.7 This review is seen as an opportunity to begin to change the programming of leisure centres to suit their communities and to provide a community hub for services through the development of partnership working.
- 6.8 A more proactive approach to partnership working is required throughout the leisure centres as well as clear development of cross service working with both Parks and Active Belfast as one cohesive unit. Links to the Public Health Agency, Belfast Health and Social Care Trust and Education need to be strengthened from the Leisure Centres' perspective. Included within this is the opportunity to develop closer working relationships with the Community Development staff who are also working in neighbourhoods to support communities on a day to day basis.
- 6.9 The development of a coordinated approach to service provision between local agencies, voluntary managed facilities and activities, and BCC would be a major step forward. It is understood that the coordinated approach will have to be developed in the context of Belfast's changing communities.
- 6.10 This would be one of the advantages of retaining the services in house i.e. the opportunity to develop a cohesive Leisure Strategic Plan that encompasses the whole of the new Belfast City Council area and will be led by the City Council as Community Leader. It will help to strengthen the links with the existing communities and will inform the Community Planning Process for the future.
- 6.11 The Leisure Strategy would firmly link the service to the developing government changes linking public health, neighbourhood development, community planning and social care.

- 6.12 Leisure is still a key driver of community cohesion and health benefits linking this more openly to a clear cohesive shared strategy would enable the Council to clearly show its commitment to the communities it currently serves and will assist in bringing together the new communities which will be joining Belfast as part of RPA.
- 6.13 There is little, or no, profile for the leisure centres and their offering in Belfast at the current time, raising the profile by working with partners, stakeholders and communities to develop a new Leisure Strategy could provide a catalyst for improved partnership and neighbourhood working, as has happened in other local authority areas where this process has been undertaken.

7. How will we achieve change?

- 7.1 BCC have already allocated finance towards the transformation of the service, whether that is to an NPDO or In house provision. We are aware that the NPDO model is currently being worked on 'at risk' by the Council in view of the decision 'in principle' by Members to go ahead with the NPDO model.
- 7.2 Additional resources and external support will be required to implement the changes required whichever option is agreed. From the in house perspective it is recommended that there be an external project manager brought in to drive the change forward together with resources to support the HR and Finance functions until the setup of the new in house structure and working practices is in place. This resource will ensure a new staff structure is implemented together with new performance management and service improvement processes to deliver improved efficiency, an improved customer experience, more effective marketing and communications and proactive staff development.
- 7.3 The in house service (as with the NPDO) will need strong leadership, commercial acumen and business planning skills to deliver the level of change required and will need the autonomy to make decisions without deferring back to all members and other Belfast City Council departments via long winded processes which impact on the ability of managers to react to external impact and business changes.
- 7.4 We will only achieve change by working together to shared outcomes and goals, sections 8 – 12 detail the actions required to achieve change.

8. What will an in house service look like?

- 8.1 Key to the future success of the service is the ability to develop a strategic business planning approach which is performance focussed and that balances a community and commercial approach to service delivery. This will provide clarity of purpose for the service, the Leisure Services Board, the Leisure Services Management Team and the community.
- 8.2 The new In House Service will need to have autonomy over the decisions it is able to make, and the timing of those decisions, in order be able to respond to change and external market forces. We suggest that the management be set up as detailed in the Governance section of the report.

- 8.3 The staff will have changed their working practices, terms and conditions, and will be more focussed on performance management and customer care. They will have adopted a more commercial approach to service delivery and will be focussed on working as a team to achieve shared goals and agreed standards. The managers will manage in a consistent manner based on an agreed business plan with consistent procedures and practices across all sites.
- 8.4 The in house service needs to be able to control its own Marketing and Communications, Human Resources and Finance functions rather than the current approach of going through a four or five layered decision making process for decisions.
- 8.5 It is anticipated that staff roles may need to transfer back into Leisure from the Parks and Leisure HR and Finance teams and from Marketing and Communications in order to focus on the business improvement of the Leisure Services.
- 8.6 Another option for consideration would be to look at setting up the whole of the Parks, Leisure, Active Belfast and Community Development Section as one section with the autonomy to make decisions as detailed in the governance section whilst retaining transparency and accountability to the community.

9. Support Services Changes

Human Resources

- 9.1 The current recruitment process is lengthy with two tiers – one at Parks and Leisure level and one at corporate level, this adversely affects the ability of the service to deliver its front line services effectively as decisions are made at various levels throughout the process. The process is unwieldy and can take months to go through every layer by which time the front line service has deteriorated, or large amounts of overtime or agency staff have been paid to keep the service going.
- 9.2 The autonomy to make decisions on HR functions within budget constraints should be devolved to the Leisure Management Board working closely with the Leisure Management Team within the agreed business planning process. This needs to change as part of the governance reengineering process.
- 9.3 Leisure managers will also need to take responsibility for managing and developing their teams using recognised performance management systems. Each level of manager needs to be clear that it is their responsibility to deal with underperformance, manage sickness and absence levels, develop staff and address customer care, as much as it is to comply with Health and Safety legislation.

Marketing and Communications

- 9.4 The Marketing & Communications budget should be devolved back to Leisure together with the FTE equivalent time of a member of staff from the corporate centre to undertake the work (this will be cost neutral to this exercise). There is no reason why the corporate guidelines cannot be adhered to by someone focusing on the leisure demand. A specific leisure service marketing and communications plan desperately

needs to be developed and should include the use of digital technology, new media as well as making use of the customer databases and membership data.

Maintenance

- 9.5 The planned maintenance programme needs to be agreed with Property Services as part of the business planning process. The maintenance of the buildings is a key issue to ensuring the quality of the customer experience and again it cannot afford to be waiting for weeks for repairs to be undertaken. Clear maintenance plans and roles need to be drawn up for any remaining in house maintenance personnel.

Active Belfast/Sports Development

- 9.6 The Sports Development roles need to be focussed on developing the attendances at the Leisure Centres, developing stronger links with the local communities. Part of this role is currently undertaken by Active Belfast however there needs to be a more direct focus on increasing participation in the Leisure Centres either by developing the roles of the current Sports Development team or by adding an outreach team to the Leisure Centres themselves.
- 9.7 It is suggested that there needs to be a Health and Fitness Development Officer, a Swimming Development Officer and a Membership Sales Officer focussing on the business development aspects of the LC's.
- 9.8 These roles have been added into a suggested new staffing structure for the LC's however it is recognised that there may already be some capacity within the current development staff to take on these roles. This should be explored further to determine any additional staff requirements for the LC's.

10. Staffing

Leadership

- 10.1 Key to the success of the future service is a Leader/Driver/Chief Executive Officer who will ensure the implementation of, not only a new business plan, but lead and develop the team to deliver a new staff structure and staff development, new performance management and improvement systems, new quality control systems, new IT systems, Information Management Systems and new marketing and communication systems as well as proactive programming of centres and community outreach work.
- 10.2 The CEO will need to ensure that the staff team work together to implement the transformation of the service. (This equally applies to the NPDO option as the CEO of the NPDO will have the same staff with which to transform the service as the In House bid).
- 10.3 There is a need to change the inefficient current staff structure and working practices as detailed below in the report and as outlined in the Deloitte report.

Leisure Centre Staffing

- 10.4 Additional HR support as well as financial support may be required to support the timely implementation of this process, although preliminary discussions with HR – Organisational Development indicate that, subject to prior negotiated agreement, a new structure could quite easily be implemented with support from their section in the timescales identified. The key will be agreement on new terms and conditions.
- 10.5 Managers will need to be up skilled to enable them to produce and implement a cohesive business plan with their teams which include clear targets and performance management systems. Managers will need to understand their role in the development and leadership of the service if the transformation is to succeed. All staff need to be made aware of their role in the delivery of that plan through an effective new PDR process. Performance targets will be set and measured to ensure continuous improvement.
- 10.6 This process is likely to be led, initially, by an external body with the expertise to transform processes within the short timescales required. This will also be the case in an NPDO setup.
- 10.7 Individual PDR's will also identify the aspirations of the current staff and provide a basis for future service and succession planning when new and refurbished centres are completed.
- 10.8 Centres will also be required to work towards recognised industry quality accreditations.
- 10.9 One way to deal with the changes required would be to negotiate more flexible working arrangements and new job descriptions for each of the current roles, to manage out overtime by using more part time and casual staff, reduce the opening hours of some of the centres, thereby reducing core opening hours, reduce the level of agency staff by introducing part time contracts, and negotiate around shift allowances and weekend enhancements.
- 10.10 Sickness levels and holidays would also need to be managed more closely by line managers.
- 10.11 The staff turnover in Belfast does not appear to be fast enough to be able to change working practices by replacing existing staff contracts with new ones when staff leave. In order to improve the business performance in the agreed timescale a more flexible approach is required regardless of whether the NPDO or In House option is implemented.

Enhanced rates

- 10.12 The payment of enhanced rates for working unsocial or irregular hours has generally decreased considerably across Leisure Services over the last 10 -15 years as more and more local authorities find themselves needing to take a more commercial approach to the delivery of their services.

10.13 As part of this process we have recognised the needs to overhaul the ways of working within an In House leisure option. This will be the case in the future regardless of which option is taken forward.

Potential Savings from staffing

10.14 It is proposed to negotiate savings on agency costs, overtime, shift allowances and weekend enhancements.

10.15 Overtime will be managed out by reducing the number of opening hours at the centres, redistributing rotas and using part time staff to cover for sickness, holidays etc.

10.16 There is potential to negotiate more flexible working arrangements.

10.17 The current figures paid for enhanced working are listed in the table below:-

Expenditure Area	
Overtime	-£ 810,098
Agency Staff	-£ 299,583
Sub Total	-£1,109,681
Weekend Enhancements	-£ 359,330
Shift Allowances	-£ 345,678
Total	£1,814,689

10.18 Taking into account the current figures (as provided by BCC) for overtime, shift allowance, weekend enhancements and agency payments there is potential to negotiate a significant reduction in these figures. For the purposes of this report we have assumed that the overtime and agency working will reduce, thus realising a saving in the region of £1,109,681. The realisation of this figure is dependent on the outcomes of negotiations regarding revised working practices.

10.19 It is proposed to negotiate reductions in the staffing costs by:- reducing opening hours where there is little or no demand, working more flexibly and increasing the number of part time and/or casual posts.

10.20 Holidays, sickness and training cover are not included in the salary budgets and so an additional salary budget allocation will need to be added to the salaries out of the overtime budget in order to ensure no overtime is required to be paid. Therefore a figure of approx. 5% i.e. £377,467 needs to be added back into the savings. Sickness will aim to be managed via sickness procedure down to 5 days.

10.21 Agency staff will no longer be used on a regular basis but a bank of casual and part time staff, i.e. an in house bank of staff, will be created and will cover the hours usually given to the agency but on a standard rate of pay. This can work in house if the recruitment processes are shortened and the autonomy to recruit given to the CEO, however it is dependent on being able to respond quickly to situations. This will result in a saving of approximately 30% of the current agency expenditure.

10.22 If we remove overtime and agency payments but retain weekend enhancements and shift pay the savings will be approximately £732,214.

Removal of only overtime and agency but retain weekend enhancements and shift pay

Summary	
Total overtime and Agency	£1,109,681
Less Additional budget required to cover holidays, training , sickness at plain time based on 5% of current staff costs (approx.)	- £ 377,467
Total Savings (Approx)	£ 732,214

The figures are indicative at this current time.

10.23 This does not include changes to the staff structure, which will be in addition as detailed below. It should be clear however that this figure should only be used as a guide. Any changes to staff terms and conditions, as already mentioned, will be subject to further negotiation and more detailed work around shift allowances, etc.

Summary changes to working procedures

- Job roles to be more flexible
- Job roles and duties to be managed on site
- Clarity and consistency to be applied across all sites.
- Duty Managers to have a more flexible role
- Leisure Assistants roles to be broadened to include lifeguarding, cleaning, vending machine stock, etc. and to include covering other sites
- Key LA's to be trained up to cover Casual Duty Officer.
- Receptionists and admin to support membership sales and swimming development
- BS clerk to cover reception, swimming bookings and sales as and when required.
- Reception to also cover health and fitness sales, bookings, customer consultation, admin duties
- Cleaners to be flexible where they work
- Casual Bank of staff to be established to provide cover instead of overtime -. Detailed analysis needs to be undertaken of possible part time/casual hours required
- Annual leave application process to be set up to ensure equity
- No future use of agency – hours to be given to part time or casual staff
- There is a need to try to adopt part time contracts rather than casual for the majority of hours including coaching and classes.

Staffing levels and job roles

10.24 We have based our calculations on the current staff structure provided by BCC management. As we have not had time to undertake a complete analysis of the staffing hours we have based our suggestions on what would be considered reasonable in a similar leisure centre.

10.25 The reductions are also based on the premise that, where possible given the low attendances, leisure centre opening hours will be reduced dependant on demand.

10.26 We have also taken into consideration the need to develop the service and have added staff where there is a need to increase income by focussing on service delivery.

10.27 We have also looked to widen job descriptions of all staff and increase the flexibility within roles.

10.28 We have only taken a high level review of swimming lessons and swimming programmes and so we have left the swimming staff levels the same with the exception of a new Swimming Development Coordinator. A full detailed review of swimming lessons and programmes needs to be undertaken and linked to the Boost membership in order to maximise use of pool time and maximise income from swimming lesson.

Draft changes to staff structure and suggested grades (Note new grades have not been through JE)

Current Position	Current Grade	New Position	New Grade	Approx. Difference incl on costs + or - £
Leisure Operations Manager(1)	PO8	New CEO role (1)	PO8	-
Area Managers (5)	PO3	Area Managers (3)	PO3	- £ 103,852
Finance Manager (1)	-	Transferred from BCC (1)	-	
Participation Manager (2)	PO3	Partnerships Officer** (1)	SO2	- £ 60,806
Duty Manager Participation (3)	SO2	Physical Activity ** Outreach development (3)	Sc 5	- £ 39,912
Leisure Duty Officer – facilities (31)	SO2	Leisure Duty Officer – facilities (27)	SO2	- £ 172,184
F/T Leisure Attendants (86)	Sc2	F/T Leisure Attendants (70)	Sc 2/3	- £ 364,384
P/T Leisure Attendants (69) based on 50% hours	Sc 2	P/T Leisure Attendants (60)	Sc 2/3	- £ 102,483
H & F Coach (17)	Sc 4	H & F Coach (23)	Sc 4	+£ 151,360
Swim Teachers (11)	Sc 4	Swim Teachers (11)	Sc 4	-
Plant Fitter (8)	Sc 5	Plant Fitter (4)	Sc 5	-£ 118,968
Car Park Attendant (1)	Sc1c	Car Park Attendant (0)	Sc1c	-£ 16,473
BA (9)	Sc 6	Business Development/ Memberships/ Sales	Sc 6	-
BS Clerk (11)	Sc 3	BS clerk /Sales (8)	Sc 3	-£ 72,378
F/t Receptionist (18)	Sc 3	F/T Customer Service Assts (16)	Sc 3	-£ 48,252

P/T Receptionist (43) 50%	Sc 3	P/T Customer Service Assts (40)	Sc 3	-£ 33,298
Playroom Att (3)	Sc 1b	Playroom Att (3)	Sc 1b	-£ 61,233
P/T Tennis Coach (3)	Sc 4	P/T Tennis Coach	Sc 4	-
Marketing and Communications role		To be transferred from central resource back to leisure centres		0
		Coaches – bank of specialist coaches - p/t contracts	BUDGET	+£ 40,000
Total potential savings with new staff structure				-£1,002,863

Figures in brackets denotes numbers of posts

Area Managers to control 3 sites each – size of sights to be distributed evenly

**Partnerships Role – to lead on the development of partnership and community development activities linked specifically to outreach from the leisure centres to increase attendances

Receptionists and admin to support membership sales and swimming development.

New Roles

There needs to be a focus on business development and therefore there will be a necessity for income generation roles to drive the business forward. It is not known whether these roles already exist within the central development team. If that is the case they need to be more focussed on the leisure centres, if not , then the creation of these roles should be considered as a necessity.

New Posts				
		Swimming Development Coordinator (1)	Sc 6	+ £ 30,352
		Health and Fitness Dev Officer (1)	Sc 6	+£ 30,352
		Memberships/Sales – central role (1)	Sc 6	+£ 30,352
Total additional expenditure on new posts				+£ 91,056

Total Staff Structure Savings

Total savings on old structure	£ 1,002,863
Less New posts created	£ 91,056
Potential Total Savings	£ 911,807

Staff Development and learning

- 10.29 PDR's need to be meaningful and realise staff development potential whilst also addressing performance issues. All staff will have clear performance measures as part of the process and be clear on the outcomes and standards expected of them. Equally staff should expect to be managed in an effective, supportive and consistent manner.
- 10.30 Staff will have development plans, part of which will include learning and training contracts which will be managed effectively and which should also assist in the development of both the member of staff and the service.
- 10.31 Staff, especially at Duty Officer level and above would benefit from formal mentoring and from benchmarking and working with peers at sites where performance is excellent. Belfast staff could quite easily learn from best practice and should be given the opportunity as part of their new development programme to do so on an on-going basis.

Commercial Skills

- 10.32 All staff need to be made aware of upselling and specific roles trained in a more commercial approach to service delivery. Key customer facing roles will be identified and will be expected to undergo relevant training in order to increase sales.
- 10.33 Teams and individuals will be aware of their targets and standards from their PDR's and will be expected to achieve those targets.
- 10.34 Quality Assessments e.g. QUEST, APSE Performance Networks
- 10.35 All centres should strive to achieve QUEST and to improve through the APSE Benchmarking Service
- 10.36 Significant changes to staffing will need to take place in both the NPDO and In House Model.

11. Programming and Consultation

- 11.1 The Programming and opening hours of the centres are a key part of ensuring the delivery of the staff changes and savings. It is possible to more effectively programme the sites to ensure optimum staffing levels whilst balancing that with the needs of the relevant communities.
- 11.2 There is little consultation with communities relating to the programming of the sites and as such this is an area which should be commenced as soon as is feasibly possible thereby feeding into the changes which are going to take place over the next year.
- 11.3 Classes which are not viable after 4 weeks should no longer be programmed. Classes should as a minimum cover the costs of the trainer.
- 11.4 There may be a need to revise some of the programming policies more in line with the individual needs of the local communities around the centres rather than a blanket approach. Centres could be grouped together, as appropriate, to provide coordinated services at differing times.
- 11.5 Again this is an exercise which should be supported by community consultation and in which the staff are willing to get involved.

Leisure Centres

- 11.6 When assessing the current sites and the future investment plans for Leisure one of the anomalies that seem to exist is the Loughside Leisure Centre. It is not promoted anywhere; it is underused bringing in only £19,815 in 2012/13 with an expenditure of £195,599. Staff costs alone for the centre are £123,516 which cannot justify the level of income received. Exploring the feasibility of retaining the leisure centre and taking a more proactive approach to the management and programming of the facility, by assessing the feasibility of externalising the management of this facility to the community or ceasing to provide the facility. Should the facility be withdrawn from the leisure portfolio this would result in a saving to the authority of £175,784 including staff costs, £ 52,268 without staff costs. For the purposes of this report we have included the staff reductions in the main area of the staffing report.

Changes to opening hours

- 11.7 In 2006 a report was taken to members to increase opening hours of the leisure centres with a view to increasing income. A short review of the opening hours and the resultant attendances would indicate that there is definitely a case for reviewing the current opening hours again and focussing on the hours which are most suited to the local community and the are supported by a reasonable level of usage. The most popular sites currently for early mornings are: Andersonstown, Grove Wellbeing Centre, Falls LC, Olympia LC and Avoniel LC. Attendances at other sites are limited. Also there are sites which would benefit from being more flexible with their programming in order to

provide the facilities when they are required by the public but close them at times when there is no identified demand and also begin to balance provision across partner centres rather duplicating sessions and staffing costs.

- 11.8 A review of the opening hours should be undertaken to assist in reducing the unnecessary staffing and overtime levels.

12. Infrastructure

Information technology

- 12.1 It is apparent that the Management Information Systems are either not effective or are not being used to their full potential. Public are using the centre without registering i.e. there is no swipe card system and so intelligence on usage is not being captured. Specific software for memberships, swimming development, fitness programmes, marketing intelligence, etc. are all available and are used in high performing services. An assessment of the current IT systems together with the ability of the staff to make the most of those systems, needs to be done and potential investment from the Capital programme needs to be identified. Systems should be standard across all sites and should interface with any new technology built into new centres in the future.
- 12.2 Investment will be required in this whether the service is an NPDO or In House model.

Maintenance plans and sinking funds

- 12.3 Maintenance plans need to reflect the fact that leisure is a front line service. The CEO of the new organisation should have the autonomy to influence the maintenance programme and also to plan long term for future improvements.

Equipment investment

- 12.4 If the service is to improve and compete effectively with the private sector, investment must be made in keeping gym and other key equipment up to date. Leisure must have the ability to control its own future by enabling sinking funds; future equipment development funds etc. in order to grow the business and respond to exercise trends. Investment in new gym equipment will need to be made in some cases in order to increase memberships and class attendances. Invest to Save schemes should be introduced.

13. Income Generation Opportunities

- 13.1 There are many ways of improving income generation some of which we have included in this report. Due to the short timescale which APSE was allocated to undertake this review we are able in some instances to provide reasonably accurate figures based on assumptions from other services however in some instances staff have also made suggestions on how they may be able to take services forward but have not had the time to work up detailed proposals or business cases to support those ideas. APSE has

however included those ideas in order that they are captured for future reference and also to indicate the level of commitment by some staff to improving the service.

- 13.2 As stated in the Deloitte report the key areas for income generation for larger leisure centres tend to be swimming lessons and Health and Fitness membership.

Swimming Lessons

- 13.3 The level of income for swimming lessons using APSE Performance Networks data across 8 centres for 2012/13 was £132,913.
- 13.4 The Boost membership scheme offers free swimming lessons to people who join up as members of Boost. There is no additional income or grants from anywhere to offset the free lessons, pool time or swimming teacher time therefore these lessons are a direct cost to the centre. It is unusual to offer lessons free as part of a membership and we have been unable to find any other facilities that do so.
- 13.5 38% of the swimming lessons provided in Belfast centres were provided through the membership scheme i.e. they were provided free of charge, had the lessons been paid for the additional income would have been £81,462 without any additional outlay by the centres. This level of income could have been achieved without doing anything additional other than charge for the service as the lesson sessions were already happening. This being the case there is even more scope for increasing income from swimming lessons if the service was promoted properly and charged for accordingly. The balance between public swimming and lesson time may have to be made across centres so that swimming lessons can be booked into the centres where there is demand and public swimming moved to nearby centres where there is less demand for lessons but still demand for public swimming.
- 13.6 The decision to provide free swimming lessons with membership should be reviewed as a matter of urgency, and if not stopped completely then at least limited to how long it can continue.

Swimming review

- 13.7 There is real scope to address the way in which swimming lessons are currently managed and also subsidised and whether that subsidy should be coming from the centres themselves at a time when they are being asked to reduce costs.
- 13.8 A swimming review should be undertaken and a swimming Coordinator post established to sell the services, improve the take up and income generation and coordinate the lessons across all the centres. There is scope to increase the number of swimming lessons in some centres and reduce them at others which may impact on public swimming times in some centres but should ensure that there is public swimming in at least one centre in a community.

Health and Fitness

13.9 The level of latent demand for fitness has already been assessed for the Andersonstown Leisure Centre in the piece of work undertaken by Leisure Database. The report indicated a potential to increase membership by just under 40% at Andersonstown.

13.10 The total number of members across all the centres, according to figures provided by BCC is currently in the region of 6800. If we assume that with additional sales staff/promotion etc. as included in the new staff structure that an increase of 15% is achievable, to 7820, this would result in an increase in income of approximately £306,000 per annum.

13.11 It should be noted that the rule of thumb levels of membership per station would mean membership levels should be in the region of 8475.

Admission Fees

13.12 If all admission fees were to be increased by an additional 10p the resulting income generated would be in the region of £110,719. This should be a serious consideration.

Free Use for over 60's

13.13 Leisure Centres in Belfast currently offer the over 60's free use of the centres before 11am Monday to Friday.

13.14 Figures provided by BCC show that 91,375 people used the facilities under this scheme in 2013/14.

13.15 Examples of other nearby leisure centre charges are:-

- Lisburn CC - Lagan Valley Leisure Plex - £4.50 swimming session, £3.00 casual gym
- Newtownabbey BC - £ 1.50 swimming session, £4.50 casual gym, £2.80 classes

13.16 Whilst we would not wish to see a reduction in usage a nominal charge of £1.00 would still provide exceptionally good value compared with nearby centres and would be likely to realise in the region of £90,000 per year. It is recommended that this charge be introduced as once again the centre is not receiving any income to assist with staffing levels etc. during this time.

Vending

13.17 Vending is another area where the sites do not take advantage of the potential for income generation. We understand that the current contract for vending is able to be renewed on an annual basis therefore within the timescales identified it should be possible to negotiate a different provider for vending with a reasonable return in sales. Current vending levels are minimal.

13.18 APSE PN data indicates that vending and catering can realise anything between £0.19p per head up to £1.26 per head in the best facilities.

13.19 If we assume a return of 0.05p per head across all sites, based on PN data that would realise in the region of £60,000 per annum, 0.10p would realise £120,000.

13.20 Further exploration of this option is required but for the purposes of this report we have assumed the lowest figure of £0.05 spend per head which is well below the lowest figures elsewhere.

Parties

13.21 With the exception of Grove the income from parties is low. Once again there is potential to increase the income through community promotion and marketing of the services and facilities locally.

13.22 The total income from parties across 10 centres is currently £95,995. £37,400 of which is taken at Grove, staff are aware that there is potential to increase the income levels. Parties should be programmed into a new revised centre programme for the future and promoted locally. The projected increase in income has not been quantified at this stage.

Summer Schools

13.23 Last year's summer school made a loss of over £50,000. Given the extremely low prices charged for this service at a minimum the operating costs should be covered and prices reduced where necessary through means testing. There is potential at some of the more affluent sites to make a small return on the summer school however at the moment all services should at least cover their costs unless subsidised by funding from elsewhere.

Pricing structures/recharges

13.24 There are numerous examples of 'free use' being given to activities which are either being booked by other internal departments outside leisure and not recharged, or are booked as part of the Active Belfast initiative. Whilst the Active Belfast initiative is something to be supported, costs involved in supporting the delivery of grant aided schemes need to start taking into account the delivery costs incurred by the leisure centres and the staff time involved in set up/delivery etc. These costs can usually be built into grant applications and therefore should be passed on to the centres. It is unclear whether all the costs are being passed on at the moment. As an example the Ozone Centre alone provided £9000 worth of free use last year for various activities for which they would have incurred venue and staffing costs but were not recompensed.

GP Referral Scheme

13.25 It is unclear how the GP referral scheme is paying for the staff time allocated by the Health and Fitness staff at the centres. We understand that a grant is given to the centres to provide the service. In light of potential changes to staffing this scheme needs to be reviewed to ensure that costs are being covered. This is also a scheme that the centres are more willing to support and get involved with dependant on cost recovery. There is a will to try to ensure that GP referrals convert to members for the longer term. Clarity is required on the charging and recharging mechanisms relating to GP referrals and to what extent the centres are expected to subsidise the scheme.

Training

13.26 There are well trained staff within the Leisure Centres who could potentially offer training, not only internally, but to external agencies e.g. NPLQ. Colerain already offer this service in the north with charges in the region of £250 per head. There is a member of staff who is keen to develop this and is willing to do the research to provide a business plan to move the proposal forward. Other leisure services provide accredited training for coaches, first aid, personal training etc. and have established accredited training centres within their sites. Centres also provide coaching in different sports throughout the year as sessional programmes for both adults and children. At this time there are no financial figures to support this proposal although figures can be obtained from other sites to evidence the business plan.

13.27 Other potential developments include:-

- Develop more use of the facilities by schools and develop a closer working relationship with education.
- Increase the opportunities for other secondary spend i.e. swimming goggles, costumes etc
- Explore potential to provide other activities with public health e.g. tea dances, craft sessions etc.

14. Financial Summary

Summary of Financial impacts identified earlier in the report

All figures in the table below are estimated and will need further work to confirm their accuracy.

Savings/Income generation	Expenditure Savings	Potential Income Generation
Staffing overtime and agency	£ 732,214	
Staff Structure savings	£ 911,807	
Total Potential Savings	£ 1,644,021	
Increase of 10p on all admissions prices		£110,719
Swimming Lessons		£ 81,000
Health and Fitness		£ 306,000
Over 60's		£ 90,000
Vending		£ 60,000
Total Potential Increased Income		£ 647,719

Total Potential Reduction in Revenue		£2,291,740
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The total potential reduction in revenue budget identified to date would indicate that the service is able to move towards achieving the financial figure of £2m as identified. The current estimated potential figure is in the region of: £ 2,291,740

15. Conclusion

- 15.1 Given the opportunity across the leisure services relating to new investment, the potential for the in house service model under a strong leader with the necessary transformational skills required and with changes to governance there is real potential for change. The lead officer, i.e. CEO or Head of Service, will be crucial to the success of the In House service. It remains to be seen whether the skills are currently in house or not. It is evident that the current governance arrangements have impeded on the ability of current managers to manage change but equally it is also apparent that some of the basic management requirements together with a lack of consistency within the current management are impacting on the front line service delivery and staff morale.
- 15.2 We have been able to highlight the areas in which change can be made and although there is still detailed work to be undertaken behind the figures i.e. new staffing rotas, changes to opening hours and charges to be agreed, changes to terms and conditions of staff etc., the saving of £2m on the revenue budget bottom line should be able to be achieved. The caveat to this is that all parties will need to be in agreement to the changes i.e. Members, staff and unions, if agreement is not reached by any one of these partners then the ability to achieve significant change will be lost. Suffice to say that agreement and negotiations with staff and unions will still need to be undertaken by the NPDO option. If any one of these factors is not changed then there will be little potential for the transformation to succeed.
- 15.3 If these elements cannot be resolved then the In House service will not be able to succeed however if agreement is reached and a new way forward agreed together with protocols for future working relationships then the service has immense potential. At this stage it should be said that the unions seem willing to negotiate constructively to work towards achieving an in house option.
- 15.4 The In House option will also leave the Council in a stronger place to move forward in a more strategic way linking the services more effectively to Parks and Active Belfast , as well as Community Development and Neighbourhoods , so services will be aligned to effectively deliver on Community Planning and continuous improvement in the future. The lessons learnt from the transformation of leisure will be more able to be shared across other services.
- 15.5 There is no better time to keep the service in house than with the impending development of new facilities however there must be the autonomy to manage in order that the service improvement succeeds.

- 15.6 It is also our opinion that the operational challenges facing the service transformation by the In House bid are the same as would be faced by the NPDO. The NPDO would also have to select an external board and set itself up as a legal entity which is likely to be challenging in the timescales identified.
- 15.7 It is our considered opinion that with the right leadership, the changes in governance and cooperation between staff, unions and the Council that the in house bid can achieve the outcomes required. If these elements cannot be resolved then the In House service will not be able to succeed.
- 15.8 The level of work involved however should also not be underestimated and it is unlikely that the In House team could deliver the level of change without external support. However, contrary to the Deloitte report there do appear to be staff willing to undertake some of that work and influence the future of the service.

Appendix 1 – Analysis of options

The Deloitte report summarised the key issues of the Models which they compared in their report. APSE have used those comparisons to repeat the exercise basing the facts of the In House model on the suggested way forward for the In House service as we have outlined it in this report. We have used the arguments for the NPDO model from the original report and made changes to the In House Option.

It should be noted that the differences between the two options are minimal, the main one being that of the VAT savings. Each option will need external support to deliver it on time. The in house option may need to build in external support for a little longer to support the change process, whereas the NPDO will bring in a new CEO to lead change. Whichever option is agreed it will be crucial to have a strong and knowledgeable leader.

Scope to Maximise Service

In House	NPDO
Dedicated external support to be brought in to support the process	Dedicated external support brought in to support the process (GLL/Deloitte)
Changes required to Council governance – will have to happen anyway linked to RPA	Independent board to be set up New Legal entity required
Additional Savings/revenue not necessarily ring-fenced for leisure	Additional Savings ring-fenced for leisure
Additional savings/revenue may go back into Council	Additional savings will not go back into Council
Will need strong management to drive through change	Will need strong management to drive through change

Improving Customer Experience

Will require time and support from all levels of management to develop skills	Independent organisation however staff will still require time and support from management to develop skills
Change of governance arrangements should release time to focus on service delivery and customers	Will have focus as it will be an independent organisation
Will introduce effective performance management systems	Will introduce effective performance management systems
Will improve management of KPI's and monitor continuous improvement	Will improve management of KPI's and monitor continuous improvement
New MIS, booking, membership, customer access systems	New MIS, booking, membership, customer access systems
More focussed marketing techniques	More focussed marketing techniques
With the right new manager it will eliminate the need for senior Council management time	Will eliminate the need for senior management time
Changes in governance will ensure more arms-length approach to service delivery	Single focus organisation without competing pressures
Changes in current job descriptions to provide customer focus	
Additional roles to focus on community development/memberships and swimming development	

Access to new board with related skills	Access to board business skills
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Increasing Participation

New staff structure will provide emphasis on increasing involvement with local communities	
Can build on past successes	Can build on Council's past successes
More focussed Public Value organisation	Single focus public value organisation
Existing partnerships already working with considerable number of third party organisations in community development	Natural Partner for many third party organisations
Can address significant areas of participation weakness	Will also need to address significant areas of participation weakness
Some grants not available but can work with external organisations to access grants	Additional grants may be available
Easier to work across in house services to increase participation	Will be able to use surpluses as match finding for Council grant applications
Surpluses will go back into the Council and so will still be used for public value but not necessarily leisure	Ring fencing of surpluses for public value purposes
Difficult to link performance incentives to participation	Easier to link performance incentives to participation

Developing Staff and Improving Employability

Initial external support and mentoring for Head of Service to support and implement change	CEO appointment provides opportunity to bring in skills/drive
Staff will be given clear and consistent management and autonomy to manage	Dedicated Finance Manager
Governance changes to speed up decision making processes	Team skills enhanced through board
Less reliance on Corporate support. Managers freed up to focus more on business needs	Managers freed to focus solely on business needs
Dedicated finance officer	Objects could include use of local supplier and promotion of apprenticeships
Team skills enhanced through new autonomy, new board, mentoring and benchmarking	Access to grants/ commercial sponsorship
Subsiding of target groups aligned to a new Leisure Strategy	Subsiding target groups taken in context of public value approach
Leaner decision making processes with new governance	Leaner decision making processes
Apprenticeships available to LA	

Deliverability by March 2016

Is able to make radical change in the timescales if all parties are in agreement	Also needs radical change and buy in from staff
External resource brought in to support the process. Will need some management time	External resource brought in to support the process. Will need some management time
Needs to compete with pressures of LGR – autonomy will ensure service managers are focussed on leisure	Importing refreshed and skilled leadership
Will need a leader with drive and leadership to implement. Will need external support initially.	Over 100 examples of successful delivery of NPDO model
Many examples of successful in house service delivery which can be benchmarked	
Many examples of significant financial	Many examples of significant financial

improvement	improvement
Internal view that, subject to agreement, staff changes can be made easily. Other changes can be made subject to some external support as staff are now willing to change	Legal view that transfer can be achieved quickly

Appendix 2 – Staff SWOT analysis

Strengths

Highly qualified staff in some areas
Knowledge of customers/local community
Established relationships with customers
Good provision for school/reasonably priced
Concessionary rate available to allow access for all
Dedicated staff resource
Good services in our community
Understanding & willingness to change
Qualified membership exists
Services are free to N.I.
Ideas to increase income & business improvement
Team workers/ good PR/communications
Good customer feedback/personal connections
Inclusiveness / established policies in place
T & C'S
Creative/ flexible/organised/efficient
Committed to leisure services
A lot of experienced/willing staff
Comprehensive programme
Local knowledge
Cradle to Grave service (customers)
In-house training
Good working conditions/ retention of staff, high
Safe environment/ staff trained/child protection etc.
Pricing

Weaknesses

Lack of leadership
No real leisure strategy
Structure/shifts don't suit centres
Operate a 1 size fits all policy-doesn't work
Time it takes to fill vacant posts

Excessive use of agency staff
Service too centralised, too much bureaucracy
Too much interference from Councillors
No accountability for anyone e.g. Compliance manager
Disjointed service/ programming too similar in centres
Number of freebies in centres to detriment of paid bookings
Top heavy centrally
Participation separate to sports development
Control of comms style –dysfunctional
Summer scheme too cheap –where does income go?
£56k deficit
Competition between centres – swimming –decisions
Senior management/ poor decisions
Slowness in decisions
Payment policy/charge all for service
Services are free to N.I.
Lack of Autonomy
Revenue/grants not all going to leisure fully
Structures wrong
Active leisure comp. GP Ref £40k
Communication/ both to customers & internal
No Strategic plan
Interaction with other services
Performance monitoring
Age of buildings
Not competitive/ pricing etc.
Mind set of Council
Too Centralised – 2layers
Budget
Development
HR
Maintenance
Marketing/advertising
60+ users free of charge
Lack of investment

PDP's under-utilisation of staff
Senior management-no direction/no leisure experience
Council is funding competitors
Use approach of 1 size fits all/centres are all individual
1 manager to 2 sites

Opportunities

More training opportunities for personal develop
Develop specific centre programs
Re-discover centres of excellence
Improve community relations
Influence the decision making process
Input in to pricing policy
Revision of opening hrs. -centre specific
Need centres to work together
Revise events/inter-centre activities
Look at programs for specific age groups not currently catered for
E.g. u5's oak's teenagers
Change of role for staff/training
Try to influence change
Motivational flexibility
Advancement
Improved communication
To increase income/better strategies/sales/marketing
Outreach to communities/schools/business/sports groups
Secure Belfast leisure provision for the future by maximising usage
Change centre programs to reflect the needs of the community etc.
Staff involvement in future service provision/purchasing of equipment
Control access to centres
Increased I.T Support – better ways of admin/comm.
To get the right staff structure
Create flexible workforce
Income increase
-Summer scheme prices

- M/ship sales
- Make a Splash (price –free as part of m/ship)
- 60+ pay a nominal fee
- 1 to 1 coaching by centre coaches – not private lessons
- Crèche facilities
- Review of opening hours
- Centres of excellence
- Revamp programme
- One entity/joined up co-operation between centres
- Secondary spend/vending machines currently leased out
- Outreach: e.g. water safety, obesity first aid
- Improved I.T. /WI-FI/Technology
- Funding – environmental
- Increase school swim program in some centres

Threats

- Lack of investment in current facilities
- Private sector
- Saturation
- Aged equipment
- Decision makers have lack of practical leisure experience
- Lack of funding
- Time
- Politics in Belfast
- Private sector competition
- Resources £/time/equipment
- Internal leisure politics
- Buildings/age/fit for purpose
- Age/profile/skills base/planning
- BCC funding other organisations that are in direct competition with the centres
- Politicians/Senior management
- Private gyms
- Divided communities with different needs
- Resources/inability to move with new trends
- Decreasing budgets in schools – transport costs etc.

Threats to other council depts.

Costs of flexibility – additional training etc.

LOCAL SERVICES
LOCAL SOLUTIONS