



Subject:	Independent Review of the Leisure Operating Model
Date:	23 rd March 2018
Reporting Officer:	Nigel Grimshaw, Director City & Neighbourhood Services Department
Contact Officer:	Noel Munnis, Partnership Manager

Restricted Reports	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

Call-in	
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

1.0	Purpose of Report or Summary of main Issues
1.1	To present members with the final report on the Independent Review of the Leisure Operating Model.
2.0	Recommendations
2.1	The Committee is asked to <ul style="list-style-type: none">• Consider the contents and key findings contained within the report and formally record receipt of the full report attached at Appendix 1.
3.0	Main report
	<u>Key Issues</u>
3.1	Belfast City Council commissioned First Point Management & Consultancy Ltd to conduct an independent review of the leisure operating model in August 2017.

The review methodology included desktop research, benchmarking and stakeholder consultation elements. Research and consultation was conducted throughout September, October and November 2017. The first draft report was delivered at the end of November 2017. Following robust assurance checks to verify the research methodology, compliance with the terms of reference, and the accuracy of the data recorded a final draft was agreed in January 2018.

3.2

The report was initially scheduled to be presented to Committee in February but following the cancellation of a special SP&R meeting on 22nd February it was added to the agenda for the SP&R committee on 23rd March.

The research methodology and the final report have been delivered consistent with the following terms of reference as specified by the Council:

- a) The overall performance of the leisure operating model against the Council's original objectives, the future build programme and other plans as part of the ongoing transformational programme and business transformation process, including comparative analysis with other partnerships potentially UK wide;
- b) Review of the customer journey including market demand, marketing, and customer expectations and feedback;
- c) Assess the operational documentation and practice against industry standards and regulations, including but not limited to, normal operating procedures, emergency action plans, pool safety measures, health and safety, and RIDDOR records;
- d) Review employment practices in Belfast Leisure Services, including treatment of casual staff, pensions, terms and conditions, TUPE legacy, training and development access to promotions, and trade union relations;
- e) Identify any capital investment that would be required for each option;
- f) Provide a commentary on the overall state of the partnership and its governance, between the three parties to the contract.

3.3

This report includes an assessment of the above and articulates observations on the current operating model and relationships between the principal parties.

3.4 The report comprehensively presents each area of investigation along with clear position statements in relation to how the current operating model is performing. A summary of the key findings is as follows:

3.5 LEISURE TRANSFORMATION PROGRAMME & GENERAL PRINCIPLES

- a) Undertaking a capital programme of this scale is clearly a significant undertaking for the Council, as is moving away from the traditional in-house delivery model that is common place in Northern Ireland. The interdependency of both elements on the success of each other is crucial if the Leisure Transformation Programme is to be realised; the challenge of delivering both should not be underestimated.
- b) In overall terms, the operating model is meeting the financial targets set at the outset, however there have been several changes to the model over the past few years that have required some adjustment, this is likely to be an on-going issue that will require regular review as the LTP progresses. GLL are delivering a more efficient service with a lower cost subsidy than the in-house model.

3.6 BENEFITS AND IMPACTS

- c) Some good work has been done with partners to provide a community sports and health improvement programme, however there is scope for an increase in this area and the need to demonstrate long term impact, of which there is minimal evidence of. However, this is not something unique or attributable to GLL in a city where the health of the local population remains below Northern Ireland and UK averages in many key areas despite the considerable investment in health-related programmes. With the support of strategic partners this should be an area of growth for GLL and the opportunity to make a difference.
- d) Utilisation of leisure facilities is increasing year on year thus far, however there is a very strong and competitive fitness market in Belfast that requires a commercial response and strong service offer to ensure this continues.
- e) It was not possible to benchmark the current service in a meaningful way as validated benchmarking data was not available. The paucity of benchmarking data is a result of the lack of participation by both Belfast City Council and GLL in national schemes and consequently the lack of access to comparable data.

f) Customer feedback through the Annual Surveys, the four focus groups and QUEST assessments suggest the service is well received and performing well. Customers in the focus groups were not concerned with who operates the service, just that it was well run, the evidence from the above sources suggests that this is generally the case. Two mystery shopper visits conducted as part of this review support that conclusion.

3.7

HEALTH AND SAFETY

g) GLL are operating the service differently to when it was run in-house, including changes to workforce deployment, but no evidence was found to suggest that they are operating the service outside of health & safety legislation and relevant guidance. The level of RIDDOR incidents is not excessive.

3.8

CHANGE MANAGEMENT, HUMAN RESOURCES AND LABOUR RELATIONS

h) Change management is an on-going process and progress could be categorised as slow in comparison to other TUPE transfers in the UK. Some staff have benefitted from promotional and career development opportunities, whilst others feel that they have effectively hit the 'ceiling' as they do not want to accept a change in contractual T&C's.

i) GLL have changed the workforce dynamic. Overtime has been reduced considerably whilst the use of agency staff has now ceased entirely. GLL's preferred position is to engage casual workers directly and eliminate the higher costs associated with agency workers in addition to opening access to training and permanent employment opportunities for those that seek them. There is scope for GLL to consider alternative arrangements for programmed activity such as holiday schemes and employ staff of fixed term contracts rather than use casual staff.

j) Most large organisations including Belfast City Council, GLL and other employers across the cultural, hospitality and leisure sectors engage casual workers to support fluctuating business needs. Casual workers are not contracted in the same way as permanent staff or guaranteed any set number hours and therefore can be deemed to be within the broad definition of zero hours contracts. However, there are some distinct differences between the exploitive zero-hour contracts that have attracted a wide level of criticism and casual work that is widely used by many organisations including both Belfast City Council and GLL.

- k) Undoubtedly more casual workers are utilised within leisure now than when the service was managed by the Council. However, whilst the Council previously engaged agency workers (that had no formal relationship with the Council), GLL's preferred position is to engage casual workers directly and eliminate the higher costs associated with agency workers (typically agency fees range from +10-20% of the hourly rate) in addition to opening access to training and permanent employment opportunities for those that seek them.
- l) Whilst in some sectors that have stable customer demands or work flows the norm is for regular hours of employment, others such as leisure do require a much more flexible workforce; the Council previously used agency workers, GLL prefer to utilise casual workers, there is no job security with either model.
- m) Technically casual workers are working under a 'zero-hour' arrangement as no hours are guaranteed, however unlike the exploitive 'zero-hour' or minimum hour contracts that create an employment relationship and contractual commit for the individual to work when the employer requires, a casual worker has a choice whether to accept the offer of hours or not and is free to work for other employers in preference to GLL as suits their particular circumstance at the time.
- n) Recruitment to the casual pool does allow GLL the flexibility to recruit when the demand for hours exist and determine at the recruitment stage general availability of applicants. Casual workers are paid the same rate of pay as the equivalent permanent roles upon entry to the service.

3.9

TRI-PARTITE ARRANGEMENTS AND GOVERNANCE

- o) The tri-partite governance arrangement between Active Belfast Limited; Belfast City Council and GLL is unusual for this type of service contract. There is a need to review and possibly redefine roles and responsibilities of ABL and the Council.

3.10

The above key findings are provided as an executive summary.

3.11

Members are requested to consider the contents and key findings contained within the report and formally record receipt of the full report attached at Appendix 1.

<p>3.12</p> <p>3.13</p>	<p><u>Financial & Resource Implications</u></p> <p>There are no additional financial or resource implications associated with this report.</p> <p><u>Equality or Good Relations Implications</u></p> <p>None</p>
<p>4.0</p>	<p>Appendices – Documents Attached</p>
	<p>Appendix 1 Independent Review of the Leisure Operating Model – Final Report</p>