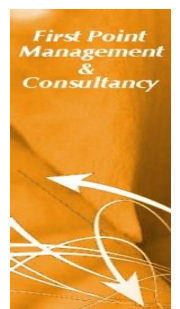


**Independent Review of the
Leisure Operating Model
Belfast City Council**



First Point Management & Consultancy Limited

September 2017



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Executive Summary & Recommendations

Context

Belfast City Council is the largest local authority in Northern Ireland and continues to invest, significantly in the regeneration of the city. As part of Local Government Reform (LGR), powers have transferred from central government to the new Council bodies across Northern Ireland from 2015. The additional functions provide the opportunity for increased local control more responsive to local circumstances. However, in parallel to there is a continuing increased financial pressure on Councils to deliver high quality and efficient services. Realising both the opportunity and need to maximize income potential through the effective deployment of commercial assets and the way services are delivered are ways in which Councils can respond to this challenge.

The Belfast Agenda, an ambitious 20-year regeneration plan for the City, recognises the important role of leisure. The Leisure Transformation Programme (LTP) is referenced within this long-term ambition for Belfast and reflected in the Council's Corporate Plan. The LTP covers much more than the capital investment requirement and facility modernisation, it is also concerned increasing participation, partnership working, operating an efficient service and driving up standards and participation for the long-term benefit of local people.

Belfast City Council have taken a bold step to transform its leisure estate, embarking on a c.£105m capital investment programme for the re-provision of its extensive yet aging facilities. In order to finance the LTP, operational revenue efficiencies of c. £2m needed to be secured, this resulted in the Council deciding to outsource the management of its leisure facilities to Greenwich Leisure Limited (GLL), the largest social enterprise organisation in the leisure sector. The approach was designed to provide increased contractual cost certainty alongside delivering improved services and long-term cost savings, while increasing its flexibility to identify and meet changing customer needs.

Belfast City Council was the first council in Northern Ireland to shift from in-house provision, to a third-party specialist operator for its leisure facilities since LGR. Most leisure facilities in Northern Ireland remain under the in-house directly managed model, with limited exceptions; this is a distinct contrast to England where less than a third of local authorities still provide leisure in-house.

Review Requirements

GLL, trading under the *Better* brand has managed the Councils leisure facilities in Belfast since January 2015, in addition to facilities transferred to the Council following LGR and other facility developments such as the Girdwood Hub. With the management arrangement now well established, the Council commissioned a high level Independent Review of the Leisure Operating Model to determine the following:

- 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;

- Review of the customer journey including market demand, marketing, and customer expectations and feedback;
- 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;
- 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;
- Identify any capital investment that would be required for each option;
- Provide a commentary on the overall state of the partnership and its governance, between the three parties to the contract.

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

Key Findings

- 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.
- 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 to be reflected in the Management Fee; this is likely to be an on-going issue that will require regular review as the LTP progresses.
- Financing the capital ambition to transform the leisure estate, requires significant revenue savings compared to the historically high cost of the previous in house delivery model. GLL are delivering a more efficient service with a lower cost subsidy than the in-house model.
- 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.
- 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.
- 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.

- Given the volume of leisure facilities available to Belfast residents regardless of the provider, supply outstrips demand on any per capita basis for provision and in comparison, to other major cities across the UK. Therefore, operating it as efficiently as possible must continue to be a key consideration.
- 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. The two mystery shopper visits conducted as part of this review support that conclusion.
- The process of price setting appeared to cause some confusion during consultation, several consultees and customers were unaware of the process where GLL propose price review/changes for approval by Active Belfast and the Council.
- Change management is an on-going process and progress is 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.
- Progress in improving service standards and achieving outcomes for local people will depend on a good relationship between the Trade Unions and GLL moving forward. The Trade Unions remain opposed to the decision of the Council to outsource leisure to GLL some years ago. This review has found that currently there is no sound reason to contemplate a termination of the arrangement with GLL, which in all likelihood would significantly increase revenue costs and could jeopardize the financing of the capital programme.
- 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.
- GLL have changed the workforce dynamic, overtime has been reduced considerably, whilst the use of agency staff reduced and now ceased entirely. The review looked at feedback from some stakeholders about an excessive use of casual workers. 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.
- Technically casual workers work under a 'zero-hour' arrangement as no hours are guaranteed, however unlike the exploitive 'zero-hour' or minimum hour contracts casual workers have a choice whether to accept the offer of hours or not and are free to work for other employers in preference to GLL as suits their particular circumstance at the time. However, 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.
- The tri-partite governance arrangement between Active Belfast Limited; Belfast City Council and GLL is unusual for this type of service contract. ABL have faced challenges in terms of capacity, including, until quite recently, operating without a full complement of Board Members. There is a need to review and possibly redefine roles and responsibilities of ABL and the Council.

- This review has highlighted relationship issues and ideological difference between some of the stakeholders, however moving forward, it is important that the customer is the key focus. There is a need to manage change effectively in order to achieve the corporate ambition of a high quality and accessible services.

Recommendations arising from the review are presented as proposals that will help develop the partnership; these are presented as below:

1. The recalibration of the financial baseline as result of facilities changes and other variations that are beyond the control of GLL and impact on the net subsidy should be clearly presented, communicated with and agreed by the three principal parties: Active Belfast Limited; Belfast City Council and GLL.
2. GLL should provide the Council's Partnership Manager access to their Customer Relationship Management system to facilitate periodic monitoring of the membership and facility utilisation data.
3. GLL should explore the reasons for significant variations in the membership attrition rate and report on this to the Active Belfast Board in the same way growth is reported.
4. Active Belfast Limited and GLL need to collectively determine how longitudinal studies and evaluation tools can be developed and introduced to measure health impacts and ASB diversionary outcomes for specific programmes and general participation; exploring opportunities to partner with other agencies and highlighting any resource implications that may exceed contractual provision or requirement.
5. Active Belfast Board and GLL should give due consideration to actively participating in recognised national benchmarking schemes highlighting any resource implications that may exceed the contractual provision or requirement.
6. Belfast City Council should support and facilitate discussion with other Councils in Northern Ireland and GLL to either encourage greater participation in national benchmarking schemes and/or develop their own benchmarking activity amongst Councils in Northern Ireland.
7. GLL should review its generic membership architecture to ensure it: remains relevant and accessible to Belfast residents; it supports increased participation by the moderately inactive and target groups in addition to regular users; it supports long term health improvement; and is financially sustainable.
8. GLL to review and present a marketing plan that supports growth in participation to the Active Belfast Board including how it will expand its social media presence to enhance customer engagement, support increased participation and the methodology to evaluate effectiveness of such plans.

9. GLL to produce and display an accessible customer feedback mechanism in centres reporting on: performance against service standards; improvement actions as identified from the Annual Survey; QUEST assessments and; other key customer issues specific to each facility.
10. GLL to consider employing seasonal staff for peak periods and/or holiday schemes to provide continuity of service delivery at such times and reduce the use of casual workers for programmed activity.
11. GLL conduct a skills audit of its facility management team and develop a specific development plan that addresses and skills gaps that may exist in either technical or people management skills specifically relevant to the Belfast contract.
12. GLL review the effectiveness of its internal communications framework to ensure that staff at all levels are well informed about: service standards; performance expectations/targets and; service changes so they can deliver excellent customer service.
13. GLL and the Trade Unions should agree and commit to a schedule for joint review/audit of health & safety on a site by site basis conducted by local management and local Trade Union representatives that have leisure management experience.
14. GLL (as employer) and the Trade Unions (as employee representatives) commit to improving relationships and working more closely together to implement service transformation that support the strategic objectives without regular recourse to third parties.
15. Belfast City Council should continue to ensure that there are robust business cases for each proposed development within the Leisure Transformation Plan that the revenue consequences of capital investment are fully understood including the impact of design and facility mix on the operational subsidy including operational costs, reality of income generation projections and whole of life costs, so informed decisions and appropriate action can be taken.
16. Active Belfast Board and Belfast City Council review the optimum way to secure additional leisure and contract management capability in the short/medium/longer term including succession planning.
17. Active Belfast Board should reiterate the role, expectations and responsibilities of a company Director to ensure any potential conflict of interest is managed appropriately and does not reflect negatively or damage the reputation of Active Belfast or its principal partners.
18. The role of Active Belfast Board should be reviewed jointly with Belfast City Council to ensure to it is given the capability to operate as intended and that it adds value to the partnership and the strategic outcomes in addition to fulfilling a contract monitoring and administrative role.

19. Belfast City Council in its city strategic leadership role, should facilitate greater access to the Belfast Health Trust and other health agencies for Active Belfast and GLL to develop programmes and partnerships that deliver city-wide strategic health outcomes.
20. Belfast City Council in conjunction with Active Belfast should seek expert advice to fully explore any requirements and/or the relative merits of Active Belfast securing charitable status in the short-medium term.
21. That the three principal parties of this partnership: Active Belfast Limited; Belfast City Council and GLL reflect on the findings and recommendations of this review and commit to work more collaboratively to deliver the strategic objectives of the Leisure Transformation Programme for the benefit of Belfast residents and service users.

Background

Context

Belfast City Council is the largest local authority in Northern Ireland and continues to invest, significantly in the regeneration of the city. As part of Local Government Reform (LGR), powers have transferred from central government to the new Council bodies across Northern Ireland from 2015. The additional functions provide the opportunity for increased local control more responsive to local circumstances. However, in parallel to there is a continuing increased financial pressure on Councils to deliver high quality and efficient services. Realising both the opportunity and need to maximize income potential through the effective deployment of commercial assets and the way services are delivered are ways in which Councils can respond to this challenge.

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Review Methodology

First Point Management & Consultancy Limited

Established in 2006 by Peter Appleton (MA, MSc), with over 25 years of public and private sector experience, First Point Management & Consultancy operates as a small but flexible independent interim management and consultancy service, utilising professional and expert associate resources as necessary.

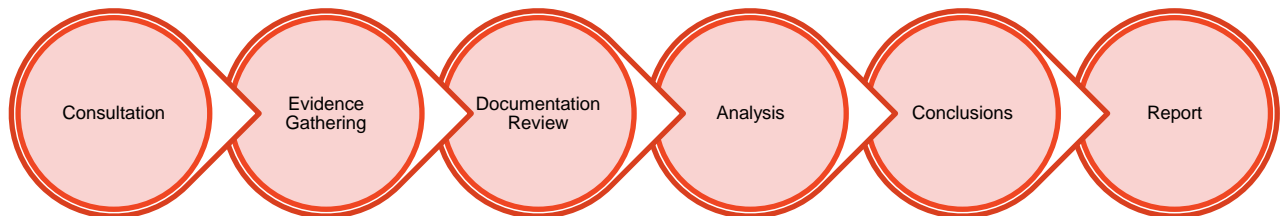
We aim to provide a refreshing and direct approach combining extensive senior management and consultancy experience across a range of sectors, specialising in the broad spectrum of Cultural and Leisure services. We offer our clients, honest and pragmatic advice, providing professional opinion and solutions that can help influence and transform organisations in a positive and sustainable way.

We understand and appreciate that all our clients have different needs and challenges. Our extensive knowledge, expertise and understanding of the local government context both in Northern Ireland and mainland UK provides a strong offer to our clients. Collectively, these elements bring added value for our clients, providing outcomes and designing solutions appropriate to the specific requirements of each assignment. Some of the projects undertaken for our clients have included:

- Change Management
- Stakeholder Engagement
- Interim Management
- Options Appraisal
- Partnership Development
- People Development & Knowledge Transfer
- Procurement & Contract Management
- Project Management
- Performance Improvement
- Service Review & Transformation
- Strategy Review and Development

The Approach

The review was principally conducted by Peter Appleton as lead consultant, supported by Wendy McCullough. The approach involved a considerable number of consultation meetings, collation of supporting evidence/documentation, documentation review, analysis and testing assumptions/assertions as illustrated below:



The review included over 30 key stakeholder consultation meetings with Councillors, Senior Council Officers, GLL Regional Management Team and the Trade Unions. In addition, over 55 customers and staff took part in eight separate focus groups sessions.

Customers and staff were picked at random by the consultants using a robust numbered system ensuring a reasonable cross section of service users and staff across facilities to ensure the process had validity and integrity. A list of consultees is included as an appendix.

Data and documentation was provided by Belfast City Council, GLL and the Trade Unions.

Limited validated benchmarking data was available for this review. This position has been exacerbated since LGR with Belfast's leisure estate changing in line with boundary changes and the LTP; variance in data sets and methodologies; non-participation by both Belfast City Council and subsequently GLL in established, sector benchmarking groups.

Additionally, two mystery shopper visits were undertaken to triangulate the evidence and perception assessment of the customer journey and experience. Mystery shopper visits were conducted at Ballysillan and Olympia.

Report & Findings

Report Structure

The report and findings of this review are presented in relation to the Review Requirements. During the consultation meetings and focus group sessions, issues raised where relevant have been considered and are commented on in the appropriate sections below.

Overall Performance

This section considers the overall performance of the leisure operating model against the Council's original objectives.

The operator requirements set out at the commencement of the management agreement that were reflective of the Council's corporate priorities are listed below:

- To deliver an affordable and innovative 'best in class' customer and community-focussed service, ensuring that price is not a true barrier to participation;
- To work with others to improve the health of Belfast residents by motivating people who do no physical activity to do at least 30 minutes of activity per week and to increase those who do some activity increasing to move towards 5 x 30 minute a week by using the facilities as part of their weekly activity programmes;
- Working with the Council, through investment in the facilities and sports coaching increase the sports development pathways within Belfast to enable young people to learn sports skills, join local clubs and participate in competitions;
- To maximise opportunities for Belfast residents to obtain qualifications and local employment in the sport and leisure industry and contribute to wider social, environmental and economic regeneration outcomes, linked to the Council's emerging community plan;
- To maximise efficiency and income generation opportunities, reducing dependency on Trust rate-based funding including securing alternative funding streams for both revenue and capital programmes;
- To work in partnership with the Council and other agencies to deliver public benefit and real change in local neighbourhoods;
- To run facilities which are fit for purpose, shared, attractive and welcoming, with proactive community outreach and marketing;
- To ensure employees are well-trained, customer-focussed and enabled to participate in the growth of the business;
- Use sport as a tool for promoting community cohesion as well as diversionary activity by engaging young people at risk of participating in crime and anti-social behaviour;
- To use investment in new technology to reduce the Council's carbon footprint.

A reasonably comprehensive suite of Key Performance Indicators (KPI's) have been developed to monitor the service performance of the provider (GLL) with numerous individual measures under each of the six themes as below:

- Business (income)
- Operational (health & safety)
- Health & Community Impacts (participation)
- Sports Development
- Staffing & Human Resources
- Environmental Sustainability

The Board of Active Belfast Limited (ABL) receives a quarterly performance report. The first two full years of the GLL management have been helpful to refine KPI's and set baselines, given the absence of some historical data and the subsequent changes to the facility portfolio following LGR and changes resulting from the commencement of the LTP. Baseline and targets will require continual adjustment to setting annual targets as facilities close and are re-provided.

The overarching strategic objectives can be distilled to: operating the leisure facilities more efficiently; improving the offer and service standards; increasing participation; increasing income generation; improving health impacts; responding to the LTP appropriately and ensuring the Council led design and facility mix operates as effectively and efficiently as possible.

Financial

In order to finance the leisure capital ambition, a revenue saving of c.£2m was required from the new operating model, clearly to deliver this level of efficiency a fundamental change in operational practice was required. 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 to be reflected in the Management Fee; this is likely to be an on-going issue that will require regular review as the LTP progresses.

The original proposal was based on 10 facilities, the impact of LGR and the subsequent addition of Girdwood to the portfolio change this premise. In addition, there are several factors that have and will continue to require financial review and adjustment to the management fee paid to GLL that are beyond the scope of the agreement including:

- a delay in commencing the LTP with new facilities not delivered by the Council as initially envisaged when GLL's proposal was submitted therefore impacting on financial assumptions;
- subsequent changes by NILGOSC creating a legacy cost liability on the Council;
- back dated pay award creating a legacy cost liability on the Council;
- introduction of the Apprenticeship Levy;
- delay in roll-out of CHP units in facilities (Council responsibility)
- realignment of outdoor pitch fees (following Council decision to reduce fees)

It should be noted that the GLL's financial modelling was based on 'like for like' facility re-provision as part of the LTP, in the absence of any detail to the contrary at the time. The design of new facilities will have a bearing on the net subsidy; the Council are ultimately determining the facility mix in the LTP.

GLL are offering professional opinion and ultimately, they may merely inherit facilities that are costlier to operate than those they have replaced. It will be important to regularly review all financial assumptions and affordability at each key stage of the LTP.

The table below provides a headline financial summary over a two-year period.

	2015-16	2016-17	Year on Year Variance
Income	£4,476,872	£5,602,677	£1,125,805
Expenditure	-£12,499,811	-£12,643,851	-£144,040
Management Fee	£8,049,864	£7,061,483	-£988,381
Net Position	£26,924	£20,309	-£6,615

It is important to take account of the changing leisure estate during the two years presented above. Additional facilities have gone 'live' during this period, therefore you would expect to variations to income and expenditure. The contribution from a full year of operation of the gym at Connswater, the opening of the new Olympia and new 3G pitches, the closure of the Robinson Centre following LGR will all have impacted on financial performance. The reduction in spend reflects GLL's continuing drive to operate more efficiently to support the LTP capital programme.

Utilisation

Given the paucity of directly comparable data from when the service was directly managed to the current situation alongside the impact of increased private sector competition in the city, and the addition/closure of facilities, a 'before and after' comparison is of limited value as there are so many variables.

Possibly of greater value moving forward would be to ensure greater consistency in data collection and consider the year on year performance under GLL now a baseline has been established. Even this approach is not without its complications given the planned closures/re-provision of facilities as part of the LTP, facility acquisition and changes to membership packages etc. However, it should be possible to adjust targets and reporting inconsistencies in a more coherent way in future.

Comparison between the 2015 and 2016 calendar years is illustrated below, these represent a full 12 months of GLL management, whilst 2014-15 municipal year was split between nine months of direct management by Belfast City Council and the final three months (January – March) with GLL.

	2015	2016	% Variance
Total Visits	1,650,000	1,980,000	+20%
Swimming Visits	740,000	900,000	+ 21.6%
Gym Visits	380,000	480,000	+26.3%
Sports Hall Visits	530,000	600,000	+13.2%
Swim School	1,250	2,750	+120%
Total Members	8,452	16,515	+95.4%

NB: ¹ Visit data has been rounded ² There were only 12 facilities in 2015 compared to 14 in 2016. ³ In 2014-15 municipal year, c. 1.3m indoor leisure visits were recorded, nine months was under the direct management of Belfast City Council with the final three months being under GLL management. ⁴ In 2014-15 municipal year membership was recorded at 6,815. ⁵ Figures for 2016 include Pay & Play Members and reflect the growth in Swim School.

The data above indicates a positive development in participation and memberships year on year since GLL have been operating the facilities; attempting a direct comparison with the pre-GLL period may give a distorted view of the service given the increase in the number of facilities and differing data collection methodologies. It is likely that GLL would have increased memberships in January 2015 as the new year is traditionally the peak sales period for the fitness industry.

Some caution needs to be applied to the headline figures illustrated above, as some of the growth can be attributed to expansion of the estate, in the case of Connswater c. 1,800 members would have been transferred across when GLL acquired the facility from Fitness First, re-opening the facility in November 2015. Further growth with the opening of the Church Lane gym at the end of October 2017 will also need to be accounted for.

The market for gym provision in Belfast is very competitive, it is estimated that GLL's market share in gym's is c. 17% currently based on estimated total membership across all competitors. The development of the gym at Church Lane and provision of additional fitness stations provided through the LTP needs to attract members from the estimated 55,000 members of gyms provided by the private, other public and third sector providers within Belfast otherwise memberships will only be circulated and/or diluted within the GLL estate. Church Lane is being developed as a 'hi-tech' gym with a competitive introductory offer and will be attractive to existing gym users across the city. The impact of the Church Lane gym on existing GLL sites will need to be monitored after it opens to evaluate the impact.

A table of current pre-paid memberships by facility to August 2017 is provided below, this includes Junior Memberships and Swim School but excludes Pay & Play Members and Sports Courses.

Facility	Pre-Paid Membership
Avoniel Leisure Centre	1,536
Ballysillan Leisure Centre	680
Belvoir Activity Centre	340
Brook Activity Centre	720
Falls Leisure Centre	1,138
Girdwood Community Hub	496
Grove Wellbeing Centre	1,014
Indoor Tennis Centre/Ozone Complex	391
Loughside Leisure Centre	2
Olympia Leisure Centre	1,820
Better Gym Connswater	2,106
Shankill Leisure Centre	474
Whiterock Leisure Centre	783
Total	11,500

Following the closure of Andersonstown, members have been notionally re-allocated to other sites within the estate (predominantly Brook) which would be normal practice, the same would have occurred at Avoniel following the closure of the Robinson Centre.

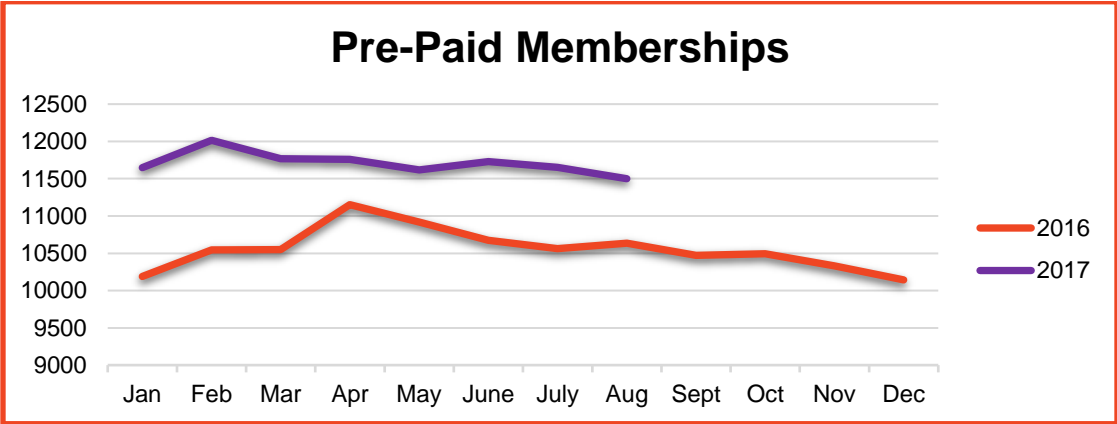
Given the scale of investment and the quality of facilities at Olympia membership is not at the level a site of this size and quality could potentially command in other cities, however, Belfast has an expansive supply of leisure facilities in relation to its population which is a key factor. Despite its road connectivity; Olympia remains obscured from view by the current 3G pitch developments and has limited car parking facilities currently; there is no obvious continuation of any specific marketing campaign following its launch at the beginning of 2017.

During this review, several comments were made questioning the validity of the data provided by GLL. The data is generated directly from the GLL Customer Relationship Management (CRM) system recording visits directly from sales or card swipes from members.

If it were possible to manipulate and inflate the visit data, this would have to translate across to income and therefore be somewhat self-defeating. Whilst this review was not required to audit or test the CRM, it is highly unlikely that data manipulation is taking place as there is no advantage to do so given the correlation between activity and income.

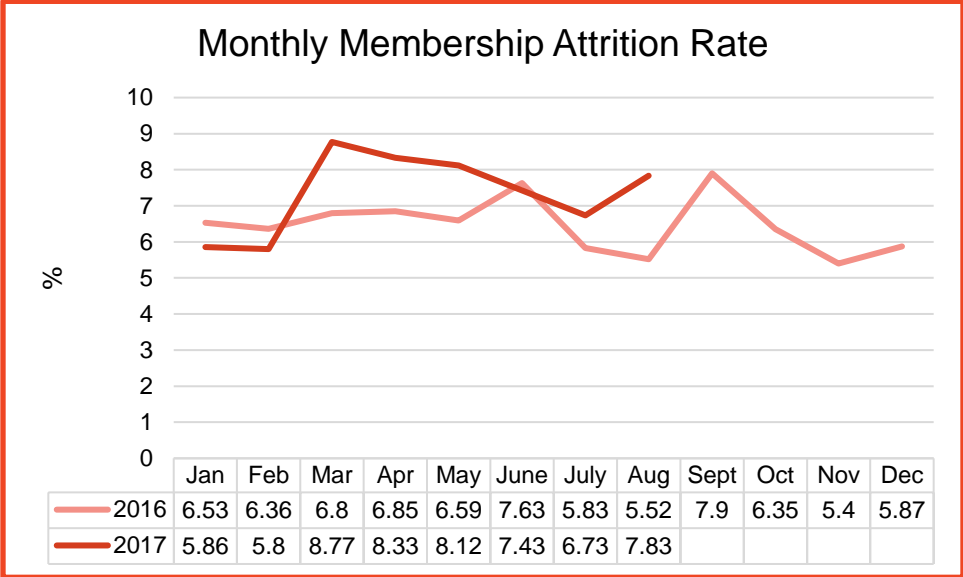
GLL could provide a licence to the Council’s Partnership Manager to periodically access and view performance information. This will inevitably detract from other duties undertaken by the post-holder and may be of limited value, other than being able to monitor performance at any given point rather than wait for the reports that are routinely produced and presented to ABL.

Under Belfast City Council management, the penetration rate (members to population) was 2.4% based on the population prior to the LGR boundary changes. In 2016 using just the pre-paid membership data to provide a reasonable comparison but based on the post LGR population the penetration rate was 3.2%, currently in 2017 it stands at 3.4%. The graph below illustrates the growth in pre-paid memberships comparing 2016 with 2017, overall growth is steady but not explosive, as may be interpreted from a cursory view of headline data.



During the consultation, it was suggested by several staff and the Trade Unions that the data was incorrect, and more customers were leaving than joining, however no evidence was provided or found to substantiate these assertions. Whilst there is growth in memberships and visits per se, it is also important to account for estate expansion and consider the membership attrition rate.

Customers join and leave for a variety of reasons, the predictable January boost; new or refurbished facilities and closures can also have a similar peak and trough impact. The average attrition rate in 2016 (January – December) was 6.5% per month with predictable seasonal fluctuations across the year, compared to an average of 7.4% in 2017 (January – August), whilst not a significant change, GLL should explore further the reasons for increase in attrition.



During the consultation process an allegation of GLL not applying the contractual concessions was also made. The Concessionary Groups set out by the Council and ABL at the commencement of the contract for Belfast residents apply to the following groups:

- Under 17s;
- Students in full-time education;
- Elite performers (criteria apply)
- Over 60s (facility access criteria apply)
- Carers (criteria apply)
- Discounted membership for those and their children in receipt of a range of benefits

Whilst it is possible that in some instances the customer may have been given incorrect information and some cases may have some validity, these are likely to be individual customer service errors. In overall terms concessions were applied to c. 53% of total memberships in 2016, suggesting that the contractual concessionary policy is substantially being applied correctly. The level of concessionary pricing in Belfast is amongst the most generous in Northern Ireland and is considerably higher than in most parts of England, Scotland and Wales.

Community & Health

Supported by GLL's Regional Community Sports Manager, GLL have developed partnerships with a number of organisations to facilitate several cross-community activities for local residents across the full age and ability spectrum including:

- Day of Paralympic Sport in partnership with Disability Sport NI and Sport NI in 2016
- Development of a Disability Sports Hub in partnership with Belfast City Council and Disability Sport NI with Girdwood as the central location
- Better Belfast Club Games at Girdwood in 2016 targeting the over 55's
- Appointed as 'lead partner' of the MacMillan 'Move More Belfast' programme, securing £120k over 3 years to provide advice and support to cancer patients to be more active
- Several Summer Activity Programmes for local children
- £38k secured for contract extension for continuation of cardiac rehabilitation services in 2017-18 via the Belfast Health Delivery Unit
- Girdwood Community Football programme developed in partnership with local clubs St Patricks FC and Shankill Juniors.
- In partnership with WISPA NI (Women in Sport and Physical Activity) delivered several female only sessions across the city.

The annual Customer Survey undertaken by GLL does capture some basic activity/health data i.e. number of 5x30 minutes of moderate exercise per week, however there appears to be no current impact assessment or measurement of health or ASB diversionary outcomes in relation to increased general or targeted participation contained within the performance measures reported to ABL. Measuring these types of impacts requires a different and more in-depth approach over a much longer period compared to simply collecting participation numbers.

Undertaking impact assessment may require additional resources; there is no provision in the contract or within ABL to progress this currently other than as part of third party funder requirements. A way forward would be to develop closer working with other agencies to develop a shared approach to measuring health and crime/ASB reduction outcomes which in turn can be utilised to support third party funding applications.

The mantra of a '5 Star Service for 3 Star Prices' is a strap-line and aspiration; it is not realistically measurable in any meaningful way until the LTP has been substantially concluded. However, following facility re-provision or refurbishment, there is an argument to say it could be tested at Olympia, Connswater and Girdwood and other new facilities as they come on stream.

It should be noted that Falls Leisure Centre was shortlisted for the FLAME awards as Leisure Centre of the Year in 2016, these awards set very high industry standards and whilst not winning the award, being nominated is testament to effort of the staff team and a well-managed facility.

Comparison

It was not possible to benchmark the current service in a meaningful way as validated benchmarking data was not available. The lack of data comparison has been exacerbated since LGR with the changes to Council's leisure estate in line with boundary changes; non-participation by both Belfast City

Council and subsequently GLL in established, sector benchmarking groups; estate changes through the implementation of the LTP and the absence of some historic data that would be broadly comparable with the current data.

Leisure facilities in Belfast have not participated in national benchmarking schemes such as the National Benchmarking Service (Sport England) or Performance Networks (Association of Public Service Excellence - APSE), either when operated in-house or by GLL. Services and individual centres cannot be meaningfully compared without access to comparable data, access to this data is only generally available to those participating in benchmarking projects; given the absence of benchmarking data relevant to this review service/facility comparison with other Councils has not been possible. Only six Councils in Northern Ireland participate in the APSE Performance Network for leisure currently; historically there does appear to be a reluctance amongst Councils to openly benchmark leisure facilities.

Whilst it was possible to compare Belfast to other GLL partnerships in England, few would be broadly comparable. The scale of the leisure estate in relation to resident population sets Belfast apart from most authorities in England; additionally, it is important to consider the different demographic factors that may apply and the fact that most contracts in England will be into their second/third cycle of contract awards/transfers and would have a well-established customer base, mature income lines and more settled workforce than in Belfast currently. There is a valid rationale for GLL to take a more proactive role in benchmarking with other Council's in Northern Ireland, this could be progressed through the APSE Performance Networks (there is a small cost associated to this) or; by greater and more formal engagement with Leisure Officers in other Council's although this will need some resource, high level support Belfast City Council and other Councils in Northern Ireland prepared to put some energy into this to produce anything meaningful on a regular basis that is widely accessible.

The QUEST assessments could provide an appropriate mechanism for internal benchmarking between centres in Belfast, these could also be compared with other GLL operated sites in other locations as there is a robust and consistent methodology. GLL have a programme for QUEST assessment in line with the requirements of the contract. This alongside any other national benchmarking activity that is undertaken in the future will help benchmark performance. With support from the Council, GLL could also take a proactive role in working with other Councils in Northern Ireland on a comparison project.

Despite its limitations, a comparison of Belfast to Greenwich as below does illustrate the movement since GLL began operating the facilities in Belfast to the current position and the significant gap between the performance in Belfast compared to Greenwich.

Clearly there will be numerous differences between the two Council areas, so a direct comparison presents some differences; Belfast has a larger 'day-time working population' than Greenwich with Belfast importing a working population whilst Greenwich exports its working population into other parts of London.

It should be noted that GLL have been operating leisure facilities in Greenwich for c. 25 years, so this can be viewed as a long-term project whereas, GLL are only into Year 3 of a potentially long-term arrangement in Belfast.

BELFAST 2015

- Population: 286,000
- Number of centres: 10
- Total members: 8,370
- Prepaid members: 7,250
- Pay & Play members: 1,020
- Membership penetration: 3%
- Prepaid yield: £18.12
- Staff cost to income ratio: 200%
- Swim School pupils: 1,250
- Swim School penetration: 3%

GREENWICH 2015

- Population: 255,000
- Number of centres: 9
- Total members: 53,670
- Prepaid members: 16,364
- Pay & Play members: 37,306
- Membership penetration: 21%
- Prepaid yield: £29.41
- Staff cost to income ratio: 50%
- Swim School pupils: 7,520
- Swim School penetration: 17%

BELFAST 2017

- Population: 333,000
- Number of centres: 13
- Total members: 20,848
- Prepaid members: 11,500
- Pay & Play members: 9,348
- Membership penetration: 6.2%
- Prepaid yield: £20.54
- Staff cost to income ratio: 133%
- Swim School pupils: 3,245
- Swim School penetration: 7.7%

GREENWICH 2017

- Population: 255,000
- Number of centres: 11
- Total members: 62,520
- Prepaid members: 21,484
- Pay & Play members: 41,036
- Membership penetration: 24.51%
- Prepaid yield: £26
- Staff cost to income ratio: 47%
- Swim School pupils: 10,600
- Swim School penetration: 24%

The Customer

Whilst this review considers several different strands of the leisure operating model, it is important to remind ourselves that the services are essentially provided for the benefit of the service users, it was interesting that throughout this review the predominant conversation was about the organisations and their employees rather than the customer.

Memberships & Pricing

Currently there are c. 21,000 memberships (both pre-paid and pay and play) as at August 2017, this represents c. 6.2% of the population. This element of the customer base is where customer intelligence can be drawn from tracking utilisation patterns, permitting direct communications and targeted marketing. Casual users who do not take out any form of memberships are effectively anonymous and more difficult to develop a relationship with or understanding of. All leisure operators regardless if services are delivered in-house or by a third party seek to encourage customers to become members as this provides a more stable source of income in addition to the ability to engage with customer more effectively as commented on above.

Membership packages, offers and incentives need to be tailored to the product and customer base, it is important to keep the membership architecture under review to assess its performance and ensure it is correctly pitched to the customer base. The scope of this review did not allow for a detailed analysis of the current membership architecture which appears to be generic across GLL rather than Belfast specific except for locally applied concessions. GLL should review the complexity of their offer and whether it is meeting local needs and target groups as a matter of course and if necessary consider developing a more bespoke offer with appropriate consideration of accessibility, financial and customer growth impacts.

Fees and charges for leisure in Belfast are generally set at the lower end of the scale compared to other authorities in the Northern Ireland. Concessions account for over half of all members. The review identified some confusion over the setting of prices, for the sake of clarity the contractual process requires GLL to review prices, propose any changes and for these to be presented and considered by both ABL and the Council who can propose amendments. This is normal practice across the sector, although the provision of some threshold flexibility is often afforded to the operator.

Demand

Given the volume of leisure facilities available to Belfast residents regardless of the provider, supply outstrips demand on any per capita basis for provision and in comparison, to other major cities across the UK.

New or enhanced facilities will be competing within the same customer base, unless there is provision of a much wider and sustainable regional facility that has a greater catchment capability with demonstrable and sustainable demand, supply will continue to exceed demand. The increase in Belfast's population following LGR has not changed this position as additional facilities have been introduced into the estate.

The table below provides an indicative comparison of provision.

	Population	No. Centres	No. Pools
Belfast	c. 338,000	13*	7*
Bristol	c. 454,000	8	6
Newcastle	c.290,000	10	5
Liverpool	c. 466,000	13	8
Manchester	c. 530,000	8	8

*excludes Andersonstown (closed for redevelopment) and proposed redevelopment of the Robinson Centre

NB: new pools are proposed for Andersonstown, Brook, Girdwood (Phase 2), Robinson Centre, with Avoniel pool re-provided at Templemore, potential net gain of 4 pools. Only centres with gym facilities have been counted.

Customer Feedback

As part of the operational agreement GLL are required to undertake an annual Customer Survey, although this is of limited value since no historic baseline data (pre-GLL) was available for comparison purposes. The surveys undertaken in 2015 and 2016 provide a baseline for on-going measurement, the 2017 survey is currently live and due to be reported in early 2018.

A summary of the survey findings is provided below.

Area	Measure	2015 (Jan – Dec)	2016 (Jan – Dec)
Overall	How would you rate your overall experience	82%	81%
	How would you rate the centre overall	81%	81%
Staff	Being well presented, efficient & professional	85%	82%
	Answering the phone promptly	81%	80%
Information	Range of activities	80%	77%
	Opening hours	82%	79%

Excellent: 80%+; Good: 70% - 79%; Satisfactory: 60% - 69%; Poor: 40% - 59%; Very Poor: Under 39%

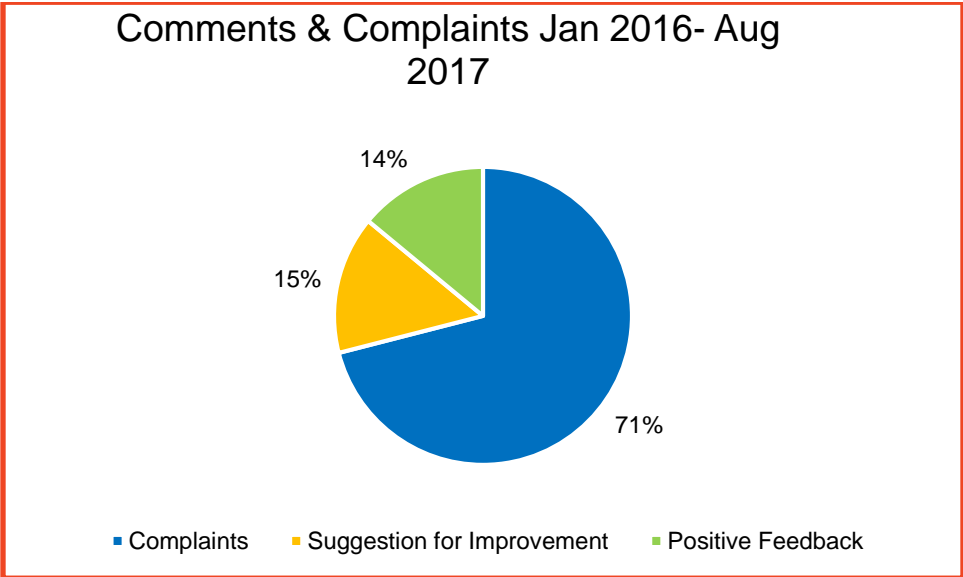
The two areas with notably lower scores in 2016 are in 'Staff' and 'Information'. The on-going challenge of achieving increased flexibility across the staff group is acknowledged by GLL, customer services training continues to be provided. The timing of the 2016 survey coincided with the period leading up to the closure of Olympia, which despite the new-build being very obviously near completion may impact on customer responses.

GLL have introduced new activities in 2017 and increased opening hours, the results on the 2017 survey should reflect this, although it is possible that customers are becoming more demanding and expectations are increasing as they are more generally.

This review would however question the marketing presence and the effectiveness of any promotions that are undertaken. Social media presence could also be enhanced as it does not appear to be at the level that you would anticipate for a large customer facing service standing at nearly three years into its operation.

GLL have acknowledged that there are inconsistencies in service standards across the leisure estate and have developed site specific service improvement action plans, the key issue however is in the implementation of these plans and a positive shift in customer responses year on year. It is not obvious how the findings and action plans are summarised or themed and presented back to the customer with targets for improvement being set, this also applies to general service feedback throughout the year. Consideration should be given to providing more frequent headline customer feedback in each centre; GLL could introduce 'in centre' feedback to customers on themed issues on notice boards or pop-ups, highlighting the issue and response.

During the whole of 2016 GLL received 83 comments/complaints as recorded on the Comments & Complaints Log across the estate, of these only one failed to be responded to within 3 working days in many instances a response was provided to the customer immediately, where a response was required. In 2017, a total of 43 comments/complaints have been received (to the end of August), all have been responded to within 3 working days. Undoubtedly as with any formal process there is likely to be a volume of unrecorded complaints, the same is likely to be the case across all Council services. The categorisation of comments (January 2016- August 2017) is illustrated below.



The Net Promoter Score (NPS) is a widely used tool that measures the customer experience, testing customer loyalty and growth potential across a range of sectors, including retail, hospitality and leisure. Although more commonly used in the commercial sector it can be successfully applied to public sector services that have a commercial dimension such as leisure. NPS provides something different to the traditional sector benchmarking, but inevitably is another cost that is outside of the contract.

Four customer focus groups were held as part of this review, these sessions were hosted at Avoniel, Brook, Girdwood and Olympia. Customers were selected at random by the consultant from the membership data base and invited to attend hour long sessions, 8-10 customers attended each session.

Customers were asked to rate the current service and then compare it to the service when managed in-house, customers were also invited to explore the responses and freely offer comment on any aspect of the service they had queries or concerns about. The Duty Manager of the host site was present to answer any facility specific queries.

The customer focus groups provide further insight and a snapshot of the customer experience and should be considered alongside the more comprehensive annual surveys. Findings from these sessions are presented in Appendix 1.

Operational Procedures

This element of the review was predominantly a desktop review of sample documentation. Throughout the consultation, several concerns over health and safety were raised by staff, Trade Unions and some Councillors. The concerns raised were strongly connected to staffing reductions, loss of experienced staff through voluntary redundancy and claims of over casualisation of the workforce.

As a major leisure management operator, GLL have a depth of experience in operational procedures and have applied their corporate Operating Policies to Belfast where appropriate, allowing for local site by site variations where required. This approach is not unique to GLL, it would be the norm for leisure operators (regardless whether they were in-house or not) to use industry guidance as the base to develop their own corporate procedures from.

Given that GLL need to operate facilities more efficiently to achieve the required savings, staffing resources will be subjected to constant review and GLL will seek to deploy staff in the most effective and efficient way possible, to provide the levels of service and safety required at all times. It is assumed that all stakeholders were aware at the outset that the level of revenue savings required to finance the LTP included the need develop a more efficient staffing model given that employee costs are c. 80% of total expenditure. Various preparatory reviews and BCC committee reports that preceded the transfer to GLL indicated very significant over staffing and in the pre-transfer review commissioned by the Trade Unions, there was a recognition that staffing costs would have to be reduced considerably. Reducing staffing levels and changing ways of working and introducing new operating procedures does not necessarily result in unsafe working practices, although the change process can result in assumptions being made in this regard.

The scope of this review did not include on-site monitoring of how procedures were being implemented in practice as this would have required a review over several months to provide a robust assessment of implementation. However, a review of documentation in the context of industry standards, guidance and regulations has been undertaken alongside some sampling of centre records including the following:

- Critical Incident Management Procedure
- Independent Swimming Pools Review Report – Falls Leisure Centre (January 2015)
- Health & Safety Policy Statement & Organisational Safety Arrangements

- NOP – Gym; Pools; Reception
- Quest Reports: Avoniel, Belvoir, Falls, Grove (October 2016)
- Staffing Matrix
- Water Management Plan

There is no suggestion within the operational documentation reviewed that there would be a breach of health & safety guidance or variance to industry norms. However, it is acknowledged that there are differences to the way the service was operated when delivered by the Council and there may be occasions in exceptional circumstances that the practice may vary from the policy at any given point, this is a normal dynamic of managing a leisure centre. It is unlikely that this would have been any different when operated by the Council.

Water Management & Pool Safety

Prior to commencement of the contract GLL engaged QLM, an established and leading industry expert to review all swimming pools operated by the Council. Within the sample report selected (Falls Leisure Centre), several improvement recommendations to water safety and lifeguarding arrangements were identified.

GLL have a contractual commitment to achieve QUEST accreditation across all centres by the fifth year of the contract. QUEST is a recognised industry tool for continuous improvement in the management of leisure facilities. The assessment covers several key areas including health & safety. The assessments undertaken at Avoniel, Belvoir, Falls and Grove during summer 2016 all highlight some positives and some requirements for minor improvements to health & safety procedures, documentation management and better communication of procedures to staff. The Quest reports did not highlight anything of major concern and should continue to be used as intended; a tool for continuous improvement.

Throughout the consultation period, several allegations were made of unsafe practice regarding lifeguarding of the pools. GLL have have introduced a leaner staffing system than when operated by the Council, however, GLL are are operating within the guidance issued by the Health & Safety Executive. HSG 179 provides clear guidance on how the requisite number of lifeguards is determined in any pool scenario e.g. static, patrolling etc., in relation to the size and type of pool and the deployment of lifeguards under differeing circumstances.

The table below is an extract from HSG179, the approach taken by GLL with regard to the number of lifeguards on duty as set out in their NOP's is compliant with the guidance.

Approximate pool size: m	Area: m2	Minimum number of lifeguards	Recommended minimum number of lifeguards in busy conditions
20.0 x 8.5	170	1	2
25.0 x 8.5	212	1	2
25.0 x 10.0	250	1	2
25.0 x 12.5	312	2	2
33.3 x 12.5	416	2	3

50.0 x 20.0	1000	4	6
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The above extract is accompanied by the following notes: ¹ Where only one lifeguard is on duty at the poolside there should be adequate means, such as an alarm or some form of bleeper, of summoning assistance rapidly to the pool area. This is essential where a single lifeguard is involved in an in-water rescue. The remaining bathers are no longer supervised until backup lifeguards/staff arrive and the recovery of a casualty from the water often requires at least two people. ² The figures in the fourth column are the recommended minimum whenever loading approaches pool maximum capacity (paragraphs 202-204). ³ For irregularly shaped pools, including many leisure pools, the figures in the second column of the table, related to the water area, may be a useful starting point. ⁴ In 50-metre pools where the width is 16m or more, visibility through the water becomes a problem. In determining the number of lifeguards and their positioning, tests to check visibility should be made.

HSG179 refers to the use of cameras to support water safety management and the 10:20 system, this is where the lifeguard is positioned to be able to scan their zone with 10 seconds and reach an incident within 20 seconds. GLL procedures are consistent with this guidance.

In common with most other operators and in line with HSG179 and other industry guidance, GLL's operating procedures allow for a degree of self-lifeguarding during club or group sessions providing the club or class have an appropriately qualified lifeguard and adhere to the facility operating procedures. This practice allows for the reduction of centre lifeguards required on poolside during these sessions providing operation flexibility for the lifeguards to carry out other duties for a period of time. It is understood that the historic practice when operated by the Council was that self-lifeguarding had minimal impact on the deployment of lifeguarding resources or accommodated flexible working.

Historically under the operation of the Council lifeguards switched positions every 30 minutes, as this is deemed to aid alertness. GLL have extended this rotation period to 60 minutes, whereas many operators set this to 90 minutes. Clearly 60 minutes is a change from the position many former Council employees have been accustomed to whilst working in leisure centres in Belfast, however it doesn't necessarily suggest this creates an unacceptable risk to health & safety or conflict with HSG179. It can be argued that the rotation of lifeguards can itself be a distraction.

As with any operation of a public swimming pool, there will be exceptional circumstances when as a result of sickness or for unplanned operational reasons the optimum position may not be achieved. This is likely to be the case in any centre unless they carry a surplus of staff. From the evidence reviewed this would appear to be the exception rather than the rule and is contrary to the assertion by the Trade Unions that this is a regular occurrence; therefore the review supports GLL's response that the essential minimum level of supervision is not compromised.

The Trade Unions highlighted an instance of a failure to close a pool from an incident of a diarrhoea release in the water and not following standard industry practice and subsequently alerted the HSE to this. The incident occurred at Andersonstown Leisure Centre in February 2017, prior to closure for redevelopment; the incident was investigated by the HSE and no further action was taken. The HSE were satisfied that the delay in responding to the incident was a result of an internal communication failure within GLL as opposed to any serious mismanagement.

The Trade Unions were rightly concerned over the failure to implement the standard procedure correctly and alerted the HSE to this incident. The scope of this review does not include re-assessing a closed HSE investigation, however, documented procedures have been reviewed; these are aligned with industry guidance. It was noted in the minutes of the Trade Union Forum meeting of 22nd June 2017 that a similar incident occurred a few weeks after the February incident and correct procedures were followed.

It is also noted that the QUEST assessment of the Grove undertaken in August 2016 highlighted that staff were unaware of the time it took for the pool to 'turnover' following an incident of diarrhoea release in the water and suggested that site specific procedures should be developed in line with the relevant guidance.

The majority of staff at the Grove are ex-Council employees, therefore it is surprising that given their experience they would not have been able to respond correctly to questions raised by the QUEST assessors, given such instances are not uncommon in public pools and there is good industry guidance on this subject. The incident does suggest a degree of uncertainty amongst staff and again, the need for improved internal communications and greater awareness of correct procedures to follow in the event of health & safety risks is highlighted.

The Trade Unions have alleged that GLL are deliberately lowering pool temperatures to save money, this claim has been repeated by some of the other consultees also, although no evidence was provided to substantiate these claims despite being requested.

Optimum water temperatures are set according to the activity taking place, as different activities require different water temperatures i.e. competition swimmers need a lower pool temperature than casual leisure swimmers. Inevitably where the same water is used for multiple activities there will be some variances when making adjustments to pool temperatures and following any back-washing process or plant failures.

Within GLL's Water Management Plan the optimum pool temperatures are set as follows:

- Main Pool 28°C
- Teaching Pool 29°C
- Leisure or Toddler Pool 30°C

The pool should be closed if the temperature is at 25°C or below. Air temperature tolerance is set at 1°C above or below the swimming pool water temperature, with the temperature recommended to be 1°C below pool water temperature. There is a standard procedure for taking readings and reporting variances.

HSG179 guidance suggests that 'a temperature of around 27°C-29.5°C for the water, with the air temperature about 1°C higher, may be most suitable'. The pool temperatures that GLL have set are broadly within the guidance and 0.5 °C higher for the leisure or toddler pool. The lower air temperature is set to aid lifeguard alertness and is reflective in further guidance that suggests the need to consider these factors when undertaking the risk assessment and determining the maximum periods for poolside duties.

RIDDOR

GLL provide a detailed monthly analysis of health & safety incidents to the ABL on a quarterly basis. During 2016 there were 4 reportable accidents/incidents reportable under RIDDOR, in 2017 (there have been 4 RIDDOR accidents/incidents (January-July).

Leisure facilities do carry some inherent risks and whilst there has been an increase in reportable incidents, it is also important to consider the number of visits in relation to the number of accidents. An authority in England with c. 800,000 visits per annum; c. 100 employees; 5 centres with pools, 2 dry facilities, a golf course and an ice arena, recorded just 1 RIDDOR incident in 2016-2017 yet with one pool closed in 2017-2018 has recorded 3 RIDDOR incidents (April- August).

The number of reportable and non-reportable incidents under the GLL's tenure does not highlight any significant excess in the level of incidents from what could be reasonably anticipated given the nature of the service.

From sample documents requested and reviewed there is nothing to suggest that GLL are attempting to operate outside of HSE and industry guidance and neither are they complicit in increasing the risks to its employees or the public.

It is noted that after this review had completed the evidence gathering stage, there was a customer fatality in September 2017 following an incident relating to a pre-existing medical condition. It is understood that staff attended and followed the correct emergency procedures, however it is inappropriate to comment further on this tragic incident, pending the HSE investigation.

It is understood that as part of the Council's annual Audit, Governance and Risk work programme, a separate and more in-depth assessment of operational procedures and processes is to be undertaken by a specialist Health & Safety consultant. This work will provide a further assessment of GLL from a health & safety perspective and provide additional assurance or identify areas to be addressed, the review should be completed by January 2018.

Staffing & Employee Relations

Context

The decision by Belfast City Council to transfer the operational management of its leisure facilities to GLL to generate the revenue efficiencies required to support the financing of its capital ambition is a significant factor and essentially the driver for this review, none more so than in relation to staffing and employee relations.

Most Council's throughout Northern Ireland have traditionally delivered most services in-house, Belfast is the only Council to have recently outsourced all its leisure facilities to a third party. Compared to English authorities where less than a third of leisure facilities are still managed in-house, the scale of the employee change programme in Belfast and the departure from the 'norm' should not be underestimated given the arrangement with GLL is essentially unique in Northern Ireland.

Staffing Transition

As commented on above, the revenue efficiencies were critical to ability to finance the level of capital ambition expressed in the LTP. It is inconceivable that securing c. £2m of revenue efficiencies in leisure could be achieved without a change in employment practices and working arrangements. Clearly any change of the scale required is not going to be delivered overnight and it is incumbent on both GLL as the employer and the Trade Unions as employee representatives to work collectively to manage the change process in a progressive way. Prior to the transfer to GLL, it is understood that the trades unions recognised the need for changes in working practice as reflected in a report commissioned by the unions.

From observation through the stakeholder engagement sessions, the relationship between GLL as the employer and the Trade Unions can be described as poor; there appears to be an unhealthy general level of mistrust between the two parties, this extends to other stakeholders in some instances also. This review will not attempt to apportion blame for the current state of relationships, as it must be recognised that the starting position of the principal parties have some validity. However, adopting polarised positions on every issue consumes a disproportionate level of resource and detracts from the delivery of the service and the Council's key objectives.

It was acknowledged that the leisure operation had challenges when directly managed by the Council. A number of facilities were coming to the end of their natural lifecycle and operating costs were high. The high costs associated with the use of agency staff (including fees paid to the agency), overtime costs, opportunities for increased flexibility within the workforce and increased income were identified at the outset as opportunities to reduce the net revenue cost. It is unclear how much of this was widely communicated prior to service commencement by GLL however, these would be obvious areas to target in a first-generation transfer.

Through the consultation process it was clear that increasing flexibility amongst transferring employees as part of the service transformation was a challenge for GLL. Trade Unions and some former Council employees had been accustomed to working to tightly defined job roles, whilst GLL, in line with most leisure operators require a more fluid approach e.g. lifeguards undertaking routine water testing duties; customer service staff/receptionists undertaking sales and other administrative tasks; recreation assistants and centre staff undertaking regular routine cleaning duties. Some progress in modernising and creating a more flexible workforce has been achieved, however some resistance to change remains.

Agency Staff & Fixed Term Contracts

At the point of transfer, the cost of agency staff and agency fees was c. £32k per month, this was reduced to £12k by the end of 2015 and GLL had ceased the use of agency staff entirely by the end of 2016.

At the point of transfer there were 41 fixed term/temporary contracted staff transferred to GLL in January 2015, following negotiation these contracts were extended and ultimately these employees were offered permanent positions with GLL affording the opportunity for enhanced job security.

There was no obligation on GLL to offer either the agency staff or the staff on fixed term contracts permanent positions, however the offer of employment was generally well received by the staff and unions; whilst GLL benefited from experienced personnel with pre-existing knowledge of the facilities.

Overtime

During the consultation, several consultees commented on the excessive amount of overtime that was accrued by some members of staff in the past. This review has not explored archived individual employee salary data; therefore, the claims cannot be substantiated. GLL have reduced overtime costs by over 50%. Upon commencement, overtime costs were running at c. £80k per month, this now sits at c. £30k per month thus allowing the opportunity to create additional positions. It is not inconceivable that some members of staff express negative views of the change management proposals as a result of the financial impact on them personally.

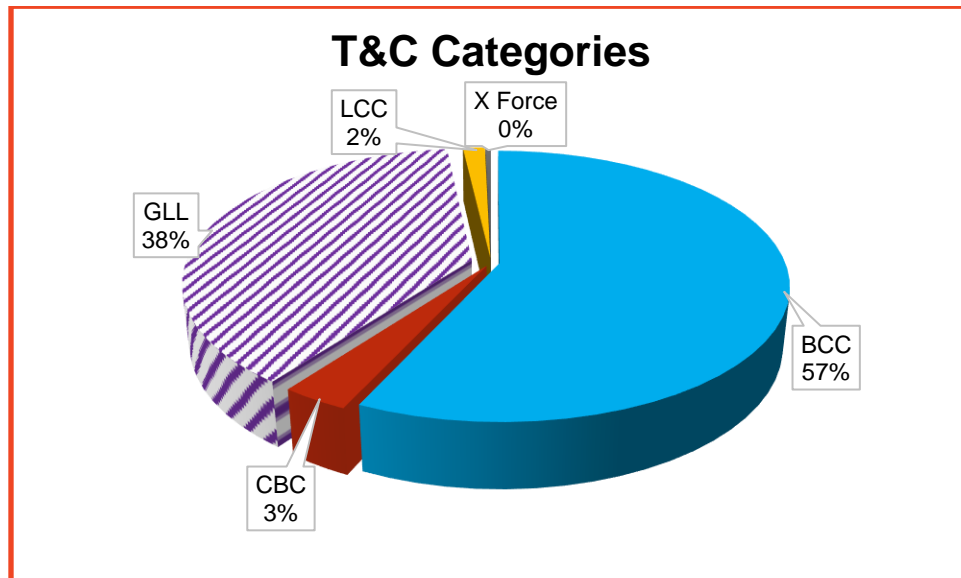
TUPE, Pensions and Terms & Conditions

Staff that transferred from Belfast City Council, and subsequently Lisburn City Council and Castlereagh Borough Council all retained their existing Terms and Conditions (T&C's) upon transfer to GLL in accordance with TUPE. In these circumstances and indeed in second or third generation transfers it is not uncommon for the employer to have to manage multiple T&C's which inevitably leads to some variances in pay, holiday entitlement and people management policies across the workforce.

GLL's T&C's and rates of pay are generally deemed not to be as generous as those enjoyed by ex-Council employees, this is clearly the case regarding some pay grades; GLL pay scales at supervisory and management grades are more aligned to industry rates in the UK than the historic Belfast City Council rates where the T&C's attract enhancements in excess of the GLL contracted staff. The presumption regarding pensions has not been tested as part of this review nor has actuarial advice been sought onto the comparative benefits between the NILGOSC and GLL pension scheme, however, it is anticipated that there will be differences between the two pensions but that the differences may not necessarily mean significant variances in benefits.

There is nothing to suggest that GLL are failing to meet their TUPE obligations. The approach they have taken regarding introducing their own organisations T&C's for new appointments/promotions is standard practice in most TUPE transfers of this nature. Changing T&C's is part of the service transformation programme and is necessary to generate the efficiencies required to support the capital programme.

GLL currently have 5 different T&C's across the Belfast contract: Belfast City Council; Castlereagh Borough Council; GLL; Lisburn City Council and one former X-Force employee from Connswater. Whilst staffing numbers can be a changing dynamic the chart below illustrates the current position re: T&C's across the workforce and shows 57% of contracted staff are still on Belfast City Council T&C's.



Casual Staff and 'Zero-Hour Contracts'

Most large organisations including Belfast City Council, GLL and other employers across the cultural, hospitality and leisure sectors engage casual workers to support the business needs responding to changes in demand, holiday cover and situations that are difficult to predict i.e. short-term sickness/absence. 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.

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.

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.

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.

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.

A common issue that can arise with the use of casual workers per se, is where patterns of work become regularised and other employment options could be considered i.e. permanent part term or fixed term contracts. This is not unique to GLL, good local management is required to monitor casual utilisation. However, given the reasonable predictability of increased staffing resources required for holiday schemes and during popular annual leave periods, GLL could consider such alternative arrangements and reduce the use of casuals during that period. This would not only stabilise operations during these periods but in addition free up some administrative time in managing the casual pool.

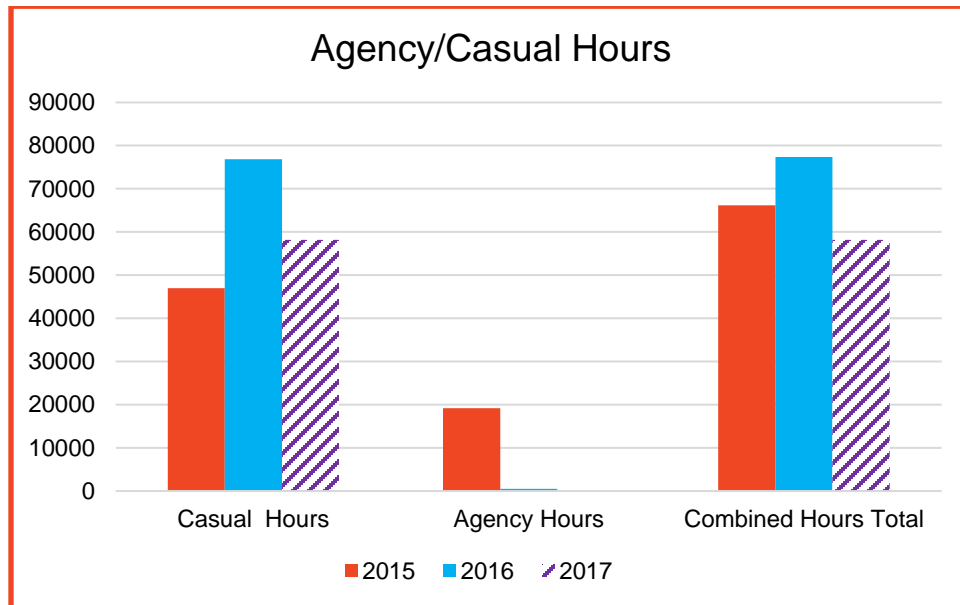
During the summer peak period, GLL have employed c. 143 casual workers across the contract; undertaking roles such as children's activity instructors for the summer play schemes that alone required c.60 people to operate across the city, therefore there appears to be a valid case for managing this resource requirement differently as indicated above.

It is normal to see the increased use of casual workers at peak times, traditionally during busy holidays periods and covering staff leave and sickness/absence. GLL are currently experiencing high levels of sickness/absence creating further demand on its casual labour pool, thus increasing the use of casual workers.

A question frequently raised during the review was the assertion regarding the over casualisation of the workforce. It is undeniable that more casual hours are being utilised than when under the management of the Council, but this must be put in the context of the reduction of agency hours. The combined hours total increased from 2015 to 2016 following the opening of Girdwood, a full year of Connswater, increased levels of sickness/absence and continued adjustment to the operating model. With extended hours at the new Olympia, continued high levels of sickness/absence increased hours and continued adjustment to the operating model, the projected year end position looks to increase in 2017 compared to 2016, although the peak summer period for additional hours has now passed.

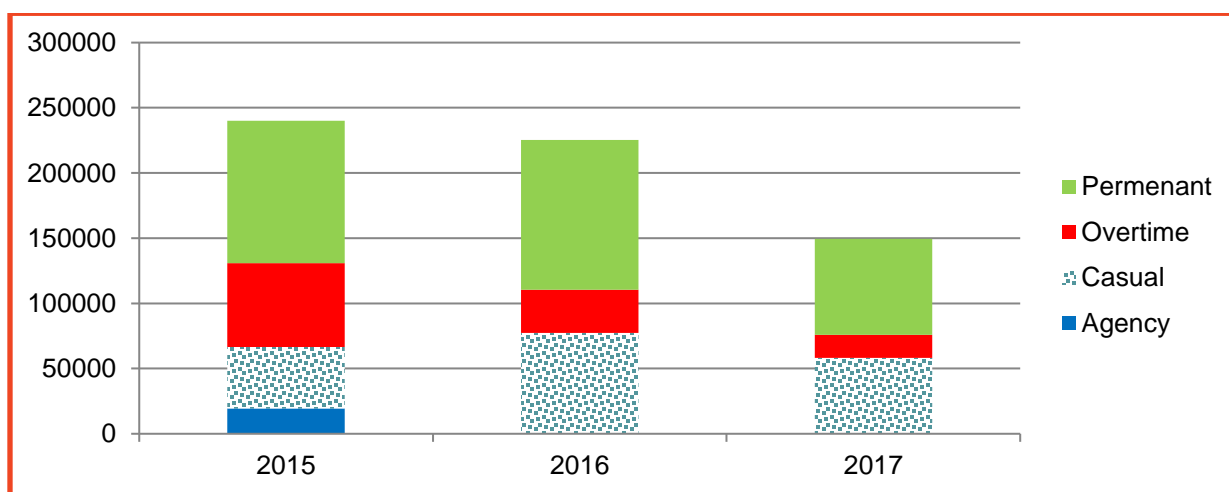
There is no discernible difference between utilising an agency or casual worker approach, although the latter avoids agency fees, providing the casual pool is adequately qualified, trained or supervised to fulfil the roles required.

The graph below illustrates the increase in casual hours compensated by the reduction of agency hours.



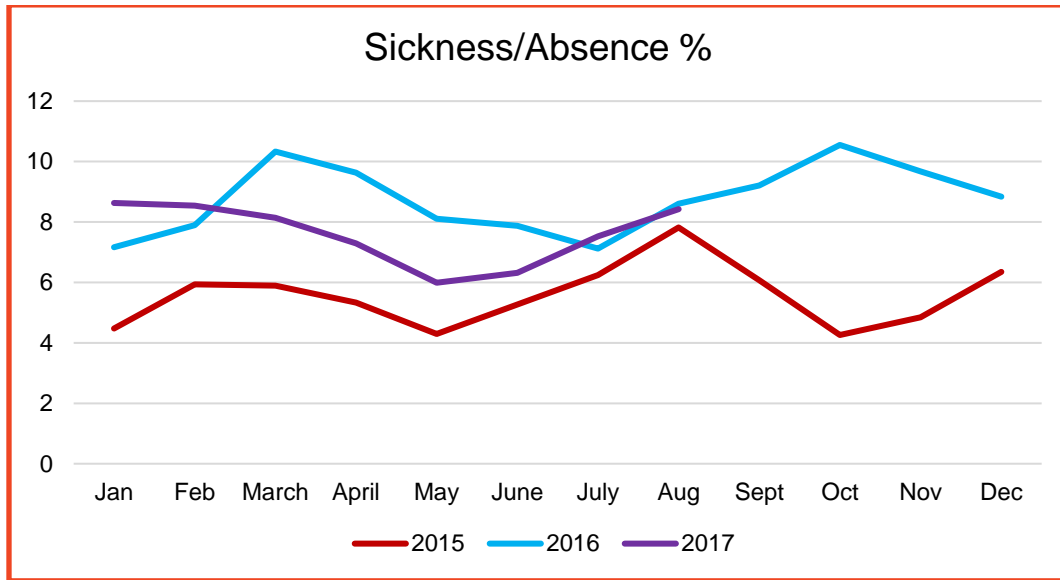
There is no industry recommendation of the optimum mix of casual to permanent staff in leisure, as each business model will have its own drivers. In Belfast, it was set around operating more efficiently, reducing overtime and utilising casual labour to cover peak demands and sickness.

If agency/casual workers are put into a wider context as illustrated below, along with permanent hours and the continued drive to reduce overtime the proportion of agency/casual hours has clearly increased year on year from 28% of total hours in 2015, to 29% in 2016 and currently 38% in 2017 (January – August) although the final 2017 percentage figure is likely to reduce now the peak summer period is over. The use of casual workers to this extent is not untypical in modern and efficient leisure contract.



Sickness/Absence

Sickness/absence continues to be a problem area that GLL are aware of and are continuing to work on to reduce. In 2016 sickness/absence rates increased significantly from an average of 5.57% in 2015 to 8.75%. Currently in 2017 (January – August) the average is running at 7.61%, although the trajectory since May indicates a steady increase as indicated below.



GLL methodology for measuring sickness absence is to measure the % of hours lost against contractual hours, this methodology is typical within the sector although it is different to the way Councils record sickness/absence, so a simple direct comparison is not possible. It is noted that sickness/absence data has recently been added to the HR suite of KPI's reported to ABL. Given the impact on service delivery, utilisation of casuals and financial performance; it is important that GLL, effectively manage sickness/absence.

Based on the 2017 data above, c. 78.6% of sickness/absence relates to employees on Belfast City Council T&C's, this is a disproportionately higher than the percentage of staff on GLL T&C's. Whilst this may include some long-term absence, this warrants further analysis by GLL to determine if there are centre specific or broader underlying issues to address. It should be noted that 100% attendance was achieved in June 2017 at Girdwood, Grove, Shankill and Whiterock and in August 2017 at Brook, Girdwood, Loughside, Shankill.

Training & Development and Access to Promotions

As a basic requirement and expectation all relevant staff receive statutory training as relevant to their role. GLL have a comprehensive training & development programme, several staff acknowledged and welcomed this, commenting that training is better with GLL than it was under the Council. Some concerns were raised amongst staff about accreditation as most of training is delivered in house, although GLL do engage external trainers for some elements and deliver training on site.

Training is provided as relevant to the role undertaken. Developmental training is available for staff that are successful in gaining a promotional opportunity. However, the key issue that has been raised by the

Trade Unions is that GLL require staff to accept the promotional opportunity under GLL T&C's as it is a new role, for some staff the reluctance to either seek or accept promotion and cease working under Council T&C's can create a career barrier.

The issue appears to be about the potential loss of earnings versus the opportunity for career progression; given turnover has been historically low, for some staff with long service that may have retirement in their sights, the loss of income may be of greater importance than longer term career prospects. Some staff have accepted this position, some have not; opting for promotion over retention of Council T&C's is essentially a choice for the individual and not an issue to evaluate or make judgement on.

GLL have expanded their Regional Leadership Team from 4 to 8 positions and increased the number of General Managers at the facilities from 3 to 10, providing a career path and succession planning into GLL's management structure. The growth in management positions is reflective of the growth and consolidation of the operation in Belfast, service re-modelling and the void left after GLL's mobilisation team concluded its role in the early stages of the contract. GLL also have a Trainee Manager Scheme and talent ID scheme. The trainee manager scheme is a two-year programme design to develop the managers of the future, 4 are working in facilities already, this is set to double by autumn 2017. The Talent ID scheme is a structured training, development and mentoring programme which has resulted in 14 staff being promoted internally.

The experience and capability of some of the 'new and younger' managers have been questioned by the Trade Unions and some staff, citing the fast-tracking of some managers as a negative whilst staff with considerably longer service have remained within existing roles. The position regarding promotions has been commented on above and the dilemma for some people is acknowledged. The scope of this review does not include an evaluation of management capability. However, there was a wide acknowledgement from different consultation sessions that the managers do appear to be under pressure to deliver on multiple fronts; this, in an environment where change management is difficult, and possibly more than the managers have experienced elsewhere adds to the pressure managers appear to be under. Technical capability, operational experience and people management skills can be severely tested in such circumstances, particularly when the change process and achieving greater flexibility across the workforce is slow. Good communication and people management skills are essential to develop strong professional relationships across the staff group and deliver excellent services.

The Trade Unions have expressed the view that Fitness Instructors need to have an additional qualification to run the Junior Gym (11-15-year-olds). GLL's operational model across the UK does not require Level 2 Fitness Instructors to have an additional qualification. However, to ensure the success of the scheme in Belfast, GLL agreed to provide a 2-day training session that was open to all staff who held a Fitness Instructor Level 2 qualification alongside its contracted Fitness instructors to support with ongoing development of staff.

Under 5s Swimming Lessons, is another issue raised by the Trade Unions as it was felt that training provided by GLL to Swimming Teachers did not provide a formal qualification specifically associated to Under 5s Swimming Lessons that would be recognised by another employer.

GLL have a National Aquatics Team and have appointed a Regional Aquatics Manager in Belfast. GLL's track record in swimming development is good, including offering swimming lessons for under 5s. GLL require their Level 2 Swimming Teachers to complete a GLL training workshop, designed by industry experts, and accredited by the Association of Swimming Association (ASA) to deliver these lessons. Workshops have been delivered as part of a full day training conference for Swimming Teachers and do attract Continuing Professional Development points. GLL are also seeking course accreditation from Swim Ireland.

There has been an impasse on this issue with some swim teachers not delivering U5 lessons, feeling that a formal qualification is required; GLL's view is that it is not. Given the impact on service provision, GLL are exploring the viability of a 3-day Swimming Teachers Association Level 2 Award in Aquatic Teaching – Baby and Pre-School. The course is a separate teaching qualification which allows holders to teach aquatic activities to babies, toddlers and pre-schoolers in adult and child lessons, an additional swimming teaching qualification is not deemed necessary.

The mobilisation of the new Olympia saw an increase of 4.5 full time post compared to the old facility. All Olympia staff are working under GLL T&C's; 18 were employed internally the remainder externally; 7 staff from the old Olympia 7 were recruited to the new facility, including 2 staff promotions and 1 conversion from part-time to full time employment. GLL's negotiations with the Trade Unions over the approach to resourcing were extensive; with GLL seeking a more flexible workforce with multi-functional roles working to GLL T&C's.

There are also some positive staff development initiatives that should also be noted.

- In 2016, staff from across Belfast participated in the 'Top Team' competition at Grove; the winning team from Shankill represented Belfast at the UK wide event held at the London Aquatics Centre.
- Four Talent ID programmes have been held, attended by staff across all roles.
- In 2017 the Northern Ireland Lifeguard Competition was hosted at Olympia Leisure. Five teams from Belfast centres took part along with teams from 4 other centres. The event tested the team's ability to respond to various emergency scenarios.
- Since commencement, attendance at training sessions stands at c.3,400

Trade Union Relationships

The driver for this review came from a range of concerns raised by the Trade Unions at a meeting of the Council's Strategic Policy and Resources Committee.

The current state of the relationship between the employer and Trade Unions could be described as 'poor' but not broken. The extent of the issues raised by the unions supports this view. This does however need to sit in the context of local government in Northern Ireland and Belfast City Council that predominantly delivers services in-house; has a high unionised workforce; relatively low workforce turnover; limited experience of outsourcing or contract management of high profile public services and; the extent of GLL's experience of working in Northern Ireland, which is different to other areas of their operation. This is not intended as a criticism of any party, these are relevant facts that manifest themselves in the current state of a developing relationship.

Both main Trade Unions, UNITE and NIPSA have representation on the ABL Board, however these are ABL Director roles that are designated to represent the business of ABL rather than the Trade Unions and their members. All Directors have been inducted onto the Board and advised of their roles and how to avoid potential conflicts of interest that is governed by Company Law. It is incumbent on the Chair of the ABL Board to ensure that board members interests and responsibilities do not become blurred.

There is an existing framework for formal consultation with the Trade Unions. Local representatives have cited the value of regular site-specific meetings with GLL management with a focus on health & safety. Whilst this was implemented for a period, the discipline of maintaining the schedule of meetings appears to have slipped more recently. This is an area that warrants re-prioritising as it may help develop more positive relationships at a local level, resolve issues quickly, avoid escalation, and improve management-trade union/staff communications. The unions have expressed concerns which have been highlighted throughout this report.

The incident at Andersonstown has been commented on previously in the Operational Procedures section. The Trade Unions provided this review with a copy of a GLL document from which they had interpreted a 'proposed closure of Shankill' and some partial closures at Ballysillan, Loughside, Ozone Whiterock. Upon review of the document, this appears to be an internal 'state of the facilities' document providing comments on the viability of facilities, options to reduce the net subsidy, income generation and efficiencies to explore with the Council. It is understood that the document was initiated by the Council and that GLL had been requested to provide a full range of thoughts. There were no clear proposals to close the Shankill or change its use. This would appear to be no more than a discussion paper. Decisions concerning potential investment and disinvestment sit firmly with the Council. GLL are fully aware that they have no authority to make plans for closures unless instructed to do so; the evidence provided suggests that they have never made any attempt to do so. Furthermore, closures would not necessarily benefit GLL financially so the motivation for doing so is questionable.

As new facilities are developed as part of the LTP with GLL being required to operate them as efficiently as possible the resourcing of facilities will again be the subject of differing opinions, it would therefore be sensible to programme sufficient time to conclude these matter prior to opening and put the lessons learnt from Olympia into practice.

There have been some positive outcomes that suggest the status of current relationships can move forward positively. The Trade Unions worked with GLL to manage the voluntary redundancy process at Andersonstown. The unions have agreed to support 'Job Chat' whereby each employee has an annual discussion with their manager and identifies development provided it is not used for disciplinary management purposes. More recently the move to monthly pay has been introduced with employee advice and support mechanisms jointly agreed.

Capital Programme

The scale of the capital ambition is considerable by any standards in the UK, the proposed £105m investment in the leisure estate could only be progressed by establishing a mechanism that could generate c. £2m revenue saving to support the financing of the LTP.

The initial phases of the LTP capital programme are underway, with the refurbishment of existing facilities, the opening of Girdwood Hub and Olympia, and planning for the redevelopment of Andersonstown, Avoniel, Brook, Robinson and Templemore all in progress.

As commented on under the Demand section of this report, Belfast has a facility portfolio much larger than major cities across the UK.

Strategic decisions concerning facility investment sit with the Council as owners of the asset, GLL can provide professional advice and bring their knowledge of the industry to the table, but ultimately it is the Council that decides on the investment priorities and the facility mix.

It is important however that as facilities are in the planning phase that, due consideration is given to the viability of the proposed development, through a robust business case process to ensure that the revenue consequences of capital investment are fully understood including the impact of design and facility mix on the operational subsidy including operational costs, reality of income generation projections and whole of life costs, so informed decisions can be taken.

It will be important to consider and assess capital investment ambition alongside long-term revenue and commercial sustainability, where decisions could potentially jeopardise the realisation of the full LTP. The Council have committed to Phase 1; subsequent phases may need to be re-appraised in consideration of any changes to the initial assumptions concerning efficiencies and capital financing.

Governance

The governance and contractual arrangement for the leisure operations differs from the model most commonly applied, in that Belfast City Council have established Active Belfast Limited as a non-profit distributing organisation company limited by guarantee with charitable objects, with the intention of seeking charitable status to effectively oversee and monitor the performance of the leisure operating partner, GLL. The Council have an agreement with ABL and provide the appropriate level of resource to finance GLL via a separate service level agreement.

The ABL Board consists of 16 Directors with equal voting rights including 4 Councillors, 2 Trade Union representatives and 10 independent individuals from a range of backgrounds and organisations. However, there is a deficit of leisure management expertise on the Board. Only the Chair receives any remuneration.

The role of the Board as agreed at its inception was to:

- Sign-off on quarterly performance reports on expenditure, outputs, risks and issues by exception to send to Council
- Approve contract variation requests to Council
- Receive monthly performance reports on execution of the contract including expenditure, outputs, risks and issues from GLL
- Approval for business cases for growth/investment proposals to be submitted to Council seeking funding/approval
- Approval for funding applications consistent with Trust's charitable purposes to be agreed with Council

- Fulfil its obligations under charitable law e.g. annual audited accounts; annual reports to HRMC.

ABL has only managed to secure full Board membership in 2017, therefore it is somewhat unfair to judge whether it has adequately fulfilled its original purpose or not, as ABL has not been resourced to operate at full capacity until very recently.

The absence of leisure management expertise on the Board coupled with the lack of contract management experience of this type and scale does limit the amount of challenge or create/collaborative working ABL can realistically provide. This position is mirrored in the Council to some extent with only the Partnership Manager having any depth of leisure management experience, although this role does not currently include advising ABL on technical matters. There is a genuine question around leisure management capacity and succession planning in both ABL and the Council that needs to be considered.

The value added by ABL needs to be demonstrated, this is partly due to not having a full Board until very recently. A clarification of roles and responsibilities between the principal partners would be beneficial at this stage of the partnership, ensuring that ABL have the capacity and support of the Council to fulfil these requirements.

Like GLL, the ABL Board do not have any significant level of influence in the capital programme so their role is more of a muted partner in such matters, ABL are not party to the LTP project board.

The challenge for ABL is to provide an informed strategic challenge to GLL whilst working with them, the Council and other partners to demonstrate some added value supporting third party funding bids that contribute to strategic outcomes such increasing participation in the less active residents and improving health outcomes presents an opportunity to potentially add value. Such an approach would need to be supported by the Council.

There needs to be some clarity of purpose for ABL, agreed with the Council, and the Council need to give ABL the space and freedom to work at these challenges. Given ABL now have a full Board there is an opportunity to reinvigorate its purpose and set a future review date to determine if ABL can demonstrate some added value.

Although not within the scope of the review, the Council have requested a view on the advantages/disadvantages of ABL making an application for full charitable status.

Whilst ABL has been established as a limited company, it has to date, not progressed an application to become a registered charity governed by charity law under the guidance of the Charity Commission for Northern Ireland.

Prior to the Council establishing ABL, expert external advice was sought on procurement options, this review has not been privy to the options developed from that piece of work. It appears that the original intent was for ABL to secure charitable status, therefore it is assumed that this was considered as part of the pre-procurement activity; whether this was a condition of the approvals is unclear as at the time charity law was under review in Northern Ireland. The Charities Act (Northern Ireland) 2008 and subsequent amendments is being implemented in stages, any future move to secure charitable status for ABL should fully consider the implementation timeline and any potential impacts.

Given the complexity of the leisure tri-party arrangement, and now with GLL appointed (who are a charitable social enterprise) and as such, can secure all the primary benefits of a charitable organisation in this context i.e. VAT concessions; Non-Domestic Rate Relief (as applicable); access to grant funding streams where Councils are not eligible to apply; all of which can be beneficial to the partnership. The rationale for ABL applying for charitable status in the short-medium term would need to be fully explored separately to this review.

It is difficult to see where the obvious advantages of ABL becoming a charity lie in current circumstances unless the intention is for ABL to develop the scope of its activities beyond leisure facilities or in the construct of the tri-partite arrangement this was a requirement.

Charities by design are generally independent bodies free of control by the state. ABL is a company established by the Council and is in effect, therefore under the control or influence of the Council. As a registered charity Council control over ABL would be reduced. If ABL applied to become a charitable organisation, then one of the basic 'tests' for charitable status would be the degree of freedom it has to be in full control of its affairs and resources without direction from a third party, the business of ABL and the Council would need to be clearly defined and separate.

It is recommended that expert advice is sought to fully explore the original intent and/or requirements at conception of the leisure operating model and the relative merits of progressing charitable status for ABL as the leisure operating model moves towards the end of its third year. It may be prudent to re-engage the same advisors that provided the original legal and procurement advice as they may be best placed to fully assess the relative merits of ABL pursuing charitable status.

Conclusions

The Leisure Operating model is approaching its three-year milestone, the scale of the staffing and operational transformation is considerable in the context of Belfast City Council and public services in Northern Ireland per se. Local government in Northern Ireland has not been subject to the prolonged financial challenges of many of its counterparts in the UK.

The approach taken by GLL to operate more efficiently could be considered 'normal business' in other contracts they operate outside of Belfast. However, this is a huge cultural shift for many staff and the Council, therefore an assessment of performance should be considered as just the start of a much longer transformation journey.

Financing the capital ambition to transform the leisure estate, required significant revenue savings; given the historic high operating costs of the previous in-house service, GLL are delivering a more efficient service with a lower cost subsidy than the in-house model.

Despite assertions by some stakeholders to the contrary, 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.

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.

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. If in future benchmarking is going to be used more readily to assess headline performance then provision to participate in national or regional benchmarking projects needs to be made, without this it is only possible to look at Belfast's year on year performance.

The process of price setting appeared to cause some confusion during consultation, several consultees and customers were unaware of the process where GLL propose price review/changes for approval by Active Belfast and the Council.

Belfast's leisure estate is expansive compared to other major cities and its population size, this was widely acknowledged by many of the key stakeholders. Given the provision of such a large estate, combined with the catchment it can command, the strong competition in the city and the capital ambition to transform the estate, operating it as efficiently as possible must continue to be a key consideration.

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. The two mystery shopper visits conducted as part of this review support that conclusion.

Employee relations consume an excessive amount of management time for GLL, change management is an on-going process and progress is 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. In most TUPE situations of this nature operating with different T&C's is the norm as is the approach taken by GLL in terms of promotional opportunities. Statutory training is available to all staff whilst other progressive training opportunities are only available for staff taking on new roles, which is understandable, although this is part of the promotion versus T&C issue some staff are faced with. There would be no business logic to invest in training that is associated to career development if a member of staff is not prepared to accept a promotional opportunity under the terms set by its employer.

The relationship between the Trade Unions and GLL is still developing and challenging. The Trade Unions remain opposed to the decision of the Council to outsource leisure to GLL some years ago and would support a return to an in house delivery model. This review is of the opinion that currently there is no sound reason to contemplate a termination of the arrangement with GLL, which in all likelihood would significantly increase revenue costs and jeopardize the financing of the capital programme.

No evidence was found to suggest that GLL are operating the service outside of health & safety legislation and relevant guidance. GLL are operating the service differently to when it was run in-house but some of the claims made by the Trade Unions must be considered in the context of managing a service of this nature. The level of RIDDOR incidents is not excessive. Many of the assertions that the service is not being managed safely relate to the way GLL are deploying the workforce, the review did not find evidence to support this. GLL have changed the workforce dynamic, overtime has been reduced considerably, whilst the use of agency staff reduced and now ceased entirely. The Trade Unions have said that there is an excessive use of casual workers; GLL have significantly increased the use of casual workers as previously commented on. However, there is scope for GLL to consider alternative arrangements for programmed activity such as holiday schemes and employ staff on fixed term contracts rather than use casual staff. The leisure industry in common with many other employers including Belfast City Council utilise a casual workforce to respond to fluctuations in demand and cover short term staffing gaps such as holidays and sickness/absence. Technically casual workers fall into the 'zero-hour contract' category but in this instance, they are not engaged on the types of exploitive and much maligned zero-hour contracts.

The tri-partite governance arrangement between Active Belfast Limited; Belfast City Council and GLL is unusual for this type of service contract. ABL have not yet had the capacity to find their feet or create any presence in the city thus far. This is partially due to, until quite recently, operating without a full complement of Board Members and accompanied by; a lack of leisure management and contract management expertise or advisors and the need to review and possibly redefine roles and responsibilities of ABL and the Council. The value added by Active Belfast Ltd. to the partnership needs to be demonstrated; however, it is debateable if they have had the resources and opportunity to date to fulfil their potential.

For this partnership to work more effectively, there needs to be an acknowledgement that GLL were engaged to improve the service and reduce operating costs, the latter is essential to financing the capital ambition. One reason the Council took the decision to appoint GLL was increased cost certainty in order to commence an ambitious capital programme aimed at reducing health inequalities in the city and delivering a range of outcomes for local people. That is why a successful working relationship across all stakeholders is vital. It is anticipated and entirely natural that there will, from time to time, be disagreements between the Trade Unions and the employer. However, to maintain progress and avoid any negative impact on the customer, all parties should remain focused on the strategic aims and outcomes.

This review has highlighted relationship issues and ideological difference between some of the stakeholders, there is an opportunity having investigated a number of the concerns raised to re-focus on the shared ambition of a high quality and accessible service.

Recommendations

Following the completion of the Leisure Operating Model review, the following recommendations are made:

1. The recalibration of the financial baseline as result of facilities changes and other variations that are beyond the control of GLL and impact on the net subsidy should be clearly presented, communicated with and agreed by the three principal parties: Active Belfast Limited; Belfast City Council and GLL.
2. GLL should provide the Council's Partnership Manager access to their Customer Relationship Management system to facilitate periodic monitoring of the membership and facility utilisation data.
3. GLL should explore the reasons for significant variations in the membership attrition rate and report on this to the Active Belfast Board in the same way growth is reported.
4. Active Belfast Limited and GLL need to collectively determine how longitudinal studies and evaluation tools can be developed and introduced to measure health impacts and ASB diversionary outcomes for specific programmes and general participation; exploring opportunities to partner with other agencies and highlighting any resource implications that may exceed contractual provision or requirement.
5. Active Belfast Board and GLL should give due consideration to actively participating in recognised national benchmarking schemes highlighting any resource implications that may exceed the contractual provision or requirement.
6. Belfast City Council should support and facilitate discussion with other Councils in Northern Ireland and GLL to either encourage greater participation in national benchmarking schemes and/or develop their own benchmarking activity amongst Councils in Northern Ireland.
7. GLL should review its generic membership architecture to ensure it: remains relevant and accessible to Belfast residents; it supports increased participation by the moderately inactive and target groups in addition to regular users; it supports long term health improvement; and is financially sustainable.
8. GLL to review and present a marketing plan that supports growth in participation to the Active Belfast Board including how it will expand its social media presence to enhance customer engagement, support increased participation and the methodology to evaluate effectiveness of such plans.

9. GLL to produce and display an accessible customer feedback mechanism in centres reporting on: performance against service standards; improvement actions as identified from the Annual Survey; QUEST assessments and; other key customer issues specific to each facility.
10. GLL to consider employing seasonal staff for peak periods and/or holiday schemes to provide continuity of service delivery at such times and reduce the use of casual workers for programmed activity.
11. GLL conduct a skills audit of its facility management team and develop a specific development plan that addresses and skills gaps that may exist in either technical or people management skills specifically relevant to the Belfast contract.
12. GLL review the effectiveness of its internal communications framework to ensure that staff at all levels are well informed about: service standards; performance expectations/targets and; service changes so they can deliver excellent customer service.
13. GLL and the Trade Unions should agree and commit to a schedule for joint review/audit of health & safety on a site by site basis conducted by local management and local Trade Union representatives that have leisure management experience.
14. GLL (as employer) and the Trade Unions (as employee representatives) commit to improving relationships and working more closely together to implement service transformation that support the strategic objectives without regular recourse to third parties.
15. Belfast City Council should ensure there are robust business cases for each proposed development within the Leisure Transformation Plan that the revenue consequences of capital investment are fully understood including the impact of design and facility mix on the operational subsidy including operational costs, reality of income generation projections and whole of life costs, so informed decisions and appropriate action can be taken.
16. Active Belfast Board and Belfast City Council review the optimum way to secure additional leisure and contract management capability in the short/medium/longer term including succession planning.
17. Active Belfast Board should reiterate the role, expectations and responsibilities of a company Director to ensure any potential conflict of interest is managed appropriately and does not reflect negatively or damage the reputation of Active Belfast or its principal partners.
18. The role of Active Belfast Board should be reviewed jointly with Belfast City Council to ensure to it is given the capability to operate as intended and that it adds value to the partnership and the strategic outcomes in addition to fulfilling a contract monitoring and administrative role.

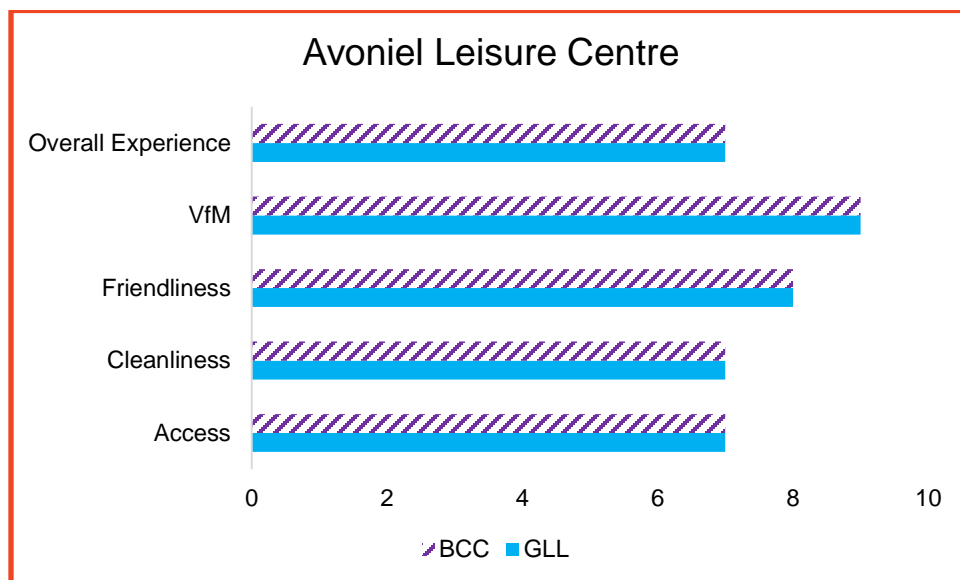
19. Belfast City Council in its city strategic leadership role, should facilitate greater access to the Belfast Health Trust and other health agencies for Active Belfast and GLL to develop programmes and partnerships that deliver city-wide strategic health outcomes.
20. Belfast City Council in conjunction with Active Belfast should seek expert advice to fully explore any requirements and/or the relative merits of Active Belfast securing charitable status in the short-medium term.
21. That the three principal parties of this partnership: Active Belfast Limited; Belfast City Council and GLL reflect on the findings and recommendations of this review and commit to work more collaboratively to deliver the strategic objectives of the Leisure Transformation Programme for the benefit of Belfast residents and service users.

Appendices

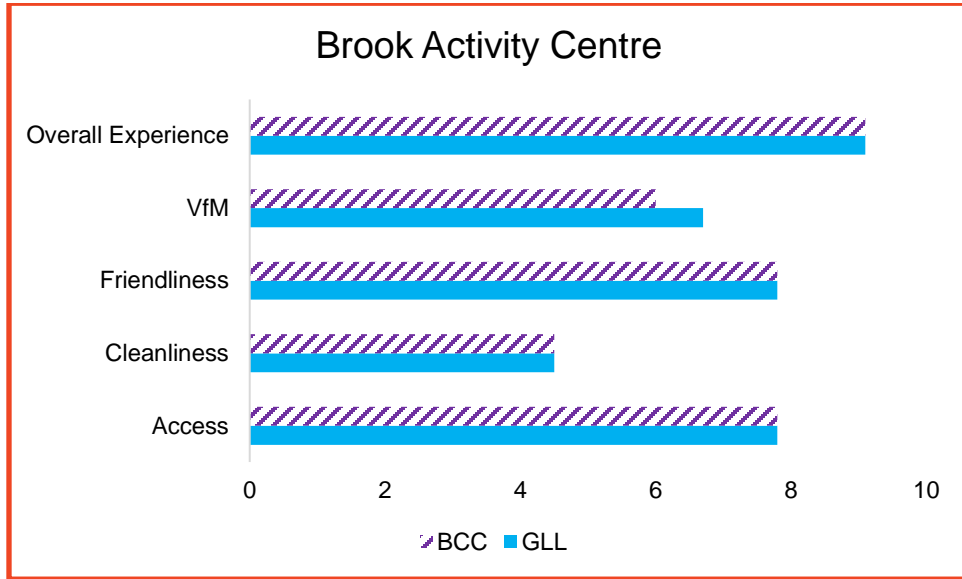
Appendix 1 – Customer Focus Groups

Customers were asked to first rate GLL's performance under the following categories: Overall Experience; Value for Money; Friendliness (of staff and feeling of being welcomed); Cleanliness (of the facility); and Access (in terms of availability and timing of access to activities). Customers were then asked to reflect on how the service was when operated by the Council and rate this also.

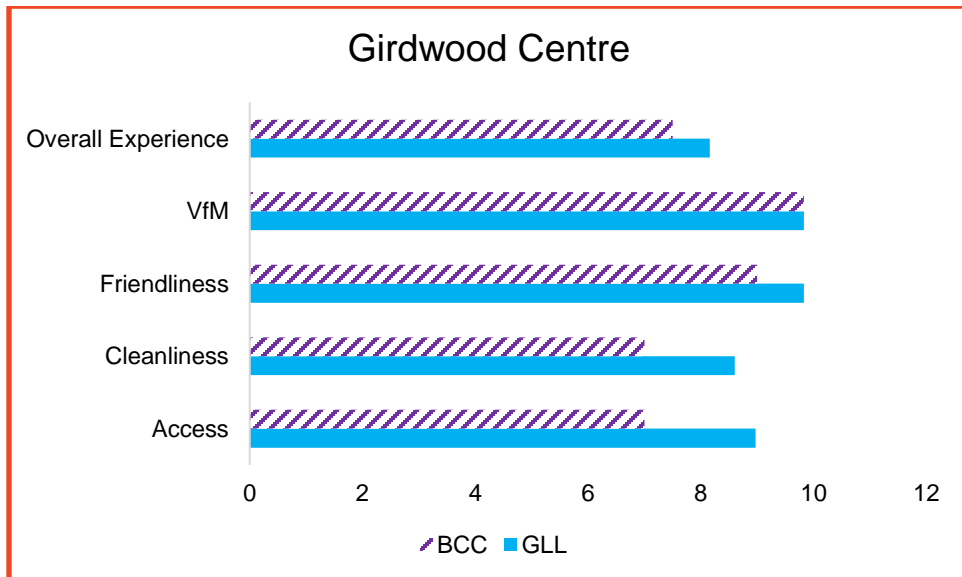
The Avoniel focus group was conducted early morning, most customers were aged over 60's and benefited from concessionary access, therefore the response to Value for Money question was somewhat irrelevant as most benefited from free access. Several customers previously used the Robinson Centre before closure in 2015. Overall customers did not record any discernible difference in facility since GLL had taken over the management of it, although they were appreciative of the redecoration and minor refurbishment works and accepted that the centre was close to the end of its lifecycle and that the centre was showing its age in certain areas. The majority of Avoniel staff are employed on the old Belfast City Council contracts.



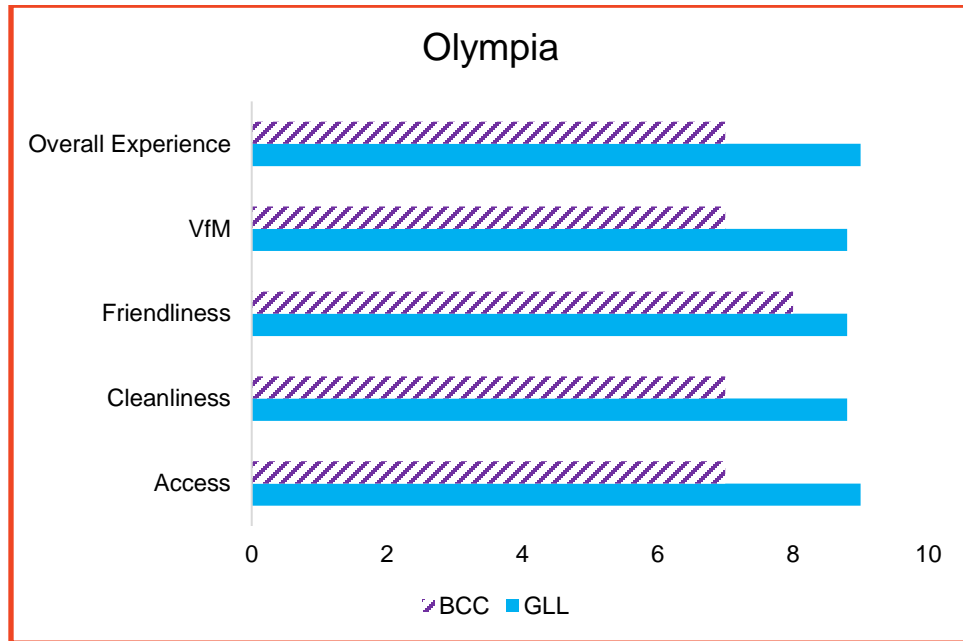
Due to other events in the city it was necessary to move this session at Brooke to early evening, therefore the customer group changed and was attended predominantly by users/parents associated to the 3G pitches. The only difference recorded between the Council and GLL management was Value for Money this related directly to the recent reduction in pitch charges. Customers acknowledged the challenges of a facility at the end of its lifecycle and were enthusiastic about the redevelopment proposals. Most Brook staff are employed on the old Belfast City Council contracts, with some staff on Lisburn City Council contracts following LGR.



This session at Girdwood was undertaken mid-morning and had a good cross section of users. Customers had previously used other facilities in the city therefore their ratings and comments on Council operated facilities related to other sites. As a relatively new centre it would be anticipated to record more positive ratings compared to older facilities previously used by participants. Customers felt that staff were better informed and presented a more professional presence than some former Council facilities, responding positively to customer requests. Girdwood staff are all employed on the new GLL contracts.



The Olympia session took place mid-afternoon and had a good cross section of facility users. Most customers were users of the old Olympia, although some were new customers attracted by the enhanced accessibility of the programme in the new centre. As you would anticipate from a new facility, customer ratings were very high. Olympia staff are all employed on the new GLL contracts.



Appendix 2 - List of Consultees

Each Party Leader was invited to participate in the consultation process as part of the review or provide a nominee; the offer was extended to each Independent Councillor.

Active Belfast Limited	
John McGuigan	Chair
John Higgins	Director
Aldermen & Councillors	
Tim Attwood	Social Democratic & Labour Party
Jolene Bunting	Independent
Matt Collins	People Before Profit Alliance
Brian Heading	Social Democratic & Labour Party
Billy Hutchinson	Progressive Unionist Party of Northern Ireland
Michael Long	Alliance Party
Jim McVeigh	Sinn Fein
Georgina Milne	Green Party
Jim Rodgers	Ulster Unionist Party
Belfast City Council	
Colin Campbell	City Solicitor
Ronan Cregan	Director of Finance & Resources
Rose Crozier	Assistant Director of City & Neighbourhood Services
Nigel Grimshaw	Director of City & Neighbourhood Services
Noel Munnis	Partnership Manager
Jacqui Wilson	Departmental Finance Manager
Suzanne Wylie	Chief Executive
Customer Focus Groups	
Avoniel	Customers x10
Brooke	Customers x 8
Girdwood	Customers x 8
Olympia	Customers x10
GLL Regional Leadership Team	
Alan Dempster	Regional Finance Manager
Gregg Holland	Partnership Manager
Gareth Kirk	Regional Director
Cara Kursey	Service Modernisation Manager
Ronan McKenna	Regional Community Sports Manager
Catherine Sweeney	Human Resources Business Partner
GLL Management	
Sinead Barnes	Service Manager - Girdwood
Julie Bolton	Service Manager - Grove
Ciaran Boyd	Duty Manager - Olympia
Roma Doherty	Service Manager - Ozone
Alison Foster	General Manager – Girdwood

Brian Gordon	General Manager - Shankill
Peter McMonagle	General Manager - Brook/Whiterock
Gareth Millar	Service Manager - Ozone
David Millar	General Manager - Grove
Declan O'Hagan	General Manager - Better Gym Belfast
Declan Sheridan	General Manager - Avoniel/Belvoir/Connswater
Adrian Walker	General Manager - Olympia
GLL Operational Staff	
Natasha Armstrong	Receptionist/Customer Service Assistant - Girdwood
Alan Campbell	Centre Attendant - Loughside
Stephen Carroll	Fitness Instructor Belvoir
Brendan Cowan	Fitness Instructor - Ozone
Jonathan Gill	Fitness Trainer - Connswater
Kyle Ingram	Fitness Trainer - Grove
Laura McCartney	Duty Manager - Shankill
Paul McCullough	Fitness Instructor - Brook
Colin Moffett	Fitness Instructor - Ballysillan
Jane Murphy	Receptionist - Olympia
Devon Small	Lifeguard - Olympia
Trade Unions	
Ken Clayton	Belfast City Council TU Coordinator - UNITE
Craig Frampton	Shop Steward - UNITE
Sharon Jordan	Shop Steward - NIPSA
Michael Keenan	Chair - UNITE
John Marquess	Shop Steward - GMB
Mark McClean	Belfast City Council TU Coordinator - NIPSA
Paulette Murphy	Shop Steward - UNITE
Kevin O'Doherty	Chair - NIPSA
Fra Shannon	Belfast City Council TU Coordinator - UNITE