



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Leisure Estate Review update and next steps
Date:	25 January 2013
Reporting Officers:	Andrew Hassard, Director of Parks and Leisure Ronan Cregan, Director of Finance and Resources
Contact officers:	Caroline Wilson, Programme Manager

1.0	Relevant background information
1.1	Under the Investment Programme Implementation Plan, agreed by Strategic Policy and Resources Committee in June 2012, it was agreed that a project would be initiated to enable the re-development of the leisure estate and that research would be undertaken to develop options.
1.2	Deloitte was appointed to undertake a piece of work to provide an evidence base on Belfast's leisure estate needs, specifically the current status of the leisure estate and outline options drawing on best practice, in the context of the Review of Public Administration.

2.	Key issues
2.1	Deloitte report <p>The Deloitte report is nearing final draft form. It is recommended that the full report is presented to a special joint meeting of the Strategic Policy and Resources Committee and Parks and Leisure Committee, to which all members of Council will be invited, in early February.</p> <p>The Deloitte report has six main sections which are outlined below:</p> <ol style="list-style-type: none">1. Urgency of internal case for change – costs; aging assets; delivering outcomes; terms and conditions; not fit for modern purpose2. Urgency of external case for change – strategic opportunities esp. stadia; health inequalities horizon; customer and partner expectations3. Guiding principles4. Options for going forward – status quo, etc. and assessment against principles

	<p>5. Models for delivery – NPDO (Non Profit Distributing Organisation e.g. social enterprise or trust), private sector, internal transformation programme, etc. and assessment against principles</p> <p>6. Conclusion – need for transformation plan and speedy, bold decisions.</p> <p>Agreement on the guiding principles will facilitate the next stages of the review process, in particular, the development of a financing strategy to meet Members’ ambitions for the transformation of the leisure estate.</p>
<p>2.2</p>	<p>Member feedback</p> <p>In informal discussions with Members, the following points have been raised in relation to the review of leisure:</p> <ul style="list-style-type: none"> – There is a need for urgent action on the leisure estate, particularly regarding the Windsor and Casement stadia developments as phase 1 of that process; – There is a need to reduce the cost to the rate-payer and to re-focus the service towards delivering health outcomes; – Importance of working in partnership, including with schools and universities; – There is a need for a sustained and positive engagement with the trade unions, to enable a fundamental review of working practices as well as provide job security; – The need for balanced investment across the city and there was no ‘one-size-fits-all’ provision model. <p>The Executive Summary strongly emphasises the Members’ and partners’ opinion that there is an urgent case for change.</p>
<p>2.3</p>	<p>Drivers for change</p> <p>There are four key drivers for change:</p> <ul style="list-style-type: none"> – Financial: the subsidy for leisure services and average annual cost to the ratepayer is currently £8.01 million. The physical improvement of the leisure estate is dependent on the Council’s agreed medium term financial strategy, the success of service improvements and the future business model. Cash savings within the leisure budget will form a key element of the strategy to finance future physical investments. – Health outcomes: the worst nine wards in Northern Ireland in terms of health deprivation are in Belfast. There needs to be a sharpened focus on improving health outcomes – getting more people, more active, more often – and the transformation of the physical leisure estate will only partially achieve the Council’s ambitions in this regard. – Strategic opportunities: there are a number of imminent strategic opportunities for the Council to maximise its investment in the future provision of a fit-for-purpose leisure estate, including the stadia developments, Girdwood, health estate review and Social Investment Fund.

	<ul style="list-style-type: none"> - Review of Public Administration: from 2015, Belfast will incorporate large areas of Castlereagh and Lisburn district councils. Plans need to be made now to ensure adequate leisure and recreational facilities are available, particularly with the likelihood that the rate burden in these areas will be increased to be brought into line with the rest of the city.
<p>2.4</p>	<p>Guiding principles</p> <p>Deloitte recommend the following guiding principles to inform future decisions regarding leisure provision:</p> <ul style="list-style-type: none"> - Quality: Council leisure facilities should be fit for purpose, attractive and welcoming. - Focus on health and well-being outcomes: Working with others to improve the health of the population, especially those most in need, and those with the most to gain, is an essential priority to improve individual and community quality of life and if we are to limit the cost to our society and our economy of avoidable ill-health. - Value for money: Future Council investment in its leisure estate should focus on provision of a value for money leisure service demonstrated through user numbers, health and well-being outcomes and financial metrics. The physical asset base will need to maximise efficiency and income generation opportunities across Council assets and, ultimately, the wider public estate. - Balanced investment and accessibility: There should be sufficient provision within each quarter of the city of wet, dry, health and fitness facilities that cater for a diversity of activity and meets the needs of different ages and abilities. The facilities should be well-connected, welcoming and safe, and promote connectivity, cohesion, ‘shared-ness’ and access for all. - Partnership: Partnering opportunities (for example, with adjacent Councils, private sector, education estate and universities etc) and strategic opportunities should be actively explored, pursued and integrated into the transformation plan. - Affordability: A capital financing strategy will be required to support the building of a new leisure estate. This strategy will need to be considered in the context of current capital financing requirements and the commitment, as part of the Investment Programme, to set the district rate at inflation or below for the next three years. Financing will need to include revenue savings generated from within the leisure budget. A key element of the transformation of leisure provision will be to ensure its sustainability, in terms of programming and ongoing running costs. <p>These sit within the context of the Investment Programme principles.</p>
<p>2.5</p>	<p>Physical Investment</p> <p>Members have stressed the need to maximise the opportunities for joint investments, to deliver greater collaboration between organisations and value for money for rate-payers. The emerging physical transformation plan includes the following strategic opportunities:</p>

Phase	Transformation of Leisure Estate
1.	Strategic asset opportunities under Investment Programme : – Windsor and Casement Stadia; Girdwood; Whiterock Community Corridor; Templemore Baths Potential partners: DCAL; IFA; GAA; DSD; Health Trust; SEUPB
2.	Strategic asset opportunities under reform of local government including: – Avoniel; Robinson Centre; Andersonstown; Lagmore/Poleglass and Brook Activity/Colin Potential partners: Castlereagh BC; BMC; SIB; Lisburn City Council
3.	Strategic asset opportunities towards a ' One Public Estate ¹ ' approach including: – Ballysillan; Ozone; Shankill; BCC community centres Potential partners: Community sector; QUB; DE

External funders such as DCAL and SEUPB have strict funding timeframes which determine an uncompromising project delivery timeline. For example, a decision to commit to the stadia opportunities as phase 1 of the leisure estate review will have to be made by May 2013.

A separate report on the stadia is on the agenda for this Committee. This contextualises the stadia as Phase 1 of the leisure transformation process and references the principles outlined above.

2.6 Service Transformation

1. Outcomes

Members have outlined an ambition to substantially increase the focus on delivering better health outcomes. While it is acknowledged that there are some excellent examples of health-focussed participation programmes run in leisure centres including examples such as the Healthwise referral programmes; Active Communities schools and youth programme; and the recent Olympic legacy programme, there is further opportunity to increase this work and tailor these outcomes to local need.

2. Finance

The second key element of the service transformation programme will be the realisation of cash savings from the leisure budget which will be required to part-finance Members' capital investment ambitions. This will include increased income, reduced running costs and improved participation levels and partnership funding.

In order to deliver these two elements, aligned and integral to the physical investment programme, it is recommended that there is a complementary plan, which will make provision for:

¹ The 'One Public Estate' (OPE) approach is based on local public service providers collaborating on managing their land and buildings as a collective resource across an area, to improve outcomes for local people and maximise efficiencies.

	<ul style="list-style-type: none"> - Business model for delivery - Programming and participation - Partnership development - Ways of working e.g. terms and conditions - Marketing and membership sales - Online capacity - Performance management. <p>Further political discussion is needed to fully explore service transformation including the business model options presented.</p>
2.7	<p>Staff and trade union engagement</p> <p>Staff and trade unions have been and continue to be briefed on the review process. They are aware of the unsustainable levels of subsidy going into leisure services each year and the increasing public and political pressure to provide a value for money service which demonstrates significant delivery of health outcomes.</p> <p>Job security is a key driver for staff and intensive engagement with staff and the trade unions over the coming months will be a key strand of the development of the transformation plan.</p>
2.8	<p>Process to develop Transformation Plan</p> <p>It is proposed that over the coming months, on the basis of in-depth consultation with Members and partners, and seeking external advice and expertise as deemed appropriate, a transformation plan needs to be developed to realise the opportunities in the leisure estate review. This will examine two work-streams, over three phases (as at 2.5):</p> <ul style="list-style-type: none"> - Defining the physical investment programme including political agreement on financing strategy and phasing of developments; and - Defining service transformation programme including political agreement on business model and efficiencies. <p>Based on this engagement, a draft transformation plan will be presented for consideration by both the Parks and Leisure Committee and the Strategic Policy and Resources Committee by May 2013. This implementation-focussed plan will inform Committee in order to make the necessary decisions to invest in the stadia, as part of Phase 1 of the transformation plan.</p>
2.9	<p>Next steps</p> <p>These two work-streams, over the next 3 months, will include significant engagement with Members and stakeholders, including party group briefings and workshops with input from relevant experts and other local authorities.</p>
2.10	<p>Conclusion</p> <p>The potential scale of the change presented by the review of leisure, and the ambition of</p>

	Members to deliver a re-vitalised, fit-for-purpose leisure provision, present both enormous opportunities and challenges to the Council. This is alongside major programmes of work in relation to the commitments in the Investment Programme as well as the reform of local government. The resource implications for successful implementation of the two work-streams over the three phases for review of leisure will be fully assessed as part of the development process for the transformation plan and regular reports brought to Committee for their consideration.
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3.0	Decisions required
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Committee is asked:

- To agree the principles for going forward (above at 2.3);
- To agree the three phases of the physical asset transformation plan (above at 2.5), with a complementary service transformation process;
- To agree to a special joint meeting with the Parks and Leisure Committee, to receive a presentation on the full Deloitte report; and
- To authorise officers to facilitate party group briefings on the leisure review, as requested.

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

Financial: The costs for any external support required to develop the transformation plan will be made within existing departmental revenue budgets.

Depending on political agreement, there is potentially capital costs of up to £60m over a period of 5 years which will have to form part of the Council's medium terms financial planning arrangements.

Assets: None at present.

5.0	Equality Implications
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The Leisure Estate Review will be screened at periodic intervals in line with the Council's equality obligations.