

**LEISURE TRANSFORMATION PROGRAMME**  
**Characteristics for any future Belfast Non-Profit Distributing Organisation (NPDO)**  
**Discussion paper – 15 Nov 2013**

In order to determine the legal form of any new Non Profit Distributing Organisation (NPDO), it is important to consider its characteristics first – that is, **form must follow function**.

Deloitte are preparing a narrative for an NPDO business model option, which will be assessed by Members. In order to limit the NPDO options under consideration, it is proposed that the following list of characteristics shape what Members would want any new NPDO to be able to do rather than its legal form. This list was presented to Budget Panel for their comment, to inform business model development. This is only for the purposes of the appraisal process and any final governance proposal would be presented to Committee for its formal consideration.

Based on political discussions to date, as well as desk-top reviews and information gathering visits, **the main characteristics of the legal entity** will include:

1. Mission to pursue a wider public good i.e. working with others to improve the health of the population, especially those most in need
2. Non-profit distributing with surpluses reinvested for public good/into the service and asset base
3. Democratically accountable through the contract specification agreed with Council i.e. Committee will set the service strategy based on local needs, commission services and scrutinise performance on a regular basis. Council will remain the owner of capital assets.
4. Charitable objectives
5. Board to include representation from elected Members, staff, trade unions, strategic partners and industry experts
6. Tax efficient (covering general tax, VAT and Non Domestic Rating).
7. Ability to raise capital from range of sources e.g. grant-aid
8. Potential to offer employee incentivisation scheme (commensurate with HMRC requirements for NPDO organisations)
9. Ability to deliver social clauses e.g. apprenticeships; local suppliers
10. Potential to establish partnerships to deliver strategic aims of Council's contract specification
11. Initially, a single-focus organisation with the future potential to expand to deliver other services
12. A Belfast-focussed organisation with the future potential to expand to deliver elsewhere.

In addition, a number of guarantees in relation to security for incumbent staff will also be developed in consultation with the trade unions and political parties over the coming weeks.