

## Appendix 2 - GLL

<b>Reporting Officer:</b>	Nigel Grimshaw, Director of City and Neighbourhood Services
<b>Contact Officers:</b>	Rose Crozier, Assistant Director of City and Neighbourhood Services Noel Munnis, Partnership Manager

<b>3.0</b>	<b>Main report</b>
<b>3.1</b>	<b>Description of risk</b>
3.1.1	<p>The GLL risk, as captured in the Council's Corporate risk register is phrased as follows:</p> <p><b>'Inability to effectively manage the leisure contract and relationships between BCC, Active Belfast Limited (ABL) and Greenwich Leisure Limited (GLL) to ensure that key outcomes are achieved.'</b></p>
<b>3.2</b>	<b>Risk Owner</b>
3.2.1	Accountability for the management of this corporate risk has been assigned to Nigel Grimshaw (Rose Crozier).
<b>3.3</b>	<b>Risk assessment</b>
3.3.1	<p>Following detailed review of the corporate risks, this risk was assessed in terms of 'impact' and 'likelihood' (using the Council's risk scoring system, see Appendix 1) as follows:</p> <p>Impact – 5 (severe) Likelihood – 4 (likely) Overall risk rating - Severe</p>
3.3.2	The initial risk assessment was based on evidence that full control measures were not yet in place due to the ABL being a new organisation still developing its governance structures and reporting protocols. Most of the previous risk rating reflected concerns in relation to potential impacts arising if effective mitigating action were not implemented rather than any ineffective measures in place at the time.
3.3.3	<p>Given the control measures now in place alongside the evidence of good governance practices outlined in section 3.4 below, we have reduced the likelihood of the risk occurring from 4 (possible) to 2 (low). The impact rating of a failure to deliver on effective management will always remain high due to the serious nature of the potential consequences for BCC. The impact rating could justifiably be lowered from 5 (severe) to 4 (major).</p> <p>This leads to a revised risk assessment for the quarter ending September 2016 of</p>

3.3.4	<p>Significant (March 2017 target achieved)</p> <p>BCC, ABL and GLL will continue to review this risk through the corporate risk management process and ensure that mitigating actions are implemented in a timely manner to further manage existing risk and counter any new risks, both internal and external, as they emerge.</p>
3.4	<p><b>Current measures in place to manage the risk</b></p>
3.4.1	<p>There were originally six controls in place and eight proposed actions which have since been actioned and strengthened as follow:</p> <ul style="list-style-type: none"> <li>• ABL director induction training was delivered in November 2015. A second recruitment process has been completed and all volunteer directors and an independent chair are now in place. A second induction session for the new directors was delivered on 23<sup>rd</sup> November 2016. ABL director training needs analysis is ongoing and to date has resulted in the delivery of risk management and governance presentations, the establishment of an ABL Aquatics Strategy Working Group and a fact finding trip to GLL sites in London.</li> <li>• The current two year ABL business plan has been extended to run until March 2017. A review of the business plan is underway and a new two year plan will be in place by April 2017.</li> <li>• The tri-partite BCC/ABL/GLL contract is continuously reviewed and governed in line with the key dates as set out in an annual compliance calendar. All decisions and approvals in relation to contract reviews and reports received are formally recorded in board minutes.</li> <li>• The Partnership Manager has been in place since February 2016 and is now fully integrated into the contract and relationships management and performance reporting processes.</li> <li>• The interim performance reporting process has been replaced by a formal KPI reporting and contract compliance programme reported quarterly to ABL and six monthly to BCC through the SP&amp;R committee. Performance reports are presented in standard format to cover all contractual requirements supported by a comprehensive statistics spreadsheet. Performance statistics are reported quarterly and presented to demonstrate like for like quarterly YOY comparisons, YTD progress against targets and YE predictions.</li> <li>• Financial monitoring is subject to quarterly reporting and is managed through fortnightly update meetings between BCC and GLL.</li> <li>• Newly appointed directors will attend their first meeting on 5<sup>th</sup> December 2015. All new directors will complete conflict of interest declarations and existing directors will submit updated declarations by 31 December 2016. Updating declarations of interests is incorporated into the annual contract compliance calendar.</li> <li>• The relationship between BCC, ABL and GLL has developed well with regular meetings at Chief Officer, senior executive and director level now commonplace.</li> <li>• ABL Articles of Association will be the subject to review early in 2017. Within</li> </ul>

the review process a SWOT analysis of the option to pursue charitable status will inform any future decision to proceed with the relevant application.

**Performance**

**3.5**

3.5.1

Quarterly GLL performance reports as presented to ABL are routinely reported to BCC through the SP&R committee. GLL performance against stated KPI's has generally been positive with the RAG balanced scorecard showing as green for the majority of measures. While commercial challenges remain in relation to growing the business in a very competitive market, income and participation continues to rise steadily. The risk to BCC growth from an aggressive private leisure sector in Belfast remains a key challenge. The contract compliance reports and associated KPI spreadsheets for quarter one and quarter two of the current financial year are restricted but are available to members online.

**Areas for improvement**

**3.6**

3.6.1

Areas for future improvement will be built around continuous development under the themes as set out in 3.4 above. The further development of relationships between the main partners and key stakeholders will be a key focus for the next twelve months and beyond.

Success will be evidenced by our ability to address any performance or governance issues and resolve any difference as they arise.