



North West Leicestershire Branch
 Council Offices
 Coalville
 Leicestershire
 LE67 3FJ

9 December 2016

FOA Mike Murphy – Human Resources Manager
 North West Leicestershire District Council
 Council Offices
 Coalville
 Leicestershire
 LE67 3FJ

Dear Mr Murphy

Leisure Centre Surplus Share Consideration

Further to the Cabinet report to be considered in January 2017 for the purpose of advising members of the Councils leisure centres achieving a financial budget surplus in 2015/16. We have consulted with our members and they would like their trade union to make the following comments and representation on their behalf.

I have received many comments from members and for information I have detailed their valid point and comments below:

Comments from member
We wasn't made aware of the surplus made in 2009/10 & 2012/13. It's been that long since we have received any surplus we had almost thought it had been buried and forgotten. It looks like that's what they want to do now.
My concern is, what they are suggesting is not written the local agreement. It has never been written down that any significant cost made to the council will be paid back by a surplus?
The local agreement was introduced back in 1992 under 'Compulsory Competitive Tendering' the agreement and the surplus was a compensation for the loss of income , i.e. time and half on Saturday, double time Sundays and double time on back holidays, all of which is paid at plain time.
The surplus however small is a credit to the staff for all their hard work.
All of this has been kept on the quiet and we only found out about this surplus from a member of staff at the council offices that we made a surplus. In past years we were continuously informed that we finished the financial year in deficit and no surplus has been made.
All of this has been kept very sly and all we ask is for a bit of fairness.
Nowhere in the local agreement does it say that all of the surplus will be re-invested.
Nowhere in the local agreement does it say that we have to put back any money in to the council if we have made a deficit in previous years.
The surplus share was to compensate time ½ for any overtime worked, time ½ for

Saturday overtime, double time for Sunday overtime and double time with a day off in LIEU for a bank holiday's.

We just want fairness and believe we have been kept in the dark about the surplus made in previous years, we have always been told that we have made a deficit, obviously this is not the case for every year, also we only found out about a surplus this year when someone at the council offices was talking to a member of staff from HLC, this was in July 2016.

First of all that the Leisure Centres achieved a financial surplus in 2009/10 and 2012/13 – I have literally only learned this today! Why is that, where does that sit with **openness and transparency**. Also in point 2.4 I'm lost for words how "*an oversight*" has missed two years where we achieved a surplus amount.

Secondly the surplus which we generated in this last financial year we only became aware of in October – November this year – we had not been made aware of this at all !

In the background where it states 1.1 that the Council's executive board approved a revised local agreement of terms in 2003, I don't remember this being consulted with staff in any way shape or form.

1.5 the staff surplus share was "*enshrined*" within the local agreement as a measure of compensation for a reduced set of terms and conditions.

3.1 the surplus share scheme to provide a *fair and adequate reward* to **maintain high levels of motivation and morale**.

Also I'm confused how a deficit was made in 2008/2009 with staffing cost reductions within the duty manager team at hermitage and hood park and redundancies at both sites which should have significantly reduced the staffing cost across both centres.

I have repeatedly asked during briefings and reflection meetings for details of where we have finished surplus / deficit wise at the end of each financial year – these have NEVER been made available or public to staff members.

I have been an employee for over 25 years and can remember signing the agreement to compensate us for loss of overtime for unsocial hours with the surplus share scheme. For years it was standard practice to be notified if there was a surplus and then obviously in accordance with the local agreement this was distributed amongst staff. For the last couple of years none of the staff have been informed if there has been a surplus or not it has just been assumed that we made a deficit. I would have thought if there was a surplus made and it was decided not to distribute it then the staff should have been informed of this.

The staggering facts that are highlighted in district council leisure staff comments is the fact that:

- They feel that they have been misinformed by the employer failing to disclose a surplus over the past years
- The staff surplus share when the service level agreement was created was to compensate employees for their loss of income due to the removal of overtime, working weekends and bank holidays. This appears to have been forgotten and like a members said "swept under the carpet"

Leisure centre staff are being put under immense pressure to cope with a facility which is overused, oversubscribed, working with a building that is coming to the end of its functional life without significant investment. This is obviously extremely challenging to operate a

professional function from, however this team of staff have managed to do just that. To learn that after facing those pressures the excellent work of those team members to create a surplus is extraordinary and we strongly believe that they should be rewarded as per the service level agreement indicates.

May we take the opportunity to reiterate that the service level agreement does not state that the district council may use any surplus on "other" projects? It states:

"The Council's Executive Board will, no less frequently than annually, determine what proportion of any surplus made, if any, is available for distribution to employees of the Direct Leisure Services.

The surplus will be distributed to all registered employees of the Direct Leisure Services employed under the terms of this Local Agreement on the day that any such surplus is declared by the Board in accordance with the following"

A recommendation that the surplus be invested in a possible 20 million pound project does not make any reasonable sense. The small amount of surplus is insignificant in the large pool of financial availability for this project we imagine.

Staff morale and future performance will likely suffer should cabinet decide to invest the leisure centre staff surplus share into the leisure centre project, into a project which could possibly see members of staff being transferred under TUPE and having long term financial implications which in itself a daunting and uncertain process.

As the Unison representative I would urge the employer to reconsider the recommendation and take into account what was intended through the Local Agreement, Direct Leisure Services conditions of Service and to consider the long term implications of dismissing agreements, when it is suitable for the district council.

I hope that the above information is considered and members do consider the faithful, strong competent workforce which complies created through being excellent sales people, strong customer services, and energy efficient, innovative and resourceful members of staff when making a final decision.

I look forward to receiving a response to these considerations in due course.

Yours sincerely

Catherine Ridgway
Branch Secretary
UNSION