

Cheltenham Leisure and Culture Trust – Governance Arrangements

Audit Committee

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This evening's presentation ...

- Cheltenham LCT (CLCT) will be responsible for the operational management and service delivery of Leisure@, Prince of Wales Stadium, Cheltenham Town Hall, Wilson Art Gallery and Museum, Pittville Pump Room, Tourism and Tourist Information Centre, Sport Play and Healthy Lifestyles from October 1st.
- CLCT is in the process of developing its corporate governance framework
- CLCT and the Council are agreeing the governance arrangements for the management of the contractual relationships
- We will give you an update on the information shared last year, briefly covering:
 - Trust legal structure
 - Contractual relationship between the Trust, Council and support services providers
 - Trust corporate governance
 - Specification and Proposal
 - Council's Due Diligence
 - Contract governance arrangements
 - Client side management
 - Members' roles
 - Key programme risks



Trust legal structure

- Charitable company limited by guarantee (CCLG)
- Incorporated 1st May 2014
 - Commonly legal form – “trusted brand”
 - Creates a separate legal entity
 - Flexible structure – able to create subsidiary companies, one currently being formed
 - Protection for trustees – company enters into contracts not individual trustees
 - Advantageous structure
 - Trust will be regulated by the Charity Commission and Companies House – highest standards of good governance demanded
- Directors of a charitable company are both directors and trustees and have duties and responsibilities under the Companies Act and Charities Act



Contractual relationships

- Including contract / lease relationships between trust and council; between trust and its support providers
- Contract will specify what Trust has to do and standards
- Leases will deal with individual properties e.g. Town Hall



Trust corporate governance

- Memorandum & Association of articles
- Trustee code of conduct
- Policies & Procedures
- Charity Commission



Specification

- Outcomes based specification
- 3 areas - principles, outcomes, operating standards
- Developed in partnership
- Designed to give trust freedom to deliver the outcomes by being innovative and using its skills, knowledge and expertise



Proposal

- Key Activities required by CBC
- How the Trust will deliver
- Target Indicators
- Monitoring



Due Diligence

- Advice from GOSS regarding due diligence process
- Important to remember this has not been a procurement exercise
- Using the experts across the council
- Evaluation of each of the following
 - HR, Finance, Legal, Insurance, Licencing, Property, governance, H&S, ICT, Audit, Strategy and Engagement



Contact Governance Framework

- Partnership Board
 - Quarterly
 - Cabinet portfolio holder, Authorised officer, Chair of trustee's , Chief Executive
- Performance meetings
 - Monthly
 - Authorised officer, Client officer, Chief Executive, Relationship officer



Client-side management

- Formal relationship management between the trust and the council via contract and specification
- Client side monitoring will sit within the Commissioning Team
- Customer complaint monitoring will form key performance measure within the contract
- Suite of performance measurements will be agreed between the trust and the council – currently in development
- More complex outcome-focused indicators will need to be developed over time
- Regular officer meetings – monthly, quarterly and annually
- Seeking a partnership approach



Members' roles

- **Cabinet**
 - approves the strategic direction for leisure and culture services and approves the outcomes
 - agrees and approves contractual arrangements (including performance standards and governance)
 - receives performance reports via the performance management process
- **Cabinet Lead**
 - defines the strategic and policy direction for leisure and culture services
 - works with the commissioners to develop the contractual arrangements including advising on key elements of the contract and specification
 - will be a member of the formal Partnership Board and will take part in the informal contract governance
- **Overview and scrutiny**
 - will receive the quarterly and annual reports of the Trust's performance (NB it may be determined this should go to Full Council)
 - call the trust to account if required
 - may decide, for example, to undertake a review of how the trust is performing say after the first 12 months of operation.
- **Individual members**
 - will have access to how the trust is performing via reports submitted to O&S
 - will have access to the Trust's annual performance report
 - will, as ward councillors, be asked to direct complaints with service standards or performance to the Trust. The Trust will have a published complaints process. The council will monitor the level of customer complaints as part of the contract monitoring with the trust



Risks

- **Approach**
 - Programme risks reviewed and managed monthly by programme board
- **Key Risks**
 - Insufficient capacity / lengthening timescales. Agreed budget for executive support and backfill. Ongoing management through programme board and corporate resourcing process
 - Set-up costs exceed budget. Clear accountability for costs at programme board level supported by monitoring and control. Clear justification for additional spend required.
 - Service teams' concerns during transition impact service delivery. Ensure teams fully briefed and consulted. Ensure dialogue between board and service teams.
 - Trust fails to deliver contract. Carry out due diligence. Design and implement robust contract management.
 - Approach to support services. Agree an approach which allows the trust sufficient freedom in sourcing its support services whilst allocating the business / financial risks of moving away from council / partner provision
 - Lack of engagement of members and other key stakeholders. Continue to engage through discussion and presentations



Comments/Questions



Outcomes

- **People in Cheltenham lead healthier, fulfilling and active lives**
 - People take regular exercise
 - People make lifestyle choices to improve their own health and wellbeing
 - People can participate in activities regardless of age or ability
- **People in Cheltenham are inspired to take part and gain valuable skills and experience**
 - People of all ages learn new skills and develop their knowledge
 - People of all abilities and backgrounds participate in learning activities
 - People contribute to the health and wellbeing of their communities
- **Cheltenham is seen as a world class place to live, work, study and visit**
 - Cheltenham is recognised as an inspiring cultural and tourist destination
 - Cheltenham's heritage & cultural assets and environment are protected, enhanced and enjoyed
 - Cheltenham is open and accessible to all

