Cheltenham Leisure and Culture Trust -Cheltenham LCT

Audit Committee

25 September 2013

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This evening's presentation ...

- Cheltenham LCT will be responsible for the operational management and service delivery of Leisure®, Prince of Wales Stadium, Cheltenham Town Hall, Cheltenham Art Gallery and Museum, Pittville Pump Room, Tourism and Tourist Information Centre, Sport Play and Healthy Lifestyles
- We are in the process of developing the governance frame to manage the contract between the trust and the council We will briefly cover:
- - Trustee recruitment
 Trust legal structure
 Contract, leases and support services
 - Specification
 - Performance management framework
 - Accountabilities for contract performance
- Members' roles Client side management
- Cheltenham LCT Programme governance



Trustee recruitment

- Critical to good governance and a high performing charity is the recruitment of the η th calibre of trustees
- Recruitment campaign commenced 20 September. Appointments conclude $\mbox{w/c}$ 18 November
- Trustee information evening 16 October
- CBC will manage the selection process
- 11 trustees 2 CBC member nominated
- Recruitment pack includes specification for both chair and trustees
- Seeking a broad range of experience and skills private, voluntary and community representation sought
- Trustee specification includes a specific reference to governance on understanding and appreciation of the governance and compliance requirements of the new trust. Trustees will have, and must accept, ultimate responsibility for directing the affairs of the charity, and ensuring that it is solvent, well-run, and meeting the needs for which it has been set up
- Trustees will be voluntary roles



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Trust legal structure

- Charitable company limited by guarantee (CCLG)

 Most commonly used legal form "rusted brand"

 Creates as separate legal entity

 Rexible structure able to create subsidiary companies, eg. catering

 Protection for trustees company enters into contracts not individual trustees
- 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 Acts and Charities Act
- Charitable Objects will advance health, arts, culture and heritage, education, amateur sport and recreation
- Trust governed by its Memorandum of Association, charitable objects and constitution
- Expectation that the trust will create a number of sub-committees, examples could in audit, equality and diversity, health and safety, saleguarding, etc.



Contract, leases and support services

- - tract
 Contract for 10 years; leases 15 years (on the basis that if the contract
 Includes provision for an extension and it is exercised there is no need for a
 new lease) but with a break clause in leases at 10 years
 Property freeholds to be retained by CBC

 - Museum collections to remain in the ownership, or in trust, of C&C
 - Assets (building based, eg, fitness equipment) transfer to the Trust but remain in ownership of CBC (VAT efficient approach/managed risk at end of contract)
 Many items still to be finalised; utilities risk, change of law, pensions, workforce issues
- Non-business lease to be agreed at peppercorn rent, no rent reviews (subject to VAT advisor and agreement by Asset Management Working Group)
 Responsibility for repairs and development works stays with CBC (subject to VAT advisor and agreement by Asset Management Group)
- Support Services
 - Working to create proposals for the Trust to lake support services from GO Shared Services, ICT Shared Services, One Legal, Audit Cotswolds and Property

Specification

- Close collaboration between contract and specification development
 Specification principles outline the partnership principles, strategy and focus and
 performance management framework
 Specially to create a contractual framework that strikes an appropriate balance between
 protecting the key interests of the council whilst also allowing the trust sufficient operational
 freedom and encouraging innovation.
 Looking for the trust to deliver against 3 main outcomes (with a number of secondary
 outcomes)

 People are able to lear heabitier, fulfilling and active lever fileALTH.
- outcomes)

 People are bite to lead healbiler, fulfilling and active lives (HEALTH)

 People are Inspired to take part and gain valuable skills and experiences (LEASHING)

 Chefenham is seen as a world class place to live, work, study and visit (PIACE)

 Outcome-based approach is about specifying the results required, not dictating how each task will be delivered
- Particular attention being paid to key factors, thinking about the balance between control and managing the risk fees and charges, governance, performance, services, contract price
- Bask operating standards and protocols yet to be defined, eg, governance protocol, communication protocol

 Plus Cheltenham specific standards eg compilance with council obligations to Heritage Lottery





Contract governance framework - work in progress ferroral performance report—to include (not unbeweire) (is) = persona Over ell francial performance; funding marces and usage; delivery ago apacified cut (Otto C custom of a title action; partnership arceine; and COC CAL Trans.CC. Trust Chair, CBC Cabinet Lead, Load Commission Block play thinking/horrison or annalogy identity retire and to access share tracelling identity tracectural insular realizable enterphology working Enters the efficient and effective business measurement of the continua-cibility or of financial and operational largest study is and either continua-resources (financial and other much development and external by a service quality financial place possible in recommend any contract variations to CRC and the Tours board reading to said to help or procure director service performance (and financial) and delivery; risk identification and crare general: beforeal trace (and biscopy identifying and change planning

Accountabilities for contract performance

- - rectual cettgations.
 Althorised Officer (CEC Lead Corunissioner) acts in the name of the Council for the purposes of
 the contract has the power to issue reasonable instructions to the Contractor
 Contractor's Representative (Trust Chief Executive) shall be the designated person for the proper
 administration of the contract

- Dispute resolution (schedule 9)
- Material breaches (schedule 6)

- it Officer.

 Deals with day to day contract issues and will be accountable to the Lead Commission or Responsible for the routine performance mentioning of the contract and will be required to rabe any matters of concern in the first instance to the tead Commissioner.

 Will support the Lead Commissioner in the formal performance management arrangements.

- matters of concern in the first instance to the load Commissioner

 Will support the Lead Commissioner in the formal performance management arrangements

 Dealing with undoressen exemts

 Clear officer to deal with rootine matters CEC point of contact for Members and the public

 Lead Commissioner may become involved depending on the ability to resolve

 Lead Commissioner will fails with Trust CX on matters of more serious nature or resolution has not been achieved

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 Lead Commissioner will call the Trust Partnership Board representatives to account for matters of a serious galaxies.
- ormance and report as necessary

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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
- CBC customer relations team will deal with customer complaints which are directly received from the public
- Customer complaint monitoring will form key performance measure within the contract
- Suite of performance measurements will be agreed between the trust and
- the council in development More complex outcome-focused indicators will need to be developed
- Regular officer meetings -- as previously stated
- Seeking a partnership approach



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Members' roles (high level summary)

- et
 approves the strategic direction for leisure and culture and approves the outcome
 agrees and approves contractual arrangements (including performance vanduring)
 receives performance reports via the performance management process.

- supers in displaces of such as in agreement system per process.

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Cheltenham LCT Programme governance

- Programme Board drives creation of new trust working to Managing Successful
- Programmes (MSP) principles

 Board fed by Executive Director Senior Responsible Officer (SRO)
- Board members; Cabinet Member, Director of Commissioning, Director of Health and Wellbeing, HR, Finance, Legal, Audit, Property and Business Transformation lead officers
- Risk management register maintained and reviewed
- Monthly status reports to CBC Senior Leadership Team
- Gateway reviews planned for trust business plan; contract and specification. Audit Cotswolds will manage gateway review process as independent of the project
- Programme governance modification needed once the shadow trustees are in place eg, formal separation of advisers to the Council and the trust



