

Cheltenham Leisure and Culture Trust – Cheltenham LCT

Audit Committee 25 September 2013

Pat Fralley – Senior Responsible Officer
Ken Dale – Programme Manager
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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 framework and arrangements 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 right calibre of trustees
- Recruitment campaign commenced 20 September. Appointments conclude 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 – *an 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



Trust legal structure

- Charitable company limited by guarantee (CLG)
 - Most commonly used legal form – "Trusted brand"
 - Creates as separate legal entity
 - Flexible 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 include, audit, equality and diversity, health and safety, safeguarding, etc



Contract, leases and support services

- Contract
 - 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 CBC
 - 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
- Leases
 - 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 take support services from GO Shared Services, ICT Shared Services, One Legal, Audit Cotswolds and Property Services



Specification

- Close collaboration between contract and specification development
- Specification principles – outline the partnership principles, strategy and focus and performance management framework
- Seeking 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 lead healthier, fulfilling and active lives (HEALTH)
 - People are inspired to take part and gain valuable skills and experiences (LEARNING)
 - Cheltenham is seen as a world class place to live, work, study and visit (PLACE)
- 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
- Basic operating standards and protocols yet to be defined, eg. governance protocol, communication protocol
- Plus Cheltenham specific standards – eg compliance with council obligations to Heritage Lottery



