

Subject: St Georges Trust – Liaison Board

Report to: Policy and Resources – 26th November 2019
Council - 19th December 2019

Report by: Michelle Burdett, Head of Inward Investment

EXECUTIVE SUMMARY

On 12th June 2018 the Policy and Resources Committee resolved to bring together a politically balanced Member Working Group consisting of 5 members to consider the contents of a consultants report (prepared by David Clarke Associates – “DCA”) and its recommendations on the Trusts operations, governance and business plan. This working group met a number of times with the Trust, other Council officers, the Arts Council and Seachange Arts.

On the 10th January 2019 Policy and Resources Committee resolved to provide the Trust with a £25,000 management fee per annum (for 19/20 and 20/21) and that a formal grant agreement be prepared and agreed between the two parties. At that same meeting members resolved to change the Member Working Group to a Liaison Board where quarterly reports would be provided and fund draw down agreed. This decision was made so that the Trust has a clear platform to account for the progress made against their business plan and Key Performance Indicators to assure the Council that sufficient progress was being made to deliver the activities proposed.

RECOMMENDATIONS

That Committee agree:

- 1) to create a St Georges Trust Liaison Board in accordance with the Terms of Reference attached as Appendix 1

1. BACKGROUND

- 1.1 Over the course of 2017 and 2018 St Georges Theatre have received business plans and advice from both the Arts Council and DCA consultants. As a result, the Trust presented a business plan to the Borough Council, alongside requests for grant funding which the

Trust required to stabilise itself in business terms, and to put itself in position to deliver an audience programme which is sustainable in the long term.

- 1.2 On the 10th January 2019 Policy and Resources Committee resolved to provide the Trust with a £25,000 management fee (per annum) for both 19/20 and 20/21 and that a formal grant agreement be prepared and agreed between the two parties.
- 1.3 At that same meeting members resolved to change the Member Working Group to a Liaison Board at which quarterly reports would be provided by the Trust and fund draw down agreed. This would give the Trust a platform to identify the progress made against their business plan and Key Performance Indicators in order to reassure the Council that sufficient progress is being made to deliver the activities proposed. This report pertains to that recommendation.
- 1.4 To clarify, members of the Policy and Resources Committee are being asked to agree to the creation of a new St Georges Trust Liaison Board which will function in a similar way to the Council's other Liaison Boards.

2 PROGRESS

- 2.1 Following the January Policy and Resources Committee meeting, with the support of Seachange Arts, St Georges Trust submitted an Arts Council bid for funding to deliver a programme of activities within the Borough. The Trust were informed in the spring of this year that this funding application was successful.
- 2.2 As a result, officers have been working with Legal Advisers to finalise the legal agreement, known as the 'Funding Agreement' between the Council and the Trust and ensure that the Trust's Business Plan and the Key Performance Indicators are included within that agreement as a way of monitoring the Trust's activities and to secure oversight and accountability.
- 2.3 St Georges Trust have considered the Terms of Reference for this group (as appended to this report) and have agreed to sign up to these in their most recent Trustee meeting, held on Friday the 15th November.

3 PROPOSED NEXT STEPS

- 3.1 As previously stated on the 10th January 2019 Policy and Resources Committee to create a Member Liaison Board where quarterly reports should be provided by the Trust. This paper is seeking members agreement to create a new politically balanced Liaison Board.
- 3.2 To ensure that the Liaison Board remains politically balanced it will require at least one member from each main political group. Members are being asked to nominate members for this Board which will be proposed to Full Council for formal ratification.
- 3.3 Members should be reminded that the Council is separate from the Trust and should exercise no control over its governance or business operations. It is not for the Council to intervene in the governance of the Trust in any way, particularly as the Trust has now completed its renewal of the Trustee Board, with a new Chair and supporting Trustees.

4 FINANCIAL IMPLICATIONS

- 4.1 St George's Theatre is owned by the Council and is leased to St Georges Theatre Trust for 25 years from the 1st May 2015. The January 2019 Policy and Resources Committee resolved to provide a £25,000 management fee (per annum) for both 19/20 and 20/21. This budget was included in the base budget and was not growth to the revenue account. Further additional grant subsidies are not requested at this time.

5 RISK IMPLICATIONS

- 5.1 St Georges Trust have previously faced financial pressures, however, with their recent successful Arts Council application and a successful summer delivering programmes of work, their financial position is more robust.
- 5.2 However, the Council has invested sums of money in the Trust over the years, both in terms of management fees and one off grants and is therefore exposed to financial risks including the loss of these funds should the Council not oversee the delivery of the Trusts business plan. The Council also needs to be mindful of the issue of State Aid, and needs to have a clear understanding of how any funding it provides will be applied. The Funding Agreement referred to at paragraph 2.2 will address this, but the Liaison Board will have

a role to play in deciding on draw down and monitoring whether projects are delivered in accordance with the Funding Agreement.

RECOMMENDATIONS

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Area for consideration	Comment
Monitoring Officer Consultation:	Completed – comments within the report
Section 151 Officer Consultation:	Completed
Existing Council Policies:	N/A
Financial Implications:	As referenced within the report
Legal Implications (including human rights):	Completed via monitoring officer and NPLaw
Risk Implications:	As referenced within the report
Equality Issues/EQIA assessment:	N/A
Crime & Disorder:	N/A
Every Child Matters:	N/A

TERMS OF REFERENCE

Committee: St George's Theatre Liaison Board

Members: 2 GYBC Members (A minimum of 1 x GYBC member from each political group)
2 members of St George's Theatre Trust. (A Trustee and Theatre Director)
Head of Inward Investment
Chair (to be elected from the above)

Quorum: 3 including one representative from St Georges Trust

Lead Officer: GYBC Culture, Heritage and Design Manager
SGT Theatre Director

Frequency of Meetings: Quarterly

Reports to: P&R Annually

Functions

A) OVERSIGHT AND ACCOUNTABILITY:

For GYBC to secure oversight and accountability in relation to any funding given to SGT; by particular reference to GYBC corporate objectives

B) ASSESMENT OF PROPOSALS AND SIGN-OFF OF FUNDS:

For GYBC Members to asses project proposals/ business plan against criteria set out in the Funding Agreement, and to make decisions on funding accordingly

C) REPORTING AND MONITORING:

To receive/ present reports concerning processes of the business plan, any specific projects, KPIs and delivery of GYBC corporate objectives.