

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT OF THE CORPORATE DIRECTOR COMMUNITIES

COMMUNITY ENVIRONMENT AND LEISURE OVERVIEW AND SCRUTINY COMMITTEE

23 MARCH 2016

AWEN CULTURAL TRUST

1. Purpose of Report

- 1.1 The purpose of the report is to update the Overview and Scrutiny Committee on the progress made by the Awen Cultural Trust (the Trust) since it was established to manage a range of cultural services and facilities on behalf of the Council, with effect from 1st October 2015, including an update on the Wood B and B Leaf programmes.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

- 2.1 The provision of cultural services plays a vital role in the wellbeing of communities across the County Borough of Bridgend.

3. Background

- 3.1 Reports to the Council's Cabinet on 13th January 2015 and 1st September 2015 set out the approved basis and process for the establishment of a 'not for profit' Cultural Trust.
- 3.2 The Awen Cultural Trust manages the Council's Theatres and Arts service, the Library Service, Community Centres, Bryngarw House and Park and also the Wood B and B-Leaf work related projects.

4. Current Situation / Proposal

- 4.1 The key document that governs the relationship between the Council and the Trust is the Partnership Agreement which sets out the key provisions with regard to service provision, pricing, programming, service planning and management.
- 4.2 In addition a cultural partnership outcomes framework and key performance indicators have been agreed. The Trust are responsible for collecting and collating both quantitative and qualitative data including that related to the Welsh Public Library Standards [WPLS] for the statutory library service which the Trust manage on the Council's behalf. The outcome framework can be reviewed periodically to reflect the priorities of the Council and to direct the Trust towards those issues and matters that the Council deems to be most important. The main priorities for the Trust are agreed in an annual service plan which the Trust presents for Council approval annually. The draft service plan for 2016/17 is included as **Appendix 1**, including the partnership outcomes framework.

- 4.3 The Council and the Trust entered into lease arrangements in respect of buildings managed by the Trust on behalf of the Council which establish the respective responsibilities for each party in respect of those buildings, in particular this is important for establishing the respective obligations for repair and maintenance of the buildings. The Trust sets out an annual planned maintenance plan for approval by the Council. The Communities Directorate must bid to the Council's minor capital works budget for any items of maintenance or improvement that the Council retains responsibility for under the terms of the leases. The exception to these arrangements is the majority of community centres which are not leased to the Trust, but where the Trust carry out an 'agent' role for the Council, set out in a service level agreement, to support the various voluntary management committees who continue to be responsible for the day to day management of the centres.
- 4.4 A great focus for the initial few months for the Trust has inevitably been around business consolidation. Establishing a brand new independent organisation without any 'shadow' period is a huge undertaking. A high calibre Board of Trustees has been appointed with a mix of skills from both the business community and with local interest and knowledge. For example the Board contains representatives who are Managing Directors of existing 'not for profit' companies, some with significant financial and accountancy background and some with cultural services and creative industries experience.
- 4.5 The Council is restricted to fewer than twenty percent representation on the Board. The two nominated Council representatives are Councillor John McCarthy and Councillor Jeff Tildesley. The Council nominated representatives must by law represent the best interests of the Trust.
- 4.6 Although the majority of its staff were TUPE transferred from the Council, the new Trust has had to establish appropriate processes for finance and budget management, human resources and day to day management.
- 4.7 The Trust is a separate independent organisation which has charitable status. Due to the significant amount of public funds invested in the new venture, internal audit were tasked with assessing controls in order to provide the Council and the Trust with reasonable assurance that they are adequate. A final report was received in January 2016.
- 4.8 Although the organisation is still very much in its infancy a pleasing 'reasonable assurance' opinion was given, and no substantial risks were identified.
- 4.9 Monthly meetings are held between the Chief Executive of the Trust and the Corporate Director Communities to monitor and discuss the partnership arrangements, including any matters of performance, development or contractual issues. It is, however, hoped to strengthen the client arrangements the Council has in place to work with the Trust moving forward in the new financial year.
- 4.10 It is important to note that the establishment of a not for profit Trust was chosen by the Council as the best way of managing the libraries and other cultural services previously managed by the Council, as it represented what was likely to be the most effective way of preserving a 'cultural offer' within the County Borough in the face of significant projected financial cut backs to the service moving forward. The aim is

for the Trust to operate on a more commercial basis with a view to reducing costs and maximising revenues, thereby protecting services and reducing the required funding from the Council in the future. The Council will work closely in partnership with the Trust to ensure that the services provided remain as accessible as possible to the whole community and ensure the impact on staff and customers is minimised. The Partnership Agreement sets out the indicative reduction the Trust can expect in its annual grant payment over the term of the Medium Term Financial Strategy 2016/17 to 2019/20 – this represents £418,000.

- 4.11 Both the Trust and the Council recognise the understandable concern some elected members have expressed with regard to the transfer of the Wood B and B-Leaf work related projects from the Council to the Trust. However, the transfer has been very smooth with a lot of positive feedback received from clients, their families and from colleagues within Social Services and Wellbeing. The Trust has ensured that all risk assessments have been reviewed for all clients and has made a concerted effort to better integrate the activities in Wood B and B-Leaf into the wider activities of the Trust. An example of this is the production of wooden reindeer decorations, produced by the team from windfall timber in the park. This work involved developing a process from design through to production and sale of the decorations. This proved a very successful enterprise and all the decorations were sold before Christmas. As well as this the grounds maintenance team have been working at Pencoed Library and continue to maintain the grounds at Bryngarw House. The team are preparing to receive 24,000 bedding plants which will be grown in the poly tunnels ready for sale; some of the plants will be used to make Easter Wreaths. The ethos of skill development and work experience is being strengthened by the Trust who are developing the commercial potential of B-Leaf and Wood B.
- 4.12 Since the transfer the Trust management team have worked well with officers from the Social Services and Wellbeing Directorate. There have been regular meetings and discussions and the Learning Disability Assessment Care Management Team continue to have contact with service users and their families as before. A draft performance management framework, which includes quality monitoring criteria, has been produced by officers and is currently being discussed with the Trust management team; this framework will be in place by April 2016. Arrangements have been made to continue the 'Rota Visits' to B-Leaf and Wood B which are included in the current program. The Council retains the responsibility to transport service users to B-Leaf and Wood B and these arrangements are being reviewed in line with the Council's Contract Procedure Rules.
- 4.13 As part of the Partnership Agreement between the Council and the Trust an annual service plan has to be submitted by the Trust and agreed by the Council prior to the new financial year. This is currently being considered by the Council for the financial year 2016/17 but sets out some key objectives for the Trust for the next few years which include:

A capital strategy that includes plans to develop both Maesteg Town Hall and the Grand Pavilion, Porthcawl into vibrant cultural hubs. A £500,000 BCBC Capital contribution has been agreed by Council on the 10th March towards a Maesteg Town Hall project with anticipated total project costs of £3,845,000.

Plans to develop the existing cultural programme at Maesteg Town Hall

A marketing strategy to develop new audiences based on more effective use of social media

Improved partnership working to ensure the library service offer remains of high quality and locally relevant

Increased opportunities for work related opportunities for clients in Wood B and B-Leaf

5. Effect upon Policy Framework & Procedure Rules

5.1 There is no effect upon the Policy Framework and Procedure Rules.

6. Equality Impact Assessment

6.1 A full equalities impact assessment was completed and attached to the Cabinet report on September 1st 2015, seeking approval to proceed with the transfer of cultural services to Awen Cultural Trust. The Partnership Agreement and outcomes framework obligates the Trust to maximise participation in cultural activities by 'all sections of the local community regardless of age, earnings or ability '.

7. Financial Implications

7.1 The service fee for the period 1st October 2015 to 31st March was paid in -bi-monthly instalments. Going forward, the service fee will be paid in equal quarterly instalments in advance, adjusted on an annual basis to reflect MTFS savings and/or transfer of any additional services to the Trust. The service fee will also be subject to an overall review every 3 years from the commencement date of the Partnership Agreement.

7.2 The Partnership Agreement sets out the indicative reduction the Trust can expect in its annual grant payment over the term of the Medium Term Financial Strategy 2016/17 to 2019/20 – this represents £418,000.

7.3 As indicated at paragraph 4.3 of the report the Council agreed on the 10th March 2016 a capital contribution of £500,000 towards additional facilities within Maesteg Town Hall and co-locating the library provision. The total scheme costs are estimated to be £3,845,000.

8. Recommendation

8.1 It is recommended that the Overview and Scrutiny Committee note the very positive progress the Awen Cultural Trust has made over the last 5 months since being established in October 2015.

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Background documents:

Cabinet Report 13th January 2015
Cabinet Report 1st September 2015