



LEE VALLEY REGIONAL PARK AUTHORITY
AUTHORITY MEETING
19 OCTOBER 2017 AT 14:00

Agenda Item No:

6

Report No:

A/4249/17

LEE VALLEY REGIONAL PARK AUTHORITY
APPOINTMENTS TO
LEE VALLEY LEISURE TRUST LIMITED

Presented by the Director of Corporate Services

SUMMARY

Further to the establishment of Lee Valley Leisure Trust Limited the Authority is able to appoint up to three Trustees to the Board. Under the rules of Lee Valley Leisure Trust Ltd such appointments are made for a period of three years. The term of office for current Authority appointed Trustees (John Bevan and Linda Haysey) concluded on 22 September 2017. However Lee Valley Leisure Trust Ltd requested that the term of office for these Authority appointed Trustees be extended to accommodate practicalities for its AGM on 28 September 2017. Executive Committee at its meeting of 21 September 2017 agreed to extend the terms of office of the Authority appointed Trustees to 19 October 2017 when the Authority would consider its next appointments to the Board. This report sets out the rules relating to appointments to the Board and asks Members to consider whether the Authority wishes to make new appointments to the Board.

RECOMMENDATION

- Members Note: (1) the Trustee appointments of Linda Haysey and John Bevan have ended;
- Members Approve: (2) the appointment of 2 known or connected representatives as Authority appointed Trustees to Lee Valley Leisure Trust Limited; and
- (3) delegation to the Director of Corporate Services in conjunction with the Chairman to arrange for service of Notice to the Trust of the new appointments.

BACKGROUND

- 1 At its meeting in November 2013 (paper A/4176/13) the Authority agreed to create an Industrial Provident Society (IPS) vehicle – Lee Valley Leisure Trust Limited, which is now trading as Vibrant Partnerships (the Trust). Due to

legislative changes the Trust is now a registered society under the Co-operative and Community Benefit Societies Act 2014.

- 2 The Authority appointed 3 founding Trustees, Derrick Ashley, Paul Osborn and John Bevan, on 22 November 2013 to act as the board of management (the Trust Board) and thus enabling signatories for the registration paperwork and for the purpose of getting the Trust incorporated and registered as an IPS.
- 3 Following establishment of the Trust and recruitment of independent Trustees, 2 of the Authority founding Trustees, Derrick Ashley and Paul Osborn (who were the Authority Chairman and Vice Chairman) resigned as Trustees on 22 September and 24 September 2014 respectively.
- 4 Following these 2 resignations the Authority appointed Linda Haysey as Trustee on 22 September 2014.
- 5 The remaining founding Trustee's 3 year term of office (John Bevan) concluded on 22 November 2016, but to enable future appointments to be co-terminus the Authority agreed to reappoint John Bevan and to give notice of termination of this appointment to coincide with the end of the other Trustee appointment (Linda Haysey) (paper A/4235/16).
- 6 The term of office for current Authority appointed Trustees (John Bevan and Linda Haysey) concluded on 22 September 2017. However, the Trust requested that the term of office for these Authority appointed Trustees be extended to accommodate practicalities for its AGM on 28 September 2017. Executive Committee at its meeting of 21 September 2017 agreed to extend the terms of office of the Authority appointed Trustees to 19 October 2017 when the Authority would consider its next appointments to the Board.
- 7 The Trust rules state that the society shall have a board of management comprising up to nine Board Members, 1 of which may be an executive officer of the society (Managing Director), up to 3 of which will be Authority appointments and 5 independents.
- 8 The Trust rules also stipulate that Authority appointed Trustees shall be appointed for a term of three years.

AUTHORITY APPOINTMENTS TO THE TRUST BOARD

- 9 The Authority is entitled to nominate up to 3 people for appointment as Trustees to the Trust Board, these can be Members or external persons who have some connection with the Authority, with the required skills mix.
- 10 The rules of the Trust set out that Trustees to the Board will not automatically have a conflict of interest because they are also Members of the Authority. There would only be potential conflicts of interest with their role on the Authority when negotiations on the management contract and specification/details of the management fee commence and/or there are any procurement matters where the Trust is putting forward a bid. There will also be conflicts of interest when work on the re-commissioning of the Leisure Services Contract begins in Autumn this year with the Member working group with any future procurement will commence formally in Sept 2018.
- 11 The Leisure Services Contract with the Trust ends on 31 March 2020 and the Authority has begun to review options for procurement of a new Leisure

Services Contract. Whilst the appointments of Members on the Trust Board has worked well during the transition and early part of the contract and the Trust have valued their input there will be potential conflicts of interest with their role on the Authority during this procurement process. The Authority will also have to comply with the Public Contract Regulations where the Authority is under an obligation to address any conflicts of interest to ensure equal treatment of all bidders. This will include any interest which may be perceived to compromise impartiality and independence of the procurement procedure. It is therefore proposed that new Authority appointments to the Trust Board for the remainder of the current LSC are persons who are not current Members on the Authority. Ideally they would still be known or connected to the Authority.

NOMINATION OF KNOWN OR CONNECTED PERSONS AS AUTHORITY APPOINTMENTS TO THE TRUST BOARD

- 12 Options for the appointment of known or connected persons could include:
 - recent past Member;
 - current Deputy Member*;
 - recent past senior officer;
 - recommendation by Member; and
 - recruitment campaign.
- 13 *In the case of an appointed Deputy Member to the Trust Board the Authority will not allow the Deputy Member to be a member of the Executive Committee and or to substitute for any member at that Committee. Their associated Member from their own Council will also not be permitted to be a member of the Executive Committee. The Authority will serve notice to terminate the appointment of the Trustee who is a Deputy Member if they subsequently become a full Member of the Authority. The Authority to give delegation to the Director of Corporate Services to serve notice of termination in the event that any Deputy Member appointed to the Trust becomes a full Member of the Authority.
- 14 In addition any Deputy Member who is appointed as Trustee will not receive any Authority papers (including that of committees or working groups) which include issues relating to the re-commissioning of the new Leisure Services Contract, the management fee or other external procurements where the Trust have submitted a bid/proposal.
- 15 It is envisaged that at least one of the two Authority appointments would attend an Authority meeting on a regular basis to update on the progress and position of the Trust and the Authority would relay its position on how it sees the future of the Trust taking shape. This would enable the Authority appointments to put forward the position of the Authority at Trust meetings accepting that their first duty is the Trust Board in accordance with the Charity Commission guidelines.
- 16 The Authority is considering two appointments to the Trust Board and both the Conservative Group and Labour Group have been asked by the Chairman of the Authority to put forward a nomination. These nominations will be tabled at the meeting.

ENVIRONMENTAL IMPLICATIONS

- 17 There are no environmental implications arising directly from the recommendations in this report.

FINANCIAL IMPLICATIONS

- 18 There are no financial implications arising directly from the recommendations in this report.

HUMAN RESOURCE IMPLICATIONS

- 19 There are no human resource implications arising directly from the recommendations in this report.

LEGAL IMPLICATIONS

- 20 Some of the legal implications are dealt with in the body of the report. In addition it should be noted that the Authority has 3 nominees to the Trust Board of its total of 9 Trustees to ensure that it does not impact on the charitable status of the Trust by asserting too much control over the Trust Board. The Authority is advised not to nominate a third Trustee at this time due to the fact that the Managing Director of the Trust is a Trustee. This officer is currently seconded from the Authority to the Trust and as such remains an associated person of the Authority.

The level of control over the Trust by the Authority is an important point to note and one raised this year by the Auditors who were concerned to ensure that there is a clear business relationship between the Trust and the Authority. It is then important to note that the Trust is an independent legal entity and whilst the Authority has the right to nominate to the Trust Board, the Trust is able to remove a Board member by a resolution passed by three-quarters of the other Board members.

The policy and financial decision making by the Trust is independent from the Authority. All policies, budget setting, financial monitoring, tax and statutory returns and accounts closure policies for the Trust are decided by the Trust with no direct influence from the Authority save for the operation of the LSC which places obligations on the parties in determining the management fee.

RISK MANAGEMENT IMPLICATIONS

- 21 There are no risk management implications arising directly from the recommendations in this report.

EQUALITY IMPLICATIONS

- 22 There are no equality implications arising directly from the recommendations in this report.

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BACKGROUND REPORTS

Rules of Lee Valley Leisure Trust Ltd

PREVIOUS COMMITTEE REPORTS

Authority	A/4176/13	A new organisational model for the Lee Valley Regional Park Authority	21 November 2013
Authority	A/4192/14	Recruitment of Trustees to the Lee Valley Leisure Trust Board and Authority Appointments	31 July 2014
Authority	A/4235/16	Authority Appointment to Lee Valley Leisure Trust Ltd	20 Oct 2016

LIST OF ABBREVIATIONS

the Trust	Lee Valley Leisure Trust Ltd trading as Vibrant Partnerships
IPS	Industrial Provident Society

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