

**BROMSGROVE DISTRICT COUNCIL**

**CABINET**

**2ND SEPTEMBER 2009**

**ARTRIX OPERATING TRUST - SERVICE LEVEL AGREEMENT (SLA)**

Responsible Portfolio Holder	Cllr Roger Hollingworth
Responsible Head of Service	Deputy Head of Street Scene & Community Services
Non Key	

**1. SUMMARY**

- 1.1 The report highlights the contents of the proposed SLA between Bromsgrove District Council and the Artrix Operating Trust for the provision of services at the Arts Centre.

**2. RECOMMENDATION**

- 2.1 The Cabinet are recommended to:

- 2.1.1 Review, comment and agree to the contents of the proposed SLA, the out turn measures and the monitoring arrangements included within the document.
- 2.1.2 Delegate responsibility to the Leader of the Council and the Deputy Head of Street Scene and Community to finalise the contents (as per section 3.8 of this report), arrangements and implementation of this SLA. With the Operating trust.

**3. BACKGROUND**

- 3.1 Members will be aware that the Council annually funds the Artrix Art Centre for the provision of community service up to £120,000 per annum.
- 3.2 The Artrix centre was established through a partnership between The Council and North East Worcestershire College to provide a combined Arts and Performing Arts facility.
- 3.3 Although the Artrix opened in 2005 and the funding arrangement had been agreed with the Council's Cabinet no formal service level agreement or funding arrangements have been entered into. This has created a situation where the delivery of community programme have been developed without formal reference to the Council's Values, Vision, Objectives or Priorities. Further more the programme that has developed is not effectively monitored

or measured by BDC and there is currently no formal decision making process to establish annual targets and to prioritise areas of work.

- 3.4 The proposed SLA is designed to address the above implications and establish a performance frame work where by the expected out comes can be monitored, reviewed and corrective action undertaken as required.
- 3.5 Further more the proposal will ensure that the Council can demonstrate VFM and effective use of resources in terms of its on going financial support for the provision of services to residents.
- 3.6 Following a report submitted to cabinet in April 2008, lengthy discussions have been held with regard to the content of the SLA. It is fair to say that discussions have at time been difficult (as is the case in many retrospective negotiations) and time consuming. The attached document has been formally approved by the operating trust and responsibility for its completion has been delegated to the Trust Chairperson and the Operations Director.
- 3.7 At the Corporate Management Team meeting of the 28<sup>th</sup> July 09 the SLA was reviewed and subject to the following alterations/amendments it is officers opinion that the SLA should be formally endorsed and implemented:
  - The increase in cinema usage should be reviewed to ensure that other activity types were not reduced within the programme.
  - There is a need to formally document the meeting schedules required between BDC and the trust to agree issues such as annual targets and key deliverables.
  - The targets set should be reviewed and extended beyond 12 months to show a 36 month performance projection (data summary table).
  - The wording of the financial payment system should be revised to reflect the wording of the original Cabinet decision (22<sup>nd</sup> June 2005) in relation to the method of payment.
  - The duration of the agreement section requires additional information to reflect the relevant review periods and any notice periods that must be adhered to.
- 3.8 The proposed changes to the SLA to met the address the above concerns have been included by officer in green for ease of reference with in the attached document.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 There are no financial implications contained with in this report over and above those commitments made by the Cabinet on the 22<sup>nd</sup> June 2005.

#### **5. LEGAL IMPLICATIONS**

- 5.1 There are no legal implications contained with in this report over and above those commitments made by the Cabinet on the 22<sup>nd</sup> June 2005. Once the

wording of the draft agreement has agreed (by both parties) the legal team will be required to produce a formal legal document for signing.

## **6. COUNCIL OBJECTIVES**

- 6.1 This report formalises the Council relationship with the Artrix's Operating Trust and will drive improvements in its performance to contribute to the Council Objectives of C02 Improvement & C03 Sense of Community & Well Being, by enhancing the delivery of service on site, ensuring service provision is based on robust user/non user feedback and implementing a performance management frame work to measure success against BDC's agreed out comes.

## **7. RISK MANAGEMENT**

- 7.1 The main risks associated with the details included in this report are:

- *Failure to secure agreement for proposed SLA with the Artrix Operating Trust*
- *Failure of the Trust to meet the objectives of BDC through as established in the SLA.*

- 7.2 These risks are being managed as follows:

- *Failure to secure agreement for proposed SLA with the Artrix Operating Trust:*

*Officers have drawn up the proposal in conjunction colleagues at the Artrix to ensure that there is agreement in place and a buy in from both sides to the principles of the agreement.*

*BDC Officers will if required meet representatives of Artrix Operating Trust board meeting to cover the contents of the agreement, explain where required the reason why these issues must be resolved and provide information on the Objectives & Priorities of the Council and how this partnership can deliver this agenda.*

- *Failure of the Trust to meet the objectives of BDC through as established in the SLA.*

*These issues are built into the SLA and management systems proposed to control any under performance. We will also have the ability to renegotiate the SLA at set periods and the ongoing monitoring aspects will be included in the services risk register.*

- 7.3 Currently the risk identified in the first & second bullet point in 7.1 is not addressed by any risk register and will be added to the Street Scene and Community Services risk register when it is produced for 2009/10.

## **8. CUSTOMER IMPLICATIONS**

8.1 The are no direct customer implications fro BDC however the proposed SLA will drive the improvements as covered in section 6 of this report.

## **9. EQUALITIES AND DIVERSITY IMPLICATIONS**

9.1 N/A.

## **10. VALUE FOR MONEY IMPLICATIONS**

10.1 The proposed SLA will impact on the Council VFM agenda as highlighted within the report and the attached SLA. Main areas of improvement are:

- Implementation of a formal funding arrangement and the ability to reclaim surplus funding at the end of each financial year.
- Establishment of out come measures for funding provision and a performance management system.
- Creation of an agreed repairs and maintenance sinking fund to protect future delivery on site and the long term viability of the facility.
- Explicit review dates with regard to future requirements and funding decisions in order to meet the requirements of BDC's MTFP.
- Ability in future years to benchmark services through performance data collated with in the SLA.

## **11. OTHER IMPLICATIONS**

Procurement Issues None
Personnel Implications None
Governance/Performance Management None
Community Safety including Section 17 of Crime and Disorder Act 1998 None
Policy None
Environmental None

## **12. OTHERS CONSULTED ON THE REPORT**

Portfolio Holder	Yes
Chief Executive	Yes

Executive Director (Partnerships and Projects)	No
Executive Director (Services)	No
Assistant Chief Executive	Yes
Head of Service	Yes
Head of Financial Services	Yes
Head of Legal, Equalities & Democratic Services	Yes
Head of Organisational Development & HR	No
Corporate Procurement Team	No

**13. WARDS AFFECTED**

All Wards

**14. APPENDICES**

Appendix 1 Proposed Artrix's SLA

**15. BACKGROUND PAPERS**

- Cabinet Papers – 29<sup>th</sup> Jan 2003, 27<sup>th</sup> October 2004. 22<sup>nd</sup> June 2005 & 2<sup>nd</sup> April 2008

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