



## Belfast City Council

<b>Report to:</b>	Shadow Strategic Policy and Resources Committee
<b>Subject:</b>	<b>Leisure Transformation Programme</b> <b>Active Belfast Limited: resourcing and governance</b>
<b>Date:</b>	16 January 2015
<b>Reporting Officers:</b>	Andrew Hassard, Director of Parks and Leisure
<b>Contact Officers:</b>	Caroline Wilson, Neighbourhood and Development Manager Colin Campbell, Principal Solicitor

<b>1.0</b>	<b>Relevant background information</b>
<b>1.1</b>	At its meeting in October, the Committee requested a further paper in its consideration of the composition of the Active Belfast Limited board of Directors.

<b>2.0</b>	<b>Key issues</b>
<b>2.1</b>	<b>Resources</b> <p>Until such times as the Board is fully populated, Active Belfast Limited has will be minimally resourced. However, it is required to have independent legal and accounting advisors, in line with good governance and charitable law requirements.</p> <p>Previously, Committee had considered the potential to make a loan available to Active Belfast Limited. However, further legal advice proposes that this is integrated into the contract between Active Belfast Limited and the Council as a grant award.</p> <p>It is anticipated that this will not exceed £45,000 per annum and will allow the Board of Directors to fulfil their obligations under company law e.g. Directors' indemnity insurance; preparation of annual audited accounts; and independent legal advice. This will be funded through in-service savings and re-alignment of existing revenue budgets.</p> <p>There is no expectation at this point of any full-time human resource beyond bought-in services.</p>
<b>2.2</b>	<b>Board composition</b> <p>In terms of populating the full Board of Directors, the legal advisors propose that it should be a representative board, while at the same time being of a manageable size to make effective decisions.</p>

In line with the Council's aspiration to have stakeholder involvement, the following composition is proposed:

<b>Representative</b>		<b>Process</b>
Independent chair	1	Public advertisement/interview
Elected members	4	Nominated by SP&R Committee
Trade Union representatives	2	Nominations from staff body
Health partner i.e. Public Health Agency	1	Invitation from ABL
Sports partner i.e. Sports NI	1	Invitation from ABL
Funding partner i.e. DCAL	1	Invitation from ABL
Specialist expertise e.g. leisure	1	Public advertisement/interview
Legal/accounting/governance expertise	2	Public advertisement/interview
Education stakeholder e.g. Belfast Metropolitan College, BELB, CCMS	1	Public advertisement/interview
Disability stakeholder representative e.g. Disability Sport NI	1	Public advertisement/interview
<i>Council Programme Director i.e. Assistant Director of Parks and Leisure</i>	1	<i>Nominee of Council (ex officio/observer)</i>
<b>TOTAL:</b>	<b>15+1</b>	

The trust's independent legal advisors have reviewed this proposal to ensure that it is in the interests of Active Belfast Limited. It is anticipated that the full board will be in place by the end of 2015. At the appropriate point, the interim Council-nominated Directors will step down from the Board.

The Council may at any time by notice in writing to the Active Belfast Limited remove or replace its nominees.

### **2.3 Recruitment process**

The recruitment for the full board will take up to 12 months. Throughout the appointments process, the Board will continue to operate, with new Members joining over the period. It is planned that the Council nominees, TU nominees and 'partner' organisations will be in place and inducted before summer 2015. With the public advertisement and interview process for the other 'stakeholder' or specialist positions, it is likely that this will take slightly longer, and will be completed by late 2015.

Advice on the recruitment and training for the new Board will be sought from Pinsent Masons, as well as the Chartered Institute of Public Finance and Accountancy (CIPFA) and voluntary sector specialists.

### **2.4 Fiduciary duty**

Members are reminded that the Directors would have a fiduciary duty to the company i.e. their legal duty will be to act in the interests of the Company (rather than say, the

	<p>Council). Detailed role descriptions will be developed in advance of the recruitment process, and an induction programme would be drafted for the directors highlighting their governance responsibilities to Active Belfast Limited.</p> <p>As a result of the fiduciary duty, under the Council’s Code of Conduct, Councillors who sit on the Board of Active Belfast Limited will not be able to participate in Council discussions on matters related to the contract performance and planning.</p>
<b>2.5</b>	<p><b>Governance</b></p> <p>In line with the accountability framework agreed by Committee in October, work is underway to develop the relevant protocols and reporting mechanisms. This will ensure that there are effective decision-making and performance management arrangements. SP&amp;R Committee (and its successor) will be the committee to which performance reports and decisions will be brought.</p>

### 3.0 Resource Implications

**Financial:** A revenue grant is made available to Active Belfast Limited, up to £45,000 per annum. This will be funded through in-service savings and re-alignment of existing revenue budgets.

**Staff:** None

**Assets:** None

### 4.0 Equality Implications

The Leisure Transformation Programme was screened in for a full Equality Impact Assessment. Its conclusions were agreed by Committee in October 2014 and have been integrated into the relevant contractual agreements.

### 5.0 Committee decisions required

Committee is asked to:

1. Approve the grant award to Active Belfast and authorise the Town Solicitor to give effect to that direction and finalise the necessary documents; and
2. Agree the suggested composition for the Board of Directors for Active Belfast Limited.

### 6.0 Documents Attached

None