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1. Role of Trust

1.1 Purpose (i.e. Charitable Objectives)

The Charitable objectives of the Trust are laid out in the *Articles of Association*:-

The Company will promote, advance and further Charitable Purposes and activities through the provision of services which enhance and contribute to the health, fitness, personal development and wellbeing of the residents of East Renfrewshire (and beyond) including, but not limited to, educational, sporting, culture and heritage based and community activities.

In promoting, advancing and furthering Charitable Purposes and activities the Company seeks to:-

- *encourage the population of the East Renfrewshire area to be more active in promoting and supporting the development of sporting and health and fitness opportunities that are accessible for everyone;*
- *support people to be more creative and nurture potential for personal success and wellbeing through the provision of cultural facilities and resources;*
- *help individuals and community groups to benefit from social engagement, community interaction and volunteering; and*
- *promote and make available lifelong learning opportunities, including the promotion of literacy and digital inclusion and stemming from these opportunities make a social and economic contribution to society.*

For the purposes of the Charities Act the following Charitable Purposes are relevant and have been identified as applicable from section 7 of the Charities Act:-

- the advancement of education;
- the advancement of the arts, heritage or culture;
- the advancement of public participation in sport; and
- the provision of recreational facilities, or the organisation of recreational activities, with the object of improving the condition of life for the persons from whom the facilities or activities are primarily intended.

2. Strategic Focus

The Trustees have determined the following strategic focus for the Trust through its vision, mission and statements of intent.

2.1 Vision

Our vision is to help and inspire people to be actively involved in sport, arts and culture.

2.2 Mission

Our mission is to be the highest-performing Leisure Trust in Scotland.

2.3 Strategic Aims

The following strategic aims have been identified:

Create a financially sustainable business model, balancing strong ambitions with commercial viability

Develop an understanding of our customers and audiences and an offer that attracts them, working in partnership with organisations across the region to remove barriers to participation

Develop a strong, diverse, resilient and committed workforce, building on our commitment to growing people and ideas

Establishing East Renfrewshire Culture and Leisure's role at the heart of Vibrant Communities through the services we deliver, the opportunities we provide and the support we offer.

Developing resilient, dynamic and productive partnerships that are developed and nurtured to grow our business and maximise the impact we have in our communities.

These aims support the Company's charitable objectives and plans for ongoing organisational development and reflect the ambition to grow services and develop their range, quality, spread and impact. They reflect our commitment to ongoing service improvement, and they support our principal partner ERC, in meeting its commitments as outlined in the Single Outcome Agreement (SOA), and its succeeding Fairer East Ren and community plans:-

| Community Plan | | | | | |
|--|--|---|---|--|---|
| | 1- Childhood | 2- Learning, life and Work | 3- Economy and Environment | 4- Safe, supportive communities | 5- Older People and people with long term conditions |
| Community Plan Strategic Outcomes | All children in East Renfrewshire experience a stable and secure childhood and succeed. | East Renfrewshire residents are healthy and active and have the skills for learning, life and work. | East Renfrewshire is a thriving, attractive and sustainable place for residents and businesses | East Renfrewshire residents are safe and live in supportive communities | Older people and people with long term conditions in East Renfrewshire are valued; their voices are heard and they enjoy full and positive lives. |
| Fairer East Renfrewshire - Closing the Gap between Communities | 1.1- The impact of child poverty is reduced. | 2.1- Residents have the right skills, learning opportunities and confidence to secure and sustain work. | 3.1 East Renfrewshire's transport links are accessible, attractive and seamless | 4.1- Residents' mental health and wellbeing is improved. 4.2 Residents are safe and are more socially connected within their communities. | 5.1- Older people and people with long term conditions are included and participate in their local communities. |
| Intermediate Outcomes | 1.2- Parents provide a safe, healthy and nurturing environment for their families. 1.3- Children and young people are cared for, protected and their wellbeing is safeguarded | 2.2- Children and young people are healthy, active and included. 2.3- Children and young people raise their educational attainment and achievement and develop the skills they need. 2.4- Residents are as healthy and active as possible | 3.2- East Renfrewshire is a thriving place to invest and for businesses to grow 3.3- East Renfrewshire is an attractive place to live with a good physical environment 3.4- East Renfrewshire is a great place to visit. 3.5- East Renfrewshire is environmentally sustainable | 4.3- Residents live in safe communities with low levels of crime and anti-social behaviour 4.4- Residents are protected from harm and abuse and public protection is safeguarded. 4.5- Residents live in communities that are strong, self-sufficient and resilient 4.6- Residents are protected from drug and alcohol related harm | 5.2- Older people and people with long term conditions stay as healthy as possible 5.3- Older people and people with long term conditions live safely and independently in the community 5.4- Carers are valued and can maintain their own health and wellbeing |

ERCL is represented within the Community Planning Partnership and reports to the Performance Accountability Review which assesses progress against the objectives of the plan.

3. Board Structure

Article 7 of the Articles of Association (Appendix 1) specifies that the maximum number of Trustees shall be 9 comprising:

- a maximum of four Council Trustees;
- a maximum of four Independent Trustees; and
- a maximum of one Employee Representative Trustees.

4. Relationship with the Council

The Council is the Sole Member of the Trust, and consequently has power to appoint or remove Trustees to the Board, including those designated as *Independent, Employee Representative, or Council Trustees*.

The Council exercises control over the Trust through:-

- Adoption by the Board of a board charter which specifies matters reserved to the Council, to the Board or to the Trust Executives.
- Agreement by the Board to refer such reserved matters to the Council
- A *Services Agreement* which details the levels, type, quality and scope of services commissioned by the Council from the Trust
- A *Support Services Agreement* which details the levels, type, quality and scope of services provided by the Council to support the Trust in delivering these services on behalf of the Council
- Adoption by the Trust of policies which meet the requirements of the policies adopted by the Council and / or any of its other arms-length external organisations (ALEOS)
- Agreement by the Board that the Chief Executive is responsible for reporting to the Council on:-
 - Performance against statutory performance indicators
 - Performance in supporting the Council in meeting its commitments as outlined in the Single Outcome Agreement (SOA), and its succeeding Fairer East Ren and community plans.
 - Delivery and performance of plans and budgets relating to the Trust and approved by the Council

5. Role and Responsibilities of the Chair, Chief Executive, Non-Executive Directors and Management Team

5.1 The Chair

The principal role of the Chair is to ensure the effective management of the Trust's governance process. The Chair presides at meetings of the Trust, and where necessary has a casting vote.

The Chair is the authorised spokesperson of the Trust at public meetings; this authority may be delegated to the Chief Executive or other trustees as appropriate to the occasion.

In selecting the Chair, the Trustees shall endeavour to select an Independent Trustee as Chairperson, provided an Independent Trustee is willing to act in such a role.

The Chair's responsibilities are:-

- Set the agenda, style and conduct of Board meetings to promote effective decision making, and constructive debate, including appropriate scrutiny and consideration of issues

- In conjunction with the Chief Executive, represent the company to external stakeholders
- Promote the highest standards of governance
- Ensure the Board Members receive accurate, timely and clear reports
- Ensure that the performance of individual board members and of the Board as a whole is evaluated once a year
- Lead the Company Secretary in identifying and meeting the development needs of individual board members
- Encourage active engagement by all members of the Board
- Work closely with the Chief Executive providing support and advice on all matters relevant to strategy and operations while respecting the executive authority of the Chief Executive to manage the company.

5.2 The Board

Board of trustees is responsible for the Trusts overall performance in accordance with the relevant sections of its Articles of Association (dated June 15th 2013) and in accordance with the Companies Act 2006, and the Charities and Trustee Investment (Scotland) Act 2005. It provides direction, guidance and oversight to the Trust's Executive

As such, it has the following responsibilities:

- Setting strategic direction and policy;
- Determining the direction of the Trust by agreeing plans and objectives;
- Governing the Trust by establishing broad policies and overseeing their implementation;
- Establishing the availability of adequate financial resources, including approving annual budgets;
- Ensuring compliance to the Charities and Trustee Investment (Scotland) Act 2005, and any other legislation or areas of compliance;
- Accounting to the stakeholders for the Trust's performance;
- Maintaining proper relationships with the local and national government, funders, sponsors and the general public;
- Selecting, appointing, supporting and reviewing the performance of the chief executive;
- Monitoring performance of trustees and management;

5.3 The Chief Executive

The role of the Chief Executive is to implement the Board's strategies and manage the day-to-day business of the Trust within the parameters laid down by the Board, and to assist the Board in carrying out its role by providing advice and recommendations consistent with the agreed strategic direction and operational, regulatory and financial best practice.

In fulfilling his/her executive role the Chief Executive acts within the authorities delegated to them by the board.

The Chief Executive's responsibilities are:-

Strategy and Management

- Lead the executives in the day-to-day running of the Trust
- Ensure the effective implementation of Board decisions
- Monitor the operational performance and strategic direction of the Trust and trading company
- Optimise as far as possible the use and management of the Trust's resources
- Prepare and Recommend to the board the Business Plan and Budget
- Put in place appropriate management structures to ensure the company's objectives can be met by approving re-designations, re-gradings, salary placements, redundancies and the establishment of additional posts up to Senior Management level
- In conjunction with the Chair represent the company to external stakeholders

Risk Management and Controls

- Manage the Internal control risk framework of the company and subsidiaries, including control policies

Board Committees

- Regularly report to the board with accurate, timely and clear information to allow the Board to discharge its responsibilities effectively.

6 Matters Reserved for the Approval of the Board

6.1 Strategy

- Approval of the Trust strategic objectives and review of their implementation and achievement.

6.2 Structure

- Approval of the organisation's overall corporate structure, and any material changes to it (as distinct to staff structure).

6.3 Capital

- Approval of proposed capital developments with a value of in excess of £100,000k, **or** with a revenue implication of £25,000 p.a. or more

6.4 Management

Approval of:-

- The Trust annual Business Plan and Budget and any material changes to them
- The company's pricing strategy and any material changes to it
- The internal risk management framework or any material changes to it

6.5 Financial Reporting and Internal Controls

Approval of:-

- Annual audited accounts and financial statements of the Trust and its subsidiaries
- Letter of representation to the Auditors

- Material changes in accounting policies and practices followed by the Trust and its subsidiaries
- The Trust's decision on the appointment or removal of external auditors
- Banking Arrangements including overdraft facilities

On the recommendation of the Finance, Audit and Risk Committee, approval of the formal reports from the Chair of the committee on its proceedings, or recommendations.

6.6 Transactions and Business

Approval of:-

- Any business developments or decisions that would result in one of the following:-
 - The Trust spending capital
 - Any contract or decision that would result in spending of over £0.05M (£50,000) in any given year or over £0.1M (£100,000) in a three year period, in accordance with Contract Standing Orders (see Appendix 4)
 - Creation of a new risk which would increase the overall risk exposure of the council, as per the Shared Risk Register
 - Variation of any activity commissioned by the Council from the Trust and outlined in the Services Agreement, by more than 5%
 - Cessation of the operation of any material part of the business
- Complete withdrawal of services or operations from a licensed property; or recommendation to the Council that any licensed property be closed
- Any transaction with a related party as per the Code of Conduct (see Appendix 1)
- Any outsourcing of services by the Trust and its subsidiary with a value of over £0.05M (£50,000) in any given year or over £0.1M (£100,000) in a three year period
- The early termination of any Contract or Service Level Agreement with a value of over £0.05M (£50,000) in any given year or over £0.1M (£100,000) in a three year period
- Contracts entered into the Trust not in the ordinary course of business

6.7 Communication

- Announcements and PR concerning matters decided by the Board including matters relating to operating performance and financial results.

6.8 Corporate Governance

Approval of:-

- The Board Charter
- Appointment and removal of the Company Secretary
- Management of Conflicts of Interest
- Appointment and removal of Chairs and Members of Board sub-committees, and the Board of the Trust subsidiary trading company, and their roles and responsibilities

- Procedures for all boards of all Trust sub-committees and the Board of the Trust subsidiary trading company
- Monitoring and evaluating the performance of the Trust Chief Executive

6.9 Policies

Approval of:-

- Code of Conduct
- Whistleblowing Policy
- Safeguarding Policy
- Management Rules for Facilities

On the recommendation of the HR, Health and Safety and Appeals Committee, the Health & Safety Policy

6.10 Other

- Appeals
- Board Evaluation Processes

7 Role and terms of reference of Board sub-committees and Subsidiary Company Board

There are two standing Committees to advise the Board on any issue covered by its term of reference and to investigate any matters referred to it by the Board, and provision for a Board of the subsidiary trading company. Full Terms of Reference for each of the Committees can be found at Appendix 3. A separate Board Charter and authorities will be presented to the ERCLT Board for approval in relation to the Trading Company in advance of it being activated.

7.1 The Trading Company Board (ERCLT Ltd) (a company registered in Scotland with number SC486591) is currently dormant.

Under normal operations the Board of the trading company, ERCLT Ltd, will meet quarterly and be responsible for the direction, guidance and oversight of the Trust's subsidiary trading company, and its activities. Members are appointed by the ERCL board but can include representatives who are independent of it.

7.2 The Finance, Audit and Risk Committee (FAR)

The FAR Committee meets quarterly to oversee and scrutinise internal controls, management accounts, budgets, cash flows, risk management together with any operational business which either requires additional ERC funding or increases the risk rating of the Company.

The FAR has no decision making authorities, but instead reviews and recommends relevant information and decisions to the Board.

7.3 The HR, Health and Safety and Appeals Committee. (HRHSA)

The HRHSA Committee meets twice yearly to oversee and scrutinise HR issues and Health & Safety performance, and can be convened on an ad hoc basis to hear appeals.

The HRHSA has the authority to make decisions in relation to HR Appeals, but no decision making authorities in respect of H&S or other HR activities, but instead reviews and recommends relevant information and decisions to the Board.

7.4 The Nominations Committee

A Nominations Committee, comprising an equal mix of (two) independent and (two) council trustees together with external HR support is tasked with managing the appointment of independent trustees.

Again the Nominations Committee has no decision making authorities but instead reviews and recommends relevant information and decisions to the Board.

8. Trustee Appointments

Trustees are appointed for a maximum term of four years and may serve a further term of four years.

The current Board has identified a wide range of skills and knowledge that it believes are necessary for effective governance. They are:

- Governance
- Legal
- Sports, Arts and Culture
- Advertising/Marketing
- Public Relations and/or Journalism
- HR
- Accounting and Finance
- Education
- Fundraising
- Charity/Not for profit

The Board will consider skill gaps when selecting new / additional trustees, and all Trustees are asked to complete a Board Skills Matrix to assist in ensuring the board has the correct mix of skills and abilities, and that board members are supported with training and development to fulfil their roles.

8.1 New Appointments – Independent Trustees

Subject to the Articles of Association which allow Trustees discretion in establishing rules of procedure for all committees, a Nominations Committee, comprising an

equal mix of (two) independent and (two) council trustees together with external HR support is tasked with managing the appointment of independent trustees.

- The Trust will maintain the board skills matrix, and review it annually, together with a register of any suitable candidates for future reference.
- Based on the consideration of the board's available and desired skills and abilities, nominations are sought from existing trustees of suitable and potentially interested persons. These may be from the local community, or from other stakeholders or communities of interest.
- Nominations are collated along with the skills/experience base of each nominee and are reviewed by the Board against the skill gaps of the current trustees.
- After an initial interview with the Chair, the Nominations Committee shall meet to consider any recommended nominees. (A short-listed nominee may be asked to provide referees who may be contacted for validation.)
- The Nominations Committee will recommend a chosen Nominee to Board for approval.
- The Board will then recommend the nominee to the Council formally and in writing for approval. (Recommendations will be presented to Elected Members [in Cabinet or Council] for agreement.)

8.2 New Appointments - Council Trustees

The Council, as Member, will appoint or remove any elected member as Trustee as it sees fit, and will do so formally and in writing.

8.3 New Appointments – Employee Representative Trustee

The Council, as Member, will appoint or remove any Employee Representative Trustee, drawn from representatives of trade unions that represent employees of the Trust, as it sees fit, and will do so formally and in writing.

Appendix 1: Articles of Association

Appendix 2 - Code of Conduct

Appendix 3 – Committee Terms of Reference

- a) FAR
- b) HR, H&S
- c) Nominations Committee

Appendix 4 – Contract Standing Orders

The following Board Paper was approved on 31 May 2016 in relation to delegated authorities for contract standing orders.

Appendix 5 – Current ERCL Board Trustees

Jim Wilson (Chair) – *resignation with effect from 27th February 2019*

Councillor Danny Devlin

Councillor Barbara Grant

Professor Grant Jarvie

Steven Larkin

Councillor Colm Merrick

Councillor Paul O’Kane

Dr Noreen Siddiqui

Andrew Allan