



Peterborough City Council (the "Council")
and Peterborough Cultural and Leisure Trust ("the Trust")

Funding and Management Agreement

Summary

The Funding and Management Agreement ("FMA") will set out the terms on which funding will be made available by the Council to the Trust and the Council's expectations in terms of service delivery.

The key provisions of the FMA between the Council and the Trust are set out below:

1.	<p>Term</p> <p>The FMA shall be for a term of 25 years.</p> <p>Both the Council and the Trust have the option to terminate the agreement with effect on the 20th anniversary of the term, upon notice to the other party.</p> <p>The Council has an option to extend the term of the FMA for two further terms of 5 years each, upon notice to the Trust.</p>
2.	<p>Services and Facilities</p> <p>The FMA will set out the services to be provided for by the Trust and the facilities/locations where the services shall be carried out. The Trust will carry out the service in accordance with the key performance indicators, good industry practice, using robust financial procedures. The Trust will be expected to continually develop appropriate activities and programmes at the Facilities, develop a range of activities to encourage all sections of the community to participate in leisure and cultural activities and develop appropriate marketing strategies.</p> <p>The Trust will provide to the Council on an annual basis a pricing schedule setting out the fees and charges that will be applied at the facilities in respect of the</p>

	<p>services.</p> <p>Both parties have an option to present proposals to the other party to transfer the management of the additional services at any time during the service period. A procedure is set out in the FMA for the consideration of the proposal and if agreed, the implementation of the proposal.</p>
3.	Basis of Funding
	<p>The Trust will be required to provide the services set out in the approved business plan from the commencement date and throughout the term of the Agreement. Funding will be subject to the ongoing monitoring and review provisions set out in the agreement to satisfy the Council that the provision of funding has assisted in maintaining or improving leisure, culture and arts provision and continues to demonstrate best value to the Council. This will be measured having regard to agreed key performance indicators.</p>
4.	Length of funding
	<p>The funding that relates to the first service year of the FMA will be set out in the FMA together with indicative funding levels for years 2 to 5 (inclusive).</p> <p>Funding will be agreed thereafter on an annual basis (thus always providing the Trust with a four year indicative funding horizon), ie funding for year 6 agreed in year 2 and so forth.</p>
5.	Payment of Funding
	<p>Funding will be paid quarterly in advance for the first service year and thereafter on a monthly basis, or at such other intervals as agreed between the Trust and the Council.</p>
6.	Future Funding Application Procedure
	<p>The Trust's initial 5 year business plan will be attached to the FMA. The business plan will set out the Trust's objectives for leisure/libraries/arts provision and its strategy for achieving the key performance indicators agreed between the Council and the Trust. It will also include its funding requirements.</p> <p>In addition the business plan will also set out a detailed 12 month service delivery plan detailing the services to be delivered over the forthcoming months including its</p>

	<p>proposals relating to programming, charging, staffing, investment, marketing, quality control, customer care and developing partnerships.</p> <p>The Council will notify the Trust of its key objectives/priorities for the service by no later than July preceding the relevant service year. The Trust will be required to submit an updated 5 year business plan by no later than September in each preceding service year (taking into account the Council's objectives).</p> <p>The Council will review these documents and discuss them with the Trust. The Council will approve the business plan for final consideration subject to funding no later than the end of December in each preceding service year. The Council will confirm the funding available to the Trust in March preceding the service year.</p>
7.	Monitoring and Review
	<p>The Council will be required to demonstrate that the level of subsidy to the Trust represents "best value". The Trust will, therefore, need to assist the local authority to demonstrate "best value". Such co-operation may take the following forms but not be limited to the following forms:</p> <ul style="list-style-type: none"> • attending regular service review meetings with the relevant Council officer; • providing detailed information relating to the financial and operational performance of the Trust in relation to agreed strategic performance outcomes; • producing an annual report on the Trust's performance in the delivery of the services; • attending an annual review meeting with the relevant Council committee • co-operating with the Council in connection with any service reviews; • feedback on consultation with key stakeholders.
8.	Future Funding
	<p>Future funding will be subject to the Council's continued satisfaction as to the performance of the Trust. The Trust's performance will be measured against the key performance indicators.</p>
9.	Property Issues

	<p>The facilities will be leased or licensed to the Trust for their occupation during the term of the FMA.</p> <p>The library stock and the equipment in the facilities (e.g. treadmills, swiss balls, photocopiers, etc) will be loaned by the Council to the Trust. The property shall remain the property of the Council and in the event that any items are replaced, such items shall also remain the property of the Council.</p> <p>The parties shall agree, as part of the business plan review, the necessary arrangements for the replacement and repair of individual items or groups of items and undertake a stock take on an annual basis or as required.</p> <p>The Trust will also be responsible for the management of the archives service.</p>
10.	Accounts and Audit
	<p>The Trust will be required to comply with statutory accounting requirements and provide copies of its audited accounts. The Council will have a right of audit and inspection if the Trust fails to comply with this requirement.</p> <p>The Trust's operational and financial records will be able to be inspected at any time by the Council.</p>
11.	Dispute Resolution
	<p>The Agreement will detail a procedure for dispute resolution.</p>
12.	Managing Poor Performance
	<p>Without prejudice to the Council's right to terminate in the circumstances set out in clause 13 below, in the event that the Trust fails to deliver all or some of the key performance indicators, then the Trust will be required to implement an action plan to take urgent remedial action. This will be monitored by the Council. In the event that the Trust fails to improve performance then the Council reserves the right to make a financial deduction.</p>
13.	Termination
	<p>The Agreement will be terminated in the event of certain specified circumstances, for example, insolvency, persistent breach, material breach, the Trust ceasing to exist, ceasing to provide leisure, arts, or cultural services or ceasing to be a non</p>

	<p>profit distributing organisation.</p> <p>Both parties have the right to terminate the FMA upon notice with effect on the 20th anniversary of the term as mentioned in Clause 1 above.</p> <p>The parties will also have a reciprocal right to propose and agree to change the services and terminate the FMA in so far as it relates to such change. These provisions will enable the Council and the Trust to partially terminate the agreement in the event that it is necessary to close some of the facilities or funding is not forthcoming – providing some flexibility within the FMA having regard to the prevailing economic and social conditions.</p>
14.	Cooperation Provisions
	<p>The Trust will be required to cooperate with the Council regarding:</p> <ul style="list-style-type: none">• Achieving the key performance indicators• Information• Monitoring arrangements• Audit requirements• In relation to external funding• Use of the facilities as rest centres during cases of emergency• The handover of the services upon expiration or termination of the FMA