

Item

## Cambridge Live Review

**To:**

Councillor Anna Smith, Executive Councillor for Communities

Environment & Community Scrutiny Committee

Thursday 27<sup>th</sup> June 2019

**Report by:**

Suzanne Hemingway, Strategic Director

### Key Decision

#### 1. Executive Summary

Following the transfer of contracts and services from Cambridge Live to Cambridge City Council in April 2019, the Council intends to commission an independent review of the events leading up to the point at which the trust was unable to continue, in order to better understand what could have been done differently or how best to approach future arrangements. This report sets out the reasons for review and terms of reference. The review is scheduled to report to Environment and Community Scrutiny Committee in October 2019.

The report and review are in response to the motion approved at Council on February 19<sup>th</sup> 2019:

*“Council welcomes the emergency protection provided to the Cambridge Live programme and its customers, given the projected financial losses which jeopardised its future solvency, by returning it in-house to the council. It appreciates the cross-party work of all those involved in implementing the decision and particularly wishes to acknowledge the work of the current Cambridge Live Board.*

*Council recognises the substantial potential public cost of this rescue, and the role of the Council as founding sponsor and major customer. It is therefore important to understand how far the Council could have done anything differently, either in setup or relationship management, and what key learning points arise.*

*We therefore request officers to recommend to the June meeting of the Environment & Community Scrutiny Committee terms of reference for an independent review of these issues to report back to a subsequent scrutiny committee.*

## **2. Recommendations**

The Exec Councillor is recommended to approve the Purpose, Scope and Method of the review, as set out below.

## **3. Background**

In October 2014 Cambridge City Council took the decision to help set up an arm's length charitable trust to run a variety of cultural activities under a contract for services. The stated aims were to:

- Provide a sustainable financial and operational basis on which the services can thrive outside the bureaucracy and mechanisms of a local authority; have opportunity to innovate, and expand external fundraising options;
- Manage and mitigate the increasing risk to the Council of continuing to provide the services directly;
- Over time reduce the subsidy requirements.

On 1.4.2015, a Business Transfer Agreement was concluded which included the transfer of staff working on the services under TUPE, as well as a variety of leases and licences. The Council entered into a 25 year contract for services with Cambridge Live with a 5 year tapered funding agreement, which was to be reviewed in 2017. Two Councillor trustees were appointed to the Cambridge Live board.

The organisation got into some financial difficulty, and in December 2018, agreed with the Council that the best course of action was for contracts and services to be returned to the Council

## 4. Purpose, Scope and Method of the Review

### 4.1 Purpose

- To understand the issues that led to the point where Cambridge Live asked the Council to take services back;
- To learn from the experience, and record that learning so it is available to future officers and councillors, if in future the Council considers arms-length trusts as a service delivery option.

### 4.2 Scope

The review will focus on:

a) The set up by CCC of Cambridge Live – governance and financial arrangements – in order to consider whether the structural arrangements for the relationship (such as the role of Councillor trustees, partnership meetings, etc.) were adequate from the outset

b) The effectiveness of the Council's oversight in the period in which Cambridge Live was operational. This includes:

- the role of Councillor trustees
- contract management, reporting and partnership liaison by officers

c) The effectiveness/appropriateness of the Council's approach once the organisation asked for additional financial support, including the decisions taken by the Council in the period since October 2017.

d) The review may reference key learning from elsewhere in best practice for setting up and managing trusts.

e) The following areas are specifically out of scope for the review

- Cambridge Live Board decisions that do not relate to the strategic questions of financial management and performance;
- Day to day operations of Cambridge Live

### 4.3 Method of Review

The review will be conducted using a mixture of:

- desktop review of documents (committee papers, decisions, performance reports, meeting notes, etc.);

- interviews with officers (City Council and ex-employees of Cambridge Live who are willing to engage) and elected members.
- discussions with people who have been trustees of Cambridge Live, especially but not limited to Councillor Trustees

#### 4.4 Independence of Reviewer

The Council has sought recommendations for an independent assessor, who has not previously been employed by Cambridge City Council or Cambridge Live. The East of England LGA have identified suitable candidates, who have been approached, with a view to making an appointment in late June, of a reviewer with significant experience of the cultural sector, and an independent perspective.

### 5. Implications

- a) Financial implications – review is not expected to exceed £10,000 in costs, which will be funded from Communities budgets.
- b) Staffing implications – none, an external contractor will be used, procured through EELGA
- c) Equal opportunities implications – none
- d) Environmental implications – none
- e) Procurement – will be through EELGA
- f) Consultation and communication – staff and members will be briefed about the review and invited to participate where appropriate.
- g) Community Safety – none
- h) Background papers

No background papers were used in the preparation of this report.