

Date:**Parties**

- (1) Fylde Borough Council (“the Council”)
- (2) Lowther Gardens (Lytham) Management Ltd. (“the Provider”) as the operating company of Lowther Gardens Trust

Interpretation

In this agreement the following words have the following meanings:

Annual Grant	£31,667
Default Notice	A notice fulfilling the requirements of clause 29 and a Default Notice is “unresolved” at any time that the concerns raised in it have not been addressed to the reasonable satisfaction of the Council
Grant Periods	Each period of one year commencing on 1 April in each of 2017, 2018, 2019, 2020 and 2021
Performance Measures	The performance measures set out in the Second Schedule
Poster Sites	The advertising poster sites listed in the third schedule including, where the context permits, part of such a site.
Scheme	The scheme governing the charity known as Lowther Gardens, Lytham dated 3 June 2009, as amended 17 January 2011 and 18 May 2015 (or any subsequent amendment)
Services	The services provided at Lowther Pavilion set out in the First Schedule

Status of Agreement

1. The Council has agreed to pay a grant to the Provider to enable it to provide the Services at Lowther Pavilion. The Council is satisfied that paying a grant for these purposes is likely to achieve the promotion or improvement of the economic, social or environmental well being of the Council’s area. The Services provided by the Provider contribute towards delivery of the Council’s strategic themes.
2. This Agreement sets out what the Provider is to do, how its performance will be measured and what happens if the Services are not provided as required by this Agreement.

3. This Agreement is not intended to constitute a contract between the Council and the Provider and the Council shall not be legally bound to pay the Annual Grant.

The Annual Grant and the Grant Period

4. The Council will (subject to as hereinafter provided) pay the Annual Grant each year to the Provider to enable the Provider to deliver the Services during each Grant Period.
5. The Annual Grant will be paid in the following instalments in each year of the Grant Period:

Date	Amount
1 April	£7,916.75
1 July	£7,916.75
1 October	£7,916.75
1 January	£7,916.75

6. At least three months prior to the end of each Grant Period (except the Grant Period beginning 1 April 2021), the parties shall make best endeavours to negotiate a level of Service provision that reflects the Annual Grant for the next Grant Period. In the unlikely event the parties to this Agreement are unable to reach mutually acceptable terms on the provision of the Services this Agreement shall terminate on 31 March in that current Grant Period.
7. The Provider must comply with the Performance Measures and any specific guidance issued by the Council in deciding how it will spend the Annual Grant.
8. In addition to the Annual Grant, the Council may (at its discretion) pay a termination payment of up to the equivalent of one instalment of the Annual Grant for any Grant Period to the Provider on the last day of that Grant Period, if and to the extent that:
 - The Council does not propose to pay the Annual Grant in respect of the year immediately following the end of that Grant Period;
 - The Provider does not intend to provide the Services or services similar to the Services during that year; and
 - The Provider demonstrates to the Council's satisfaction that the termination payment is needed to facilitate a reasonably justifiable winding-down of its service

The Services

9. The Provider will deliver the Services at the times and in the manner set out in this Agreement and in accordance with the Performance Measures.
10. The Provider will supply such information as the Council may reasonably demand from time to time about its provision of the Services to enable the Council to assess the Provider's compliance with the Performance Measures.

Lead Officers

11. Each party has nominated an officer to be the primary point of contact and an address for service on all matters concerning Annual Grants, this agreement or the Services. The nominated officers are:

Council: Director of Development Services, Town Hall, Lytham St Annes, Lancashire FY8 1LW

Provider: Chairman, Lowther Gardens Trust, Lowther Pavilion, West Beach, Lytham St Annes, Lancashire FY8 5QQ

Ancillary Provisions

12. The Provider will be wholly responsible for the day-to-day financial and accounting functions in relation to the delivery of the Services from within its own resources. It must ensure that there are proper financial management arrangements in place in accordance with the UK Generally Accepted Accounting Practice (GAAP). These will include the following:
 - A financial audit trail from allocation of spend to activity or service delivery
 - Records of spending decisions
 - Evidence of spend and payments made
 - Evidence of activity undertaken
 - Records of income generated
 - Records of all other funding secured
 - Professionally audited annual accounts
 - Quarterly management accounts
 - Evidence of contracting and procurement procedures carried out for significant items of expenditure, to ascertain value for money
13. The Provider will keep accurate financial records in accordance with GAAP and will make them available to the Council on request, including access to all relevant receipts and invoices. The records must in particular provide a clear audit trail of how any Grant has been used.
14. The Provider will supply to the Council a copy of its pre-audited accounts 3 months after the end of each Grant Period and a copy of the professionally audited accounts within 6 months of the end of each Grant Period.

15. The Provider will supply a copy of its annual budget to the Council one month in advance of the commencement of each Grant Period, which must reflect the Annual Grant payable by the Council for the provision of the Services.
16. The Provider will supply quarterly management accounts to the Council showing details of expenditure and income in the period and accumulated figures against budget for the year to date. Where the financial statements are inconsistent with the reasonable expectations of the Council the Provider will clarify and give reasons for the situation, explaining how the agreed budget will be achieved.
17. All spending decisions of the Provider must be within the known resources available to the Provider at the time of making the decision.
18. Any costs, allowances or expenses incurred by the Provider as a result of providing financial information, documents or records to the Council or for attendance at any meetings with Council representatives will be the responsibility of the Provider.
19. The Provider will supply the Council with a schedule of dates when any external audit or accreditation inspection of the Services will be undertaken and provide the Council with a copy of any resulting report.
20. The Provider will, both in providing the Services and generally, comply with all relevant statutory requirements, including those related to health and safety and equalities. The Provider acknowledges that such compliance is the sole responsibility of the Provider and agrees to indemnify the Council against all costs, claims, demands, proceedings and liabilities whatsoever arising out of the performance of the Services. The Council does not, either by the payment of the Annual Grant, by entering into this agreement or otherwise take, accept or assume any responsibility for any non-compliance by the Provider.
21. The Provider will ensure that there are appropriate internal procedures in place to manage risks and ensure good governance practice. The Provider will provide to the Council such evidence as the Council reasonably requires that risk management measures are being undertaken to mitigate threats to the future operation of the Services and that good governance practice is operational. Performance on risk management and governance measures will form a part of the quarterly monitoring meetings, including details of any changes to the register of interests maintained by the Trust.
22. The Provider provides the Services in its own right and not as agent or partner of the Council. The Council will not indemnify the Provider for negligence or any other breach of duty other than for death or personal injury caused by the negligence of the Council or its servants or agents.
23. The Provider will maintain adequate insurance to cover any liabilities arising from the performance of the Services. It will allow the Council to inspect its policies on request and submit copies of such policies to the Council's Lead Officer on an annual basis.

24. Throughout each Grant Period, the Provider will prominently acknowledge the funding the Council provides on official stationery, all main promotional material and publications of the Provider, incorporating the logo of the Council where space allows. Where relevant, all publicity and PR undertaken by the Provider must also clearly acknowledge and make reference to the Council as a funder.
25. Any approaches to the press with respect to any matter relating specifically to the terms of this to this Agreement should be jointly agreed through consultation between the Provider and the Council.
26. The Council agrees to reserve the Poster Sites for the use of the Provider, subject to the Provider complying with the following conditions:
 - At any given time, at least 50% of the Poster Sites (not including those in the Lowther Grounds) are to be available for use by community groups or other non-commercial organisations (within a reasonable period of advertising).
 - Not to charge any community group or other non-commercial organisation a rate for using any Poster Site which could be deemed unreasonable in relation to the costs involved in displaying the poster, administration and its eventual removal.
 - Any bookings made with the Council for use of a Poster Site before the date of this agreement will be honoured.
 - The Provider will maintain the Poster Sites at its own expense in a safe and fit condition, including removing fly posting and graffiti.
 - The Provider will remove out-of date advertising.
 - The Provider acknowledges that the Council may, in its discretion, remove a Poster Site after consulting the Provider.
 - The Provider acknowledges that upgrading of the Poster Sites will be subject to the usual planning process and require the approval of the Council.
 - The Provider co-operates with Lancashire County Council concerning the use of the Poster Site at St Anne's library.

Default in Performance

27. In the event that the Provider ceases to provide the Services the Council:
 - will cease to be under any obligation to pay any further instalment of any Annual Grant :and;
 - may, at its absolute discretion (but subject to clause 31), require the Provider to repay any or all of the most recent instalment of any Annual Grant that has been paid to the Provider
28. If, having regard to the Performance Measures, and having previously provided written adequate notification of its concerns to the Provider, the Council considers that the performance of the Services has fallen unacceptably below the standard the Council reasonably requires pursuant to this Agreement, the Council may, notwithstanding anything else in this agreement, withhold the

payment of any instalment of an Annual Grant until it considers that the performance of the Services have returned to an acceptable standard.

29. If, having, withheld three or more instalments of an Annual Grant pursuant to clause 28 of this agreement, the Council considers that there is no reasonable likelihood that the performance of the Services will return to an acceptable standard within eight weeks, it may give notice to that effect to the Provider and the Provider will then, for the purposes of clause 27, be deemed to have ceased to provide the Services.
30. For the purposes of clause 29 the Council will only be deemed to have provided adequate notification of its concerns if the notification:
 - was made in writing to the Provider's representative identified in clause 11; and
 - contained (in the opinion of the Council) sufficient detail about the Council's concerns to have given a reasonable organisation in the place of the Provider an adequate opportunity to address them to the reasonable satisfaction of the Council
31. In deciding what proportionate part of any Annual Grant it considers appropriate to require the Provider to repay under clause 27, the Council will have regard to the following principles:
 - If the Provider informs the Council, that it will cease to operate (but not if the Provider has already ceased to provide the Services), the need for the Provider to be able to bring about an orderly closure of the Services including but not limited to the termination of employment contracts and any statutory redundancy payments
 - The Council will only require the Provider to repay sums in respect of Annual Grant that was paid in respect of a Grant Period falling within the financial year then current.
32. The Provider may bid to the Council for capital funding to support any major redevelopment of Lowther Pavilion. This will be considered alongside other demands on the Council's capital resources.
33. The Provider acknowledges that Annual Grant is not consideration for any taxable supply for VAT purposes to the Council by the Provider.
34. The Provider accepts that the Council may share information about the Annual Grant with any parties of the Council's choice as well as those making requests for information under the Freedom of Information Act 2000.
35. The Provider may not assign any of their rights under this Agreement to any successor or other body.

36. The Provider may not transfer any part of any Annual Grant or this Agreement to another organisation or individual.
37. It is agreed between the parties that the purpose of each Annual Grant is to fund any potential operating deficit in the Provider's resources in respect of the reasonable performance of the Services by the Provider during the relevant Grant Period, taking into account the need for the Trust to hold a reserve of working capital and future development funding. If during the course of this Agreement it becomes reasonably apparent to the Council that an Annual Grant is no longer required and the Provider is no longer operating at a loss, the Council (at its entire discretion) shall be at liberty (in consultation with the Provider) to withhold payment (in whole or part) of any Annual Grant for such time or periods as it shall deem appropriate. This clause shall not be invoked if the provider is successful in securing revenue and/or capital grants which require specific performance measures beyond those specified in this agreement.

Dispute Resolution

38. For the purposes of this clause:
- 'Dispute' means a dispute issue difference question or claim as between the parties relating to or arising at any time out of this agreement;
 - 'Specialist' means a person qualified to act as an independent expert in relation to the Dispute having experience in the profession in which he practises for the period of at least 10 years immediately preceding the date of referral.
39. Either party may give to the other notice (a 'Dispute Notice') requiring a dispute to be referred to a Specialist and proposing an appropriate Specialist.
40. The party served will be deemed to accept the proposals made in the Dispute Notice unless that party within 10 Working Days of service of the Dispute Notice gives notice rejecting one or more of the proposals or unless each party serves a Dispute Notice on the other contemporaneously.
41. Unless the parties agree or are deemed to agree the appropriate Specialist:
- if the parties do not agree which type of Specialist is appropriate to resolve the Dispute either party may refer that question to the president or next most senior available officer of the Institute of Chartered Accountants England and Wales ('the Institute') who will (with the right to take such further advice as he may require) determine that question and nominate or arrange to have nominated the appropriate Specialist;
 - 4.2 if the parties do agree the appropriate type of Specialist but do not agree the identity of the Specialist he will be nominated on the application of either party by the president or other most senior available officer of the organisation generally recognised as being responsible for the relevant type

of Specialist but if no such organisation exists then by the president or next most senior available officer of the Institute.

42. The fees and expenses of the Specialist, including the cost of his appointment, shall be borne as he shall direct and in default of direction are to be borne equally between the parties.
43. The Specialist must afford the parties an opportunity to make written representations to him and an opportunity to make written counter-representations on any representations made to him by the other party but is not in any way limited or fettered by such representations and counter-representations and is to be entitled to rely on his own judgment and opinion.
44. If a Specialist dies or refuses to act or becomes incapable of acting either party may apply to the president or next available most senior officer to discharge him and appoint another in his place.
45. The parties agree that the decision of the Specialist shall be final and binding upon them.

The First Schedule

The Services

- (i) The maintenance and development of Lowther Pavilion as a cultural community facility, for the benefit of residents of and visitors to the Borough.
- (ii) The provision of a balanced and diverse programme of performing arts and entertainment, including dance, drama, music, musical theatre, variety and comedy; encouraging innovation through the use of new technology and the support of new writing and performing talent.
- (iii) The development of new audiences and encouragement of existing audiences to visit more frequently, building participation in the arts locally; accessible to all sectors of the community through programming, marketing and community engagement work.
- (iv) The promotion of the performing arts in Fylde, supporting and developing local amateur groups, volunteers and the wider community. The pavilion shall be available for hire by local community/amateur groups for a minimum of 120 sessions per year.
- (v) The free use by the Council of Lowther Pavilion and its facilities for the annual meeting of the Council and up to 10 other council or

committee meetings per year on dates to be provided to the Provider in advance by the Council as soon as reasonably practicable. Dates of meetings for 2017/18 include 10 May 2017 from 2.00 pm.

- (vi) The Provider shall make best endeavours to make available the Pavilion for use in the event of a civil emergency as a rest centre or similar facility.
- (vii) The development of service provision may change over time to reflect the current nature of standard business practice in the entertainment industry. All development will encompass the core values as presented in the Trust's artistic policy.

The Second Schedule

The Performance Measures

Quarterly meetings will be held between representatives of the Provider and the Council, where the information required by this agreement will be reviewed.

If requested to do so, the Provider will make an annual presentation to the Council's Tourism and Leisure Committee (or other such appropriate elected member group) at the conclusion (or as near to as possible) of each year of the operation of the Service Level Agreement summarising its performance and service during the year, including financial performance – annual outturn against the budget.

Quantitative

- The Services to be provided within the operating budget, provided in accordance with clause 17.
- A breakdown of the number of complaints received from service users and how they have been resolved.
- Number of sessions utilised by local amateur groups, volunteers and the wider community.
- Number and percentage of self-promoted shows which breakeven and/or make a profit

Qualitative

- The Trust will provide evidence that it is meeting Arts Council England and UK Theatre industry standards in relation to customer satisfaction, audience profiling and quality of opportunity both for the visitor, local population and visiting companies, income generation to develop the service offered and development work to encourage greater community use of the facilities. The Trust and the Council will work together to develop a greater understanding of all creative activities across the Council's area.

The Third Schedule

The Poster Sites

Twelve double-crown boards at the Crescent, St Annes

Two double-crown boards at St Annes Library

Four double-crown boards at St Pauls Avenue, St Annes

Four double-crown boards at the entrance to Fairhaven Lake

Signatures

Fylde Borough Council

Date

Lowther Gardens (Lytham) Management Ltd
(as operating company of Lowther Gardens Trust)

Date