

Corporate Structure and Sub-Contracts

The structure we propose for the delivery of services in the Cotswold district is the same as that submitted with the PQQ and is one that is used wholly across all SLM's partnerships.

The SLM group structure is designed to balance the commercial focus of the Fitness and Food & Beverage businesses with the community focus required for the delivery of the leisure services, it provides all the benefits associated with a typical in house 'Trust' model whilst genuinely providing risk transfer.

The structure has been designed to ensure that it benefits from the tax advantages available to charitable organisations. It has been properly tried and tested and is widely regarded by the industry as one of the leading and most robust NPDO structures available. It successfully delivers mandatory rate relief across the whole SLM portfolio (some 80 sites) and in addition, most partnering Authorities grant discretionary rate relief depending on local policy. We have included in our submission the 20% element of the NNDR and priced for the risk for the other 80%.

The contract with the Council will be entered into by SLM Ltd, this is the holding company of the group, and will be responsible to the partnering council for all aspects of the operation of the contract. The Council can therefore be confident that the contract is managed by a long established and financially robust company with a long track record and secure reputation for delivering high quality public services.

SLM Ltd will sub contract responsibility for delivery of services to each of three subsidiaries. SLM Food & Beverage Ltd will be responsible for all F&B services. SLM Fitness & Health Ltd will operate the Gyms and exercise studios. Most importantly for our partners, the SLM Community Leisure Charitable Trust will be responsible for delivery of all other services.

The SLM Community Leisure Charitable Trust is an Industrial and Provident Society and is registered as a charity with the Charities department of HM Revenue and Customs a letter of approval of our structure from HMRC can be supplied if required.

The SLM Community Leisure Charitable Trust will be the rateable occupier of the buildings and will grant to SLM Food & Beverage Ltd and SLM Fitness & Health Ltd non exclusive licences to operate in parts of the buildings. Operationally, the SLM Community Leisure Charitable Trust will continue to be responsible for cleaning the whole building, for the reception function and allowing access to the building, for Health and Safety and evacuation plans for the whole building, and for all aspects of building security. Significantly for all our partners, the SLM Community Leisure Charitable Trust is ideally placed to deliver the social, sporting, leisure and community objectives required of a modern and effective public leisure service that ultimately impacts positively on the well being of the communities that it serves.

SLM confirms that any sub-contracts will be entered into by the Contractor prior to or at the same time as the Leisure Management Contract. Also, that all required sub-contractors/team members will enter into collateral agreements with the Authority providing it with step-in rights as per the warranties attached to the LMC and that any parent company guarantees and bond required by the LMC will be provided prior to or at the same time as the LMC is entered into.

All contracting parties are robust entities capable of taking on the obligations within the relevant contracts.

Our corporate structure is illustrated in the diagram below.



About the SLM Community Leisure Charitable Trust.

The Charity was formed to enable the SLM Group to provide a wide range of services to the public sector in a manner that responded to the particular challenges that the industry faced. The resultant organisation provided a corporate structure that provided a genuine alternative to the Council producing its own in house Trust giving similar financial benefits in the form of tax based savings whilst creating a platform for delivering non commercial community based outcomes required by public services.

As set out in the rules of SLM Community Leisure Charitable Trust, it was originally determined that the Board consist of up to six Trustees, four executive and two independent. During the course of 2011 the Members of the Trust approved a resolution to change the constitution of the Board of Trustees to provide a Board of three executive and three independent Trustees.

Members of the Trust are:

- Sports and Leisure Management Limited
- SLM Fitness and Health Limited
- SLM Food and Beverage Limited

each of whom own one share each of a nominal value of £1

The Chairman is Vic Trigwell and the Vice Chair is John Roebuck. The Board of Trustees administers the Trust, meeting on a quarterly basis and delegating operational and financial matters to specific Trustees/groups of Trustees. Stephen Hulme, as Chief Executive of the Trust, has responsibility for the day to day operation of the Trust.

The Charities Registered Office is at 3 Watling Drive, Sketchley Meadows, Hinckley, Leicestershire LE10 3EY.

SLM Community Leisure Charitable Trust was created with the following specific objectives:

- to promote or assist in the provision of facilities for sport, recreation or other leisure time occupation in the interest of social welfare, such facilities being provided to the public at large save that special facilities may be provided to persons who have need of them by reason of youth, age, infirmity, disability, poverty or social or economic circumstances;

to provide and preserve good health through education or community participation in healthy recreation; and
to promote such other charitable purposes that the Trustees shall determine.

The general aim of the Trust is to provide activities at its leisure facilities which in the interests of social welfare should be for educational, sporting, health, fitness and recreational purposes.

As a charitable social enterprise, we invest in our communities. This investment is not just financial; we also invest time and effort in encouraging everyone to take advantage of our services. Any surplus money is reinvested into making those services better, either by training our colleagues or upgrading our services and facilities.

Collaborative Arrangements with SLM

The SLM Community Leisure Charitable Trust is a subsidiary of SLM and enjoys positive and beneficial relations with both SLM and its other subsidiary partners, SLM Fitness and Health and SLM Food and Beverage Limited.

Whilst recognising the benefits of being a subsidiary of the SLM Group, Trustees have equally recognised the importance of ensuring that the Trust's relationship with SLM should not adversely impact on both the governance and independence of the Trust. Having taken regular advice from legal advisors specialising in charity law, the Trust and SLM have agreed to be bound by legal agreements designed to ensure that the independence and governance of the Trust is not compromised.

Recruitment and Appointment of Trustees

New Trustees are recruited and appointed in accordance with the Charity Commission guidance. The recruitment procedure is as follows:-

- Identification of the current skills base of existing trustees
- Identification of the skills/experience that currently do not exist
- Ranking skills/experience needed in order of importance to the Charity's needs;
- Advertisement of vacancies in National and Local media as well as on the Everyone Active Web-site
- Approaching local people about a possible Trustee Role;
- Directly contacting local and national business organisations;
- Contacting volunteer networks such as ICSA, do-it.org.uk, charity people.com and Reach;
- Inviting interested persons to visit a Trust centre with trustees and conduct formal interviews.

Trustee induction and Training

New Trustees undergo an orientation meeting to brief them on their legal obligations under charity law, the rules of the charity, review of the business and financial plan and introduction to the other Trustees and senior management team within the Trust. Trustees are also given 'Good Governance: A Code of the Voluntary and Community Sector' produced by ACEVO, Charity Trustee Networks, ICSA, and NCVO on behalf of The National Hub of Expertise in

Governance. This document is produced to help Trustees understand their roles as Trustees and inform them of good practice.

Achievements and performance:

SLM Community Leisure Charitable Trust has continued to grow and now manages a total of 80 leisure centres, in partnership with 26 different local authorities nationwide.

The Trust monitors the satisfaction of colleagues, and during the last 12 months turnover is at the low level of 1% and average length of stay for colleagues is 4.4 years. Independent assessment (Investors in People) identified that the support and developmental approach which the Trust takes towards its employees is a major factor in improving colleague satisfaction and retention.

The Trust is committed to colleague development to maintain its high standards of customer service and has links to many well recognised training providers such as Lifetime and the Amateur Swimming Association (ASA), as well as supporting the Future Jobs Scheme and more latterly the modern apprenticeship schemes, the net result is that over 400 Trust colleagues attained NVQ qualifications in the last twelve months. The Trust also operates its own Emerging Managers Programme to find and train the managers of tomorrow.

To keep colleagues informed a quarterly e-newsletter is issued to all colleagues and is supported by the many regular regional seminars to help the Trust share best practices as well as letting each region know about specific challenges and the many successes. The Trust offer colleagues access to a wider range of benefits including healthcare, dental care, childcare vouchers as well as those associated with the Everyone Active Card. These all serve to keep the Trusts reputation in good shape, as an organisation which supports and values colleague development.

Recognising the importance of on-going control and management of payroll costs, the Trust commenced to roll-out a time & attendance system across all centres, to improve all aspects of our employees' time & attendance & human resources. It is comprehensive management software for the Trusts' most costly resource, which already shows very positive opportunities to significantly reduce payroll time and costs, increase security, and provide valuable human resources information at our fingertips