

OLDHAM COLISEUM

GOVERNANCE REPORT



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Action Together

80 Union Street, Oldham, OL1 1DJ
Tel: 0161 339 2345. Email: info@actiontogether.org.uk
A registered charity (No.1165512)

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PURPOSE OF THE DOCUMENT

To provide an independent reflection on factors relating to its governance that led to Oldham Coliseum Theatre (OCT) facing a critical juncture in its history where it closed the doors to its theatre, made its staff redundant, and was near the point of insolvency.

To provide recommendations for action that can be adopted by the new OCT Board as it moves forward.

ABOUT ACTION TOGETHER

Action Together CIO is the infrastructure organisation for the voluntary, community, faith, and social enterprise (VCFSE) sector in Oldham, Rochdale, and Tameside. They connect people with what's happening in their community, develop community ideas into action, strengthen local organisations, and provide strategic influence for the charity and voluntary sector.

The review was conducted by Action Together's CEO, Liz Windsor-Welsh, who has worked in senior leadership positions within local infrastructure organisations for over 15 years. Liz is active in strategic governance boards within the boroughs that Action Together operates and within Greater Manchester as part of the VCSE Leadership Group and as a Director of 10GM. Liz is experienced in charity governance and was approached to complete this review because of the organisation's role within Oldham, and its impartiality within the arts and theatre sectors.



Be true
Strengthen others
Believe it's possible

EXECUTIVE SUMMARY

This governance review took place in June 2023, and references documents as part of a desk-top review, most notably a Governance Report carried out in February 2022 by thiNKnow Ltd. The semi-structured interviews provided valuable context to these documents and encouraged personal and organisational reflections on the governance of Oldham Coliseum Theatre (OCT) over the last 5 years. Principles from the Charity Governance Code were used to inform the structure and key lines of inquiry for this review.

What is acknowledged within this review, is that charity governance should be considered within its specific context, size, and the remit of the charity. Board members in OCT are all volunteers who have provided their time for free and in good faith. The planned closure of the home of the Coliseum Theatre on Fairbottom Street, although known for over 10 years prior to this point, was a significant large-scale and complex project to govern and implement. The closure timeline was however affected by the sudden lack of sufficient funds and closed without an alternative site in place in March 2023.

The following reflections are made on areas of governance that we consider to be factors that contributed to OCT's current position:

- OCT's Board did not refresh its membership, provide sufficient training or seek sufficient technical advice to address skills and experience gaps.
- There was insufficient accountability between the governance and operational functions which affected their ability to identify, then address change that was required.
- The culture and practices within the Board led to insufficient constructive challenge or relevant questioning.
- Adequate information was not being produced for the trustees to have the ability to assure the effective running and sustainability of the charity, and the trustees had not put in place clear expectations on the key management and performance information required to fulfil their roles.
- The Coliseum's reluctance to engage wholeheartedly in the Partnership's shared vision and subsequent business and transition planning processes was a significant factor in their inability to secure the confidence of key stakeholders and funders.

The following seven recommendations for action are recommended to OCT, for the Charity to move forward with confidence in its new phase of development:

1. OCT's new Board must provide assurance that there is prompt action on all 28 recommendations from the thiNKnow Governance Report 2022, with specific timescales and a reporting mechanism identified within one month.
2. The Board should continue to recruit to the OCT Board to ensure it has a diverse board reflective of Oldham's communities and has experience in theatre management and finance. Where there are gaps, the Board should seek to address these by bringing in specialists with appropriate technical skills to advise the board.
3. The board must be clear on its commitment to work collaboratively with partners and lead on the further development of the vision and business planning processes to realise the potential of the new theatre space in Oldham.
4. The Board should ensure there is serious consideration on all appointments to the Board, staff, and volunteers to ensure conflicts of interest are understood and mitigated. When

OCT is at the stage of recruiting new staff, it should ensure that the OCT Staff Structure Report June 2022, by Alchemy Research Consultancy, is considered and robust recruitment and selection processes are in place, including a stakeholder panel as part of the appointment process for key senior staff.

5. The Board should establish and maintain a range of ways to ensure there is broad stakeholder engagement in the work of OCT. This should include ongoing engagement with the local public, other local arts organisations, local charities, and key anchor organisations.
6. OCT's Board should use the Charity Governance Code as a tool in the development of the Board's operating practices, and commit to an annual review of progress toward the principles that is shared openly with key stakeholders.
7. A memorandum of understanding should be developed with Oldham Council that reflects the ways of working together, including values and behaviours that both parties commit to use as a guide to their ongoing relationship and approach to partnership.

We would like to thank each stakeholder for the constructive way they engaged in this review. There seems to be a genuine commitment to work together to realise the vision for arts and culture in Oldham and an exciting new cultural enterprise for the town – one that is fully representative and reflects the diversity of Oldham. This, alongside the determination of the new OCT Board, is a good foundation on which to build.

INTRODUCTION AND CONTEXT

The Oldham Coliseum Theatre is one of the longest-established venues in the North-west, dating to 1885. It is proud of its history in producing theatre that performed both on tour and in Oldham from its venue on Fairbottom Street. OCT has been instrumental in launching the careers of many well-known actors, and providing opportunities for Oldham residents to enter the theatre profession and enjoy access to high-quality theatre productions.

On 16 March 2023 OCT issued the statement, “It is with deep sadness that we confirm the forthcoming closure of Oldham Coliseum Theatre and the beginning of a redundancy process that will affect all staff. Doors to the historic venue will close to the public for the final time on 31 March 2023.”

OCT is a registered charity and company limited by guarantee, it is governed by a board of trustees and was incorporated in February 1979. There are currently seven Board members, all of whom joined the Board on 2 March 2023. Before this point in March 2023, OCT had ten trustees, with two trustees appointed by Oldham Council. At the time of drafting this report, eight staff remain in post, all of whom will have left through redundancy by 31 August 2023.



Photo source: MEN

METHODOLOGY

This governance review took place in June 2023 and uses the principles from the Charity Governance Code¹ to inform the structure and key lines of inquiry for the review. The Charity Governance Code is a practical tool to help charities achieve high standards of governance and sets out principles and recommended practices relevant to the size of the organisation.

The seven principles of the Charity Governance Code are:

1. Organisational purpose
2. Leadership
3. Integrity
4. Decision-making, risk, and control
5. Board effectiveness
6. Equality, diversity and inclusion
7. Openness and accountability

This review was conducted through semi-structured interviews with five stakeholders (comprising seven people) and a desk-top document review.

Semi-structured interviews were conducted with:

- Arts Council England (ACE)
- Oldham Council
- A member of the senior team of the OCT
- A consultant who is experienced in leading big capital projects in the cultural sector and has been working with Arts Council England, Oldham Council, and OCT over the last 5 years
- The Chair of the Independent Partnership Board

The desk-top review included documents, most of which were produced over the last five years. These documents include:

- ACE OCT review in 2018
- Artistic Operating Model
- Business Plan 22-23
- Draft structure review Action Plan 2022
- OCT Governance Action Plan 2022
- Report and Minutes from a Board meeting 18 September 2019
- National Portfolio Organisation (NPO) decision feedback 2022
- OCT Conditions Survey 2023
- OCT Governance Report, by thiNKnow Ltd February 2022
- Oct Memorandum and Articles of Association
- OCT NPO submission
- OCT Accounts 2022
- Oldham Cultural Strategy 2022 to 2030
- OCT Staff Structure Report June 2022, by Alchemy Research Consultancy
- Transition Plan 2019-20
- Making Space for Live Performance Partnership Board Terms of Reference
- Making Space Vision - The Partnership Board's vision for an exciting new cultural enterprise for the town.

¹ www.charitygovernancecode.org

ACKNOWLEDGMENTS

We would like to extend our sincere thanks to everyone who has participated in the review. We are grateful for the participants' openness and willingness to engage with the process at what was a challenging time for all involved.

LIMITATIONS

Due to this review's timing, only a few people involved in the governance or leadership of OCT before March 2023 have been interviewed. Some of the individuals that were interviewed were not personally involved in the work of OCT throughout the full period that the review refers to, although the organisation that they represent has been.

The semi-structured interviews gave an opportunity for a personal reflection on OCT's journey and findings have been derived on the basis that complete, accurate, and reliable information was provided.

FINDINGS

From insight gathered through the interviews, the desk-top document review, and after further appraisal in relation to the Charity Governance Code principles, several reflections have emerged.

The following reflections are made on areas of governance that we consider to be factors that contributed to OCT's current position:

- OCT's Board did not refresh its membership, provide sufficient training or seek sufficient technical advice to address skills and experience gaps.
- There was insufficient accountability between the governance and operational functions which affected their ability to identify, then address change that was required.
- The culture and practices within the Board led to insufficient constructive challenge or relevant questioning.
- Adequate information was not being produced for the trustees to have the ability to assure the effective running and sustainability of the charity, and the trustees had not put in place clear expectations on the key management and performance information required to fulfil their roles.
- The Coliseum's reluctance to engage wholeheartedly in the Partnership's shared vision and subsequent business and transition planning processes was a significant factor in their inability to secure the confidence of key stakeholders and funders.

DETAILED REVIEW

The following sections provide more detail on the areas of governance that we consider to be factors that contributed to OCT's current position. We have used the Charity Governance Code principles to illustrate the governance standards that are expected. Under each of these principles, we have provided examples of what we have found, which have informed the reflections and recommendations of this review.

PRINCIPLE 1: ORGANISATIONAL PURPOSE

The first Charity Governance Code principle describes a strong board as one “that has a shared understanding of and commitment to the charity’s purposes and can articulate these clearly. It can also demonstrate that the charity is effective in achieving its charitable purposes and agreed outcomes.”

Information provided in the desk-top review and interviews suggests that the OCT Board had a clear understanding of the charity's overall purpose. The thiNknow Governance Report 2022 illustrates that a Strategic Plan with five Strategic Aims was in place. Arts Council England's (ACE) National Portfolio Organisation (NPO) feedback 2023 recognises that, “the appointment of a new Artistic Director has transformed OCT's programme with Creative Case rating strong & a commitment to co-productions that reflect new audiences.”

The Governance Report that concluded in February 2022 indicates OCT Board's inability, at the time their report was written, to effectively assure that the organisation was able to achieve its charitable purpose and outcomes unless changes were made. The 2022 Report recommended that additional work was required to align the strategic plan with stakeholders' visions and to establish clear deliverables and timescales, as well as resource plans and risk assessments by the end of March 2023. The NPO feedback in 2023 suggests that this assurance had not been achieved, “whilst your application demonstrates that some contribution to Creative People and Cultural Communities is likely there are major risks around the governance and financial viability of the organisation.”

Interviews with stakeholders on the Partnership Board reflected the inability of OCT to engage wholeheartedly in the emerging vision for the new theatre as described in the Making Space Vision document. This gap was also referenced in the NPO assessment decision feedback 2023. The feedback includes, “This application does not confirm if OCT will be the new operator for the new building. In addition, there are several conflicting move/opening dates in the application. [...] The new venue may not have the same capacity, demand or programme as the current OCT business model and there is no evidence in the main application that OCT will be the operator for the new venue; there are therefore risks in providing additional investment.”

When ACE provided funding to OCT in 22/23, Arts Council England added three additional payment conditions which illustrated their concerns. The NPO assessment feedback states, “ACE have added three additional payment requests for 22/23 including staff, governance and audience reviews/plans. Gov review has identified risks around financial management systems, strategic planning, monitoring against KPIs.”

PRINCIPLE 2: LEADERSHIP

The Charity Governance Code's second principle covers the board's ability to take collective responsibility, establish the charity's vision, values, and reputation, and lead by example. The board makes sure that the "charity's values are reflected in all of its work, and that the ethos and culture of the organisation underpin the delivery of all activities."

The thiNKnow Governance Report 2022 details where improvements were required regarding leadership. Several of the recommendations within the Governance Report 2022 relate to this and detailed action to improve this was specified in their report. From our desk-top review, only a limited number of these actions were appropriately addressed within the OCT's governance action plan and the Board paper produced at the time doesn't accurately reflect the scale and urgency of the reform that was required by March 2023.

The Governance Review in 2022 states, "The management team is not providing the board of trustees with the information to undertake their role in full or effectively and the board of trustees collectively has insufficient insight to recognise this. There are a small number of trustees who individually have some recognition, but they have been unable to effect the change required."

A number of people interviewed stated that candid and honest conversations had taken place over the years with the Chair and CEO regarding leadership, governance, and financial risks. From their perspective and involvement in parts of OCT Board meetings, the Board rarely addressed the significant governance and strategic issues, and key information that would enable the board to make effective decisions and make appropriate challenges was not always produced or shared.

PRINCIPLE 3: INTEGRITY

The Charity Governance Code outlines that, "trustees should create a culture that supports the charity's values, adopts behaviours and policies in line with the values, and set aside any personal interests or loyalties. The Board should understand and address any inappropriate power dynamics to avoid damaging the charity's reputation, public support for its work, and delivery of its aims."

The 2022 Governance Report highlights the level of commitment by individual trustees that they spoke to: "In our individual discussions with trustees, it was clear that each and every one of them is committed to the success of OCT. Trustees all readily described their personal motivation for their voluntary role, and it was clear to us that each of them brings passion to their work." However, other sections of the Governance Report 2022 and examples provided in the interviews for this review indicate that there was not enough focus on managing conflicts of interest, and that the culture and practices within the Board led to insufficient constructive challenge or relevant questioning. The thiNKnow Governance Report 2022 describes that, "there is a strong culture of respect and commitment amongst both staff and trustees. Everybody is kind and polite. However, some trustees told us that they sometimes hold back on challenges for fear of upsetting staff who they know work very hard."

Some instrumental decisions made by trustees regarding the appointment of honorary officers such as the role of Chair, or Committee Chairs, and in the appointment of the Executive Staff team would suggest that more attention was required to prevent potential conflicts of interest and to avoid blurring the lines of accountability which affected their ability to identify, then address, change that was required. For example, within the Governance Report 2022 one recommendation

is that, “work should be done to address role clarity between the Head of Finance and the Chair of the Finance Committee, ensuring that the trustees remain independent.” Another example is the appointment of a previous member of the Board to the position of interim CEO. The NPO feedback 2023 states, “a new executive team were appointed with many individuals first time in role with limited experience [...] The current CEO has been on an extended contract for three years (due to end March 2023).”

PRINCIPLE 4: DECISION-MAKING, RISK, AND CONTROL

The Code describes principle four, “The board makes sure that its decision-making processes are informed, rigorous and timely, and that effective delegation, control and risk assessment, and management systems are set up and monitored.”

From reviewing the documents as part of the desk-top review, it suggests that at critical points for the charity, the right information was not being produced in order for the trustees to have the ability to ensure the effective running of the charity’s work. In addition, trustees had not put in place clear expectations on the strategic, management, and performance information required to fulfill their roles.

OCT’s processes to manage risk were not robust enough. The interviews highlighted that OCT had been on the Arts Council risk register for some time due to its fragile financial and operating model, and this had been shared with OCT on a number of occasions. There is little evidence that this risk was mitigated and that sufficient emphasis by the Board or senior team was placed on seeking alternatives.

Of the 28 recommendations from the 2022 Governance Report to be completed by March 2023, over half were actions pertaining to improving decision-making processes, controls, and risk assessment. From the documents we have reviewed, there is not sufficient evidence that OCT’s Board took urgent action to address these gaps and put in place effective controls to ensure changes would be made by March 2023. There was, however, some progress made in relation to the financial management systems and reporting, which was reflected by stakeholders as part of the interviews.

The Governance Report 2022 describes their experiences witnessing the board in action: “We witnessed many occasions when there were questions that should have been asked which were missed or where information was not provided to trustees, and they did not seek it.”

PRINCIPLE 5: BOARD EFFECTIVENESS

The fifth principle from the Charity Governance Code is that the “Board works as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions.” The Code goes on to outline that a “rigorous approach to trustee recruitment, performance and development” is required.

One of the factors we have identified in this review is that OCT’s board did not refresh its membership, provide sufficient training, or seek sufficient technical advice to address skills and experience gaps.

There are several actions in the thiNKnow Governance Report 2022 referring to the need for trustee training and that more recruitment was required to bring in additional skills to complement the Board. “In the next recruitment, expertise in theatre management, theatre finance, and arts marketing should be sought. Ideally, new trustees should be experienced trustees.” A recruitment process did take place in 2022, when some new trustees were appointed, although at the time this, unfortunately, did not lead to the recruitment of a trustee with direct experience in theatre management or theatre finance. There is no evidence this gap was then addressed by the board.

Although there is induction training that the Governance Report describes as “comprehensive,” it goes on to state, “all new trustees must be provided with this and refresher, full board development is also required for example on risk identification, monitoring and management.” A particular focus was suggested to ensure that “trustees understand their roles in strategy and assurance and are equipped to transact these roles effectively through the use of insightful questions.” This was also referenced in the NPO feedback in 2023: “There was significant turnover of the board and a new executive team were appointed with many individuals first-time in role with limited experience.”

PRINCIPLE 6: EQUALITY, DIVERSITY, AND INCLUSION

This principle of the Governance Code requires that “The Board has a clear, agreed and effective approach to supporting equality, diversity, and inclusion throughout the organisation and in its own practice.”

The degree to which this was achieved within the delivery of the theatre’s work, or in the make-up of the staff team and its organisational culture, is outside the scope of this review. The NPO feedback does refer to recent “good contributions” and targets set for diversity, but required detail that demonstrated how this would be achieved. The feedback highlights that the “Access & Excellence statement outlines the growth in South Asian population and the Khushi festival with 50% global majority targets and two named partners is a good alignment to this.”

OCT’s 2023 application to secure ACE’s NPO funding describes that, at the time the application was submitted, “30% of the board come from a South Asian or dual heritage background and 60% are women.” It also states that, “During the five years up to the pandemic, we deliberately diversified the programme to attract new attendees from across Oldham’s communities and offered more demanding work that might be of more interest to younger and more metropolitan audiences.” The application describes OCT’s ambition “to reflect the demographics of its community”, and that, “Ten years ago the demography of our staff did not reflect this, and we have made considerable strides through recruitment to better reflect this demography, particularly in customer-facing staff and performers.”

PRINCIPLE 7: OPENNESS AND ACCOUNTABILITY

The final principle of the Charity Governance Code is that the “board that leads the organisation is transparent and accountable. The charity is open in its work, unless there is good reason for it not to be”. The Code describes the outcomes that derive from this that would provide assurance that the “charity’s performance and interaction with its stakeholders are guided by the values, ethics and culture put in place by the board...and that the charity is seen to have legitimacy in representing its beneficiaries and stakeholders.”

Several of the semi-structured interviews included reflections relating to this principle. Overall, these interviews provide the sense that both key stakeholders (Oldham Council and ACE) had openly shared their concerns about OCT’s financial management systems, business planning, and governance directly with the charity.

In our interviews with different partners, several people referred to “direct and difficult meetings” with the Chair and CEO to which these risks were raised and provided in conjunction with investment, and technical expertise which the charity could have used to put in place the necessary changes. One of the interviewees stated, “So many people tried to give advice to the Coliseum, but this didn’t lead to change.”

The Making Space for Live Performance Partnership Board was established to oversee the transition to the new theatre space and an independent Chair was appointed in 2021. The terms of reference articulate its purpose is to enable the collective overview, monitor and support the progress of key strategic workstreams, and provide a forum to drive the project forward by facilitating debate resulting in consensual decision-making. The key stakeholders involved were OCT, Oldham Council, and ACE. The independent Chair reflected that the CEO and Chair of the Coliseum regularly attended and committed time to this Board. The Partnership Board agreed to the shared Making Space Vision and Business Plan, but the Chair and other members of the Board observed a reluctance from OCT to fully engage with the emerging vision and planning processes. This led to an increasing sense that OCT were not fully committed to the project.

CURRENT POSITION AND OCT'S FUTURE

Each participant that was interviewed was asked to reflect on the confidence they had in the future of OCT. Most notably, all reflected on the immediate and important 'sea change' in the way that OCT's Board is working with them now as a stakeholder, and praise for the transparency and leadership shown through activities like the Chair's blog that is shared on Facebook.

There is clearly still an uncertain future for OCT, and the financial position is a challenging one. The opportunities for a strong partnership with Oldham Council around the new theatre space now seem to be in place and a "collegiate and open" relationship is being described by both parties. A significant amount rests on the ability of this partnership to work effectively, and maintain a trusting relationship with proportionate and appropriate accountability measures in place to assure funders and the Council's own governance that investment is being well spent and collectively managed to achieve the joint vision. OCT must be able to articulate a clear vision for its future within the new theatre space and ensure their organisational strategy, business plan, risk, and investment plans help it to achieve this.

All the stakeholders interviewed spoke positively about the potential of this partnership to achieve its shared vision and the transformational effect in Oldham this could have.

CONCLUSIONS AND RECOMMENDATIONS

In May 2023, OCT asked for this review to take place to provide an independent perspective on factors relating to its governance and provide recommendations for action that can be adopted by the new OCT Board.

This governance review took place in June 2023, and references documents as part of a desk-top review, most notably a Governance Report carried out in February 2022 by thiNKnow Ltd. The semi-structured interviews provided valuable context to these documents and encouraged personal and organisational reflections on the governance of OCT over the last five years. Principles from the Charity Governance Code were used to inform the structure and key lines of inquiry for this review.

This report describes several governance requirements not appropriately adopted into OCT's practices, detailed in the findings section of this report.

The following seven recommendations for action are recommended to OCT, for the Charity to move forward with confidence in its new phase of development.

1. OCT's new board must provide assurance that there is prompt action on all 28 recommendations from the thiNKnow Governance Report 2022, with specific timescales and a reporting mechanism identified within one month.
2. The board should continue to recruit to the OCT board to ensure it is diverse and reflective of Oldham's communities, and has experience in theatre management and finance. Where there are gaps, the board should seek to address these by bringing in specialists with appropriate technical skills to advise.
3. The board must be clear on its commitment to work collaboratively with partners and lead on the further development of the vision and business planning processes to realise the potential of the new theatre space in Oldham.
4. The board should ensure there is serious consideration on all appointments to the board, staff, and volunteers to ensure conflicts of interest are understood and mitigated. When OCT is at the stage of recruiting new staff, it should ensure that the OCT Staff Structure Report June 2022, by Alchemy Research Consultancy, is considered and robust recruitment and selection processes are in place, including a stakeholder panel as part of the appointment process for key senior staff.
5. The board should establish and maintain a range of ways to ensure there is broad stakeholder engagement in the work of OCT. This should include ongoing engagement with the local public, other local arts organisations, local charities, and key anchor organisations.
6. OCT's board should use the Charity Governance Code as a tool in the development of the board's operating practices and commit to an annual review of progress toward the principles, that is shared openly with key stakeholders.
7. A memorandum of understanding should be developed with Oldham Council that reflects the ways of working together, including values and behaviours that both parties commit to use as a guide to their ongoing relationship and approach to partnership.

Finally, we would like to thank each stakeholder for the constructive way they engaged in this review. There seems to be a genuine commitment to work together to realise the vision for arts and culture in Oldham and an exciting new cultural enterprise for the town – one that is fully representative and reflects the diversity of Oldham. This, alongside the determination of the new OCT Board, is a good foundation on which to build.