
EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 22 NOVEMBER 2011

EX.150/11 TULLIE HOUSE BUSINESS PLAN AND LEASE ARRANGEMENTS (Key Decision)

Councillor Ellis, having declared a personal interest, took part in discussions on this item of business.

Portfolio Community Engagement

Subject Matter

The Assistant Director (Community Engagement) submitted report CD.22/11 considering the Tullie House Museum and Art Gallery Trust 2011 - 2014 Business Plan. He informed Members that the purpose of his report was to allow prompt consideration of the Business Plan in order that the Council may, in due course, agree core funding for the Trust.

The Assistant Director (Community Engagement) then summarised the steps leading up to the establishment of the Trust in April 2011. He explained that the City Council's twelve month core funding grant to Tullie House Museum and Art Gallery Trust in 2011/12 was £1,314,420. In line with the Partnership Agreement between Tullie House Trust and Carlisle City Council core funding for future years, and specifically in this context 2012/13, 2013/14 and 2014/15, would be agreed by submission of the Trust Business Plan each year. In order to provide a secure and stable basis for medium term planning consideration would be made annually on core funding on a three year rolling cycle. He added that the Council's annual budget process required that approval of core funding for 2013/14 and 2014/15 would be "in principle".

In line with the Partnership Agreement signed at the establishment of the Trust, the Business Plan outlined the Trust proposals for developing its charitable and commercial operation in the coming years. The Partnership Agreement specified that the Business Plan would be considered promptly and in a collaborative fashion. Details of the key milestones outlined in the draft Business Plan, together with the financial and legal implications were provided. Members were requested to give consideration to the Business Plan (submitted in Part B of the Agenda) in light of the above and also seek the views of Overview and Scrutiny thereon.

The Assistant Director (Community Engagement) also provided details of a proposed extension to the lease arrangements from the City Council for the property occupied by the Trust, so that the term be extended from twenty five years to a period of thirty years. He advised that extending the leases for a further five years so that all documents were co terminus made sound business sense for both parties. Adding a further five years to

the leases would have an impact on the Council's museum assets by reducing the freehold values from the figures previously set out in Report RD.84/10. Although the precise effect of those changes was as yet unknown and valuation advice would be required to inform Members of the position, it was considered most unlikely that the impact on the Council's assets would be significant or that the undervalue would exceed the threshold (£2 million) set out under the Local Government Act 1972.

The Performance and Development Portfolio Holder said that this was another milestone in the success of Tullie House and demonstrated growing confidence by the Trust and new Board. He looked forward to discussing the matter with the Community Overview and Scrutiny Panel on 24 November 2011.

The Leader added that the Executive would receive the report and await the submission of feedback from the Overview and Scrutiny Panels at their December meeting.

Summary of options rejected None

DECISION

That the Executive had considered Report CD.22/11 concerning the Tullie House Business Plan and Lease Arrangements and approved it to go forward to Overview and Scrutiny Panels for consideration and comment.

Reasons for Decision

The recommendations allow this Report and the associated Business Plan to move forward for wider consultation, including Community and Resources Overview and Scrutiny Panels.