

## **COMMUNITY OVERVIEW AND SCRUTINY PANEL**

**TUESDAY 19 NOVEMBER 2013 AT 10.00 AM**

**PRESENT:** Councillor Mrs Luckley (Chairman) Councillors Ellis, Forrester (as substitute for Councillor Miss Sherriff), Mrs Prest, Scarborough, Mrs Stevenson, Mrs Vasey and Wilson

**ALSO**

**PRESENT:** Councillor Ms Quilter, Culture, Health, Leisure and Young People Portfolio Holder  
Councillor Mrs Riddle, Communities and Housing Portfolio Holder  
Councillor Allison – Observer

**OFFICERS:** Deputy Chief Executive  
Director of Resources  
Overview and Scrutiny Officer  
Policy and Performance Officer

### **COSP.71/13 APOLOGIES FOR ABSENCE**

An apology for absence was submitted on behalf of Councillor Miss Sherriff

An apology for absence was also submitted on behalf of Councillor Mrs Atkinson a member of the Resources Overview and Scrutiny Panel who had been invited to attend the meeting in respect of Agenda A.5 – Tullie House Museum and Art Gallery Trust Business Plan 2014-17

### **COSP.72/13 DECLARATIONS OF INTEREST**

Councillor Mrs Luckley declared an interest in accordance with the Council's Code of Conduct in respect of any item relating to Riverside Carlisle. The interest related to the fact that she was the City council representative on the Board of Riverside Carlisle.

### **COSP.73/13 MINUTES OF PREVIOUS MEETINGS**

RESOLVED – That the minutes of the meetings held on 22 August 2013 and 3 October 2013 be agreed as a correct record of the meetings and signed by the Chairman.

### **COSP.74/13 CALL-IN OF DECISIONS**

There were no matters which had been the subject of call in.

### **COSP.75/13 OVERVIEW REPORT AND WORK PROGRAMME**

The Scrutiny Officer presented report OS.26/13 which provided an overview of matters relating to the work of the Community Overview and Scrutiny Panel and included the latest version of the work programme and Key Decisions of the Executive which related to the Panel.

The Scrutiny Officer reported that:

- The Notice of Executive Key Decisions had been published on 18 October 2013. The following issues fell within the remit of this Panel:

KD.024/13 – Tullie House Business Plan – the item was on the agenda for consideration later in the meeting.

KD.029/13 – Carlisle Sports Strategy 2013-23 – The item was scheduled to be on the agenda for the meeting scheduled for 9 January 2013.

KD.030/13 – Budget process 2014/15 – Items within the remit of the Panel would be considered later in the meeting.

- The Scrutiny officer advised that since publication of the report a further notification of Key Decisions of the Executive had been published on 15 November 2013. The following issues fell within the remit of this Panel:

KD.024/13 – Tullie House Business Plan – the item was on the agenda for consideration later in the meeting.

KD.029/13 – Carlisle Sports Strategy 2013-23 – The item was scheduled to be on the agenda for the meeting scheduled for 9 January 2013.

KD.030/13 – Budget process 2014/15 – Items within the remit of the Panel would be considered later in the meeting.

KD.032/13 – Homelife Carlisle – Business Model – The item would be considered as a private report by the Executive on 16 December 2013

KD.033/13 – Private Sector Housing Enforcement – the Item would be considered by the Executive at their meeting on 16 December 2013. It would then be available for consideration by the Panel before going back to the Executive on 15 January 2014. The Panel agreed that the item should be added to the Work Programme for the meeting on 9 January 2013.

- The following Minute Excerpts had been received from the Executive's meeting held on 28 October 2013:

EX.105/13 – Carlisle's Play Provision – the Executive had decided:

“That the Executive:

1. Approved the principles adopted for the review of children's play areas in Carlisle as set out in Report LE.32/13.
2. Agreed to delegate authority to the Director of Local Environment, in consultation with the Portfolio Holder, to implement the approved principles with regard to the individual play areas in line with the review findings.”

- Work Programme – The Overview and Scrutiny Officer presented the current work programme. The Officer explained that:

- An update on the Community Centres review had been received. The Management Committee were scheduled to meet again on 14 January 2014. A Member of the Task and Finish Group would attend that meeting and report back to the meeting of

the Panel in February 2014. If Members were happy with progress the item could then be removed from the Work Programme.

RESOLVED – 1) That, subject to the issues raised above, the Overview Report incorporating the Work Programme and Key decisions relevant to this Panel be noted.

2) That the item on Private Sector Housing Enforcement be included in the Work Programme for consideration at the meeting of the Panel on 9 January 2014.

3) That an update on the Community Centres review be added to the Work Programme for February 2014.

## **COSP.76/13 BUDGET 2014/15**

### **Revenue Budget Reports**

#### **(a) Summary of New Revenue Spending Pressures**

The Director of Resources submitted report RD.53/13 summarising the new revenue spending pressures and reduced income projections which needed to be considered as part of the 2014/15 budget process. The issues were to be considered in the light of the Council's corporate priorities.

The Executive had on 18 November 2013 (EX.134/13) received the report and forwarded it to the Overview and Scrutiny Panels for consideration as part of the 2014/15 budget process.

The Director of Resources advised that it was clear that all of the pressures could not be accommodated within existing resources (including use of reserves) and decisions would be needed throughout the budget process to limit pressures to high priority and unavoidable issues to ensure that a balanced budget position was recommended to Council February 2014.

Members then considered the following new priority for revenue spending and reduced income which fell within the areas of responsibility of this Panel.

- **Events**

The pressure would provide additional funding on top of existing budgets to provide the following events – Multicultural Carlisle, Music City, classical music event, pageant, Tour of Britain and Armed Forces Day.

In considering the report Members raised the following comments and questions:

- *There was no mention of the Commemoration Events in respect of World War 1.*

The Culture, Health, Leisure and Young People Portfolio Holder advised that she had met with Officers and the Deputy Chief Executive and discussed how the budget could be rationalised for events in the future. The Executive received the requests for events but were unable to comply with all. A panel had been set up to look at what events had been requested and look at what grants may be available. To date the panel had met on one occasion. Sponsorship could come from the Ambassadors, the college and private sector partners.

- *What reserves were available for multi-cultural events?*

The Culture, Health, Leisure and Young People Portfolio Holder advised that there was a budget of £70,000 for all events and money from other pots. The City Council had held multi-cultural events in the past but it was not clear whether that could continue. There were many requests to help run and fund events such as Cumbria Pride and the Council needed to look at all requests and determine how best to use the funds available.

The Director of Resources advised that the £70,000 allowed in the budget would not be sufficient and therefore the sum by £130,000 on a non-recurring basis for 2014/15.

- *There was not enough information in the report regarding what events had been held and what the money had been spent on.*

The Director of Resources explained that that information could be covered in the next monitoring report and was not part of the budget report.

The Culture, Health, Leisure and Young People Portfolio Holder advised that that was the reason for setting up the aforementioned panel. There was money available but it had to be rationalised to ensure value for money.

- **Non-recurring under £30,000**

- Sports Pitch Income Shortfall (£3,000)
- Disabled Facilities Grant Income (£29,000)

The budget pressures indicated above were included on a non-recurring basis. Due to them being under £30,000 they have not been supported and those requirements would need to be found from existing base budgets in 2014/15.

- *The report stated that projects under £30,000 had to be funded from within Directorates. With regard to sports pitches, the consultant's report had advised that there should be more available. There was insufficient money available to fund additional pitches at present.*

The Director of Resources explained budget pressures below £30,000 had to be found within Directorates and he believed that could be achieved. That included Disability Facilities Grants (DFG) for which the Council received a fee when a grant was commissioned. The number of grants had reduced in 2013/14. If the number of grants approved increased the amount of fees would also increase.

- *It had previously been stated that the NHS needed to contribute funding for the DFGs and the Council may have been looking at funding from them. Had that progressed?*

The Deputy Chief Executive advised that the Public Health bodies had made a contribution of £150,000 in past years.

The Deputy Chief Executive explained that there was no set pattern in respect of DFGs therefore it was difficult to predict future income. More detail could be provided by the Principal Housing Officer (Private Sector).

- *Riverside were doing adaptations to their properties below £7,000. That could have impacted on the number of DFGs applied for.*

RESOLVED – That Report RD.53/13 be noted.

## **(b) Summary of New Savings Proposals and Additional Income**

Report RD.53/13 had been circulated to the Panel by way of background information.

The Director of Resources summarised the proposed savings relating to Pay Award Savings 2013/14 and 2015/16, Inflation Savings, Invest to Save schemes completing and New Transformation Savings required.

The Council also received income from a variety of other sources which were not subject to Corporate Charging Policy reviews but were still reviewed annually as they generated substation income for the Council. The New Homes Bonus was one such source of income and the Director of Resources advised that the allocation for 2014/15 had yet to be confirmed. The first year's allocation (2014/15) would be used to offset the non-recurring savings requirement as outlined within the report.

One of the savings was the Voluntary Redundancy Initiative which the Council hoped would achieve a saving of £1,000,000. Until requests were submitted and the business cases looked at it was impossible to determine the impact of that initiative. It was anticipated that between 40 and 45 staff would need to take up the offer in order to achieve the required saving.

The Deputy Chief Executive explained that the redundancies would be undertaken on a voluntary basis and described the process for the initiative.

In considering the report Members raised the following comments and questions:

- *There was a concern that as there would be less staff there could be a burden on remaining staff and an impact on that relevant service.*
- *Some services were statutory and would have to be continued possibly with fewer staff.*

The Deputy Chief Executive advised that if staff requested to go and Members agreed the impact on remaining staff would have to be considered. Every effort would be made to ensure services would be delivered. The number of requests for redundancy would be clear by the end of December. The staff were aware of the initiative through e-mails and briefings from the Chief Executive. Even if the service affected was a statutory service savings could still be made.

The Director of Resources explained that with regard to the New Homes Bonus the figure over the next six years was based on new properties and empty properties becoming occupied but the amount of funding was not available. It was anticipated that the figure would be announced by the Government in January 2014. However 40% of the money nationally had been "top-sliced" and would go to the Local Economic Partnership rather than the Council.

In response to a query the Director advised that he believed the figure received to date to be around £750,000. There was a three year rolling revenue grant to Tullie House allowing it to be reduced. The contract with Carlisle Leisure Limited was a 25 year contract which could not be amended until 2017.

- *The report referred to discretionary funding to major partners and named Tullie House. Who were the other partners?*

The Director advised that the partners were Tullie House and Carlisle Leisure Limited who had differing contracts. Grants were also available to Community Centres.

- *In 2010/11 the Council reviewed the finding to Community Centres and decided to remove some funding. Labour Members had submitted a motion to Council that that funding should be reinstated. Do those Members still wish that funding to be handed back to the Community Centres? Were there any plans to restore or increase grants?*

The Communities and Housing Portfolio Holder advised that there were no plans at the present time. The grants had remained the same for the last two years and would remain the same in the coming year.

The Deputy Chief Executive confirmed that there were no other major partners other than Tullie House and Carlisle Leisure Limited. Officers were discussing with Carlisle Leisure Limited how extensions to their facilities could impact on their grant.

- *Community Centres were being asked to be run as businesses. Was that the case and did they make a profit?*

The Culture, Health, Leisure and Young People Portfolio Holder advised that she was on the Management Committee of Greystone Road Community Centre and they were mindful that grants had been cut and that all Community Centres needed more money.

- *Community Centres funding had not been affected in the current financial year but what would happen in the next financial year?*

The Communities and Housing Portfolio Holder advised that the Community Centres had signed Service Level Agreements that had been negotiated individually. There would be no increase in grants in the coming year but Communities Centres may be recognised in future. A prudent organisation should have reserves. The Council would not look at a Centre's reserves when considering grant allocations.

- *Money could have been set aside for redundancies and unexpected events. Community Centres realise that they must be run as businesses and Members who sit on the management committees know their responsibilities. Everyone must attend training and the staff have to run the centres as a business and contribute more than previously expected.*
- *Staff in Community Centres work hard and realise that the Centres have to be run as a business.*
- *Had any grants been finalised to CAB and the Law Society?*

The Communities and Housing Portfolio Holder advised that no decision had yet been taken on those issues. Grants would remain the same in 2014/15.

- *Was it a mistake to embark on a new stream of expenditure on the proposed Arts Centre?*

The Culture, Health, Leisure and Young People Portfolio Holder stated that it was not a mistake and there had been a lot of support for the Arts Centre from schools, the college

and local businesses. Tough decisions needed to be made but the Executive had made the right decision.

The Portfolio Holder explained that the Executive were looking at capital projects to deliver. If the business case did not stack up the project would not continue. It was preferable to commit to projects that would provide income to the Council. The Arts Centre was currently in the planning stage and no final decision had been made.

RESOLVED – That Report RD.53/13 be noted.

### **(c) Review of Charges 2014/2015**

- **Local Environment**

Report LE.30/13 was submitted, setting out the proposed fees and charges for the services falling within the remit of the Local Environment Directorate.

With regard to the City Centre Events and in view of the current economic climate, it was proposed to retain the current charge levels for 2014/15 as set out in Option 1, Table 1 to help maintain demand and the current budgeted level of revenue.

A new charging structure for car parks had been introduced in March 2012 under which car parks were grouped into four categories to reflect the varying demand from users for each car park. No increases in charges had been made since that time, and the existing charges for each category of car park; together with proposed amendments to special event charges to reflect the daily charge for parking; and car park ticket sales were set out at Section 3.2 of the report.

The revised charging structure also included the introduction of Pay by Phone facilities. Table 3a showed that such measures had not prevented a continuing decline in Pay and Display ticket sales, although the introduction of Pay by Phone had helped. The ticket sales from car parks had declined by an average of 11% over the last 2 years.

Although the uptake of Pay by Phone increased every month, it still only represented a minor element of ticket sales and income. For many shoppers, who were uncertain how long they may wish to stay, the use of Pay by Phone provided an opportunity to extend the parking duration without the inconvenience of having to return to the car as extended duration could easily be purchased. Officers in conjunction with local businesses planned to make users more aware of the advantages of that option in the hope that sales could be increased and that businesses benefitted from the flexibility that the option offered their customers.

The report also provided details of the existing Contract Parking Permit (Saver Parking Permits) charges and, as there were no proposals to change the standard parking charges, it was proposed that the contract parking charges remain unchanged.

It was further proposed to introduce a new charge of £6.00 per day for Builders Permits into the car parking scheme.

The summary of the car park ticket income over the last 2 years for the first 6 months of each year showed that the situation was more optimistic than with ticket sales. Overall income had increased by 1.2% in the past 12 months but still showed an overall fall of 6.3% over the last 2 years. If that improvement was sustained it may indicate the start of

an upward trend. The economic situation had not yet shown much improvement and there was evidence to suggest that increasing charges would trigger a fall in car park usage. It was therefore proposed that charges remain unchanged for another year as set out in Table 2, at which time data would be available on whether the recovery in income had accelerated making an increase in charges more justifiable.

Three options for proposed increases in charges for football and rugby pitches, which were substantially in accordance with the MTFP target, were detailed at Tables 6, 7 and 8 – Option 2 being the Officer recommendation.

Details of the proposed charges in relation to Allotments; use of Parks and Green Spaces; Play Area Inspection Fee; Talkin Tarn Car Parking / Other Charges; Bereavement Services; and Environmental Health were also provided.

With the exception of Talkin Tarn, the income from which was ring-fenced, acceptance of the charges highlighted within the report would result in an anticipated level of income of £2,415,000 against the Medium Term Financial Plan target of £2,539,000. That represented a shortfall of £178,000 against the MTFP target.

The Executive had on 18 November 2013 (EX.129/13) considered the report and agreed for consultation the charges as set out in Report LE.30/13 and relevant appendices with effect from 1 April 2014; noting the impact of those charges on income generation, as detailed within the report.

In considering the report Members raised the following comments and questions:

- *There were three options in respect of sports pitch provision. Options two and three would put a huge burden on parents who may have two or more children attending a sports club.*

The Deputy Chief Executive explained that the Council subsidised sports clubs prior to those options being tabled and discussed with the Executive.

The Culture, Health, Leisure and Young People Portfolio Holder confirmed that the options would be looked at further.

The Director of Resources explained that the proposed increase outlined in option 1 was in line with the 3.8% increase across the board.

- *With regard to City Centre events Members agreed that charges for large commercial promotions should be doubled. How much did small and medium commercial promotions use the city centre?*
- *Was there any discretion on charges during the large markets for organisations such as Made in Cumbria?*

The Culture, Health, Leisure and Young People Portfolio Holder explained that all events go to the events group and the City Centre events were handled by the events team. The Council wished to have all events managed by one group. The Executive wanted local markets but events had to be rationalised and the charges looked at.

- *The Council would have to be careful that trade was not being taken from the covered market which was a concern particularly during Continental market weeks. Local businesses were important.*

In response to a query the Deputy Chief Executive advised that the minimum Play Area Inspection fee was £50. The Council acknowledged that Parish Council reserves were stretched and the fee was not designed to generate income. The burden of play area inspections was shared with Parish Councils but the Council was mindful of costs.

RESOLVED – That the observations of the Community Overview and Scrutiny Panel, as outlined above, be conveyed to the Executive

- **Community Engagement**

Report CD.53/13 was submitted setting out the proposed fees and charges for the Hostel services and Disabled Facilities Grants (DFGs) falling within the responsibility of the Community Engagement Directorate.

The report gave an overview of the current position with regard to the provision of housing related support within the Hostel Services and outlined proposed charges for 2014/15. Pending Executive approval for the revised rent charges, it was prudent to flag up a projected £30,000 deficit on the proposed 2014/15 revenue budget for the Hostels. A further review of hostel expenditure would be undertaken to bridge the shortfall and ensure that expenditure was in line with the budget.

The report outlined details of the proposed DFG fees for 2014/15, highlighting the need to review the MTFP for DFGs to accurately reflect the income as part of a review in 2013/14.

The introduction of the hostel charges and DFG proposed fee charges were forecast to generate income of £516,500 and £123,800.

The Executive had on 18 November 2013 (EX.130/13) considered the report and agreed for consultation the increase in charges, as set out in Report CD.53/13, with effect from 1 April 2014; and noted the impact thereof on income generation as detailed within the report.

The Director of Resources agreed to look at the apparent discrepancy in income from hostels within the report. Income from hostels was picked up by Housing Benefits which was monitored by the Director of Resources. Some hostels were not as full as expected in 2013/14 and there was a shortfall in income. It would be possible in the final charging period to include present charges within the table.

RESOLVED – That report CD.53/13 be noted.

### **Capital Budget Reports**

#### **(d) Revised Capital Programme 2012/13 and Provisional Capital Programme 2013/14 to 2017/18**

The Director of Resources submitted report RD.56/13 detailing the revised capital programme for 2013/14, together with the proposed method of financing as set out in Appendices A and B. The report also summarised the proposed programme for 2014/15

to 2018/19 in the light of the new capital pressures identified, and summarised the estimated and much reduced capital resources available to fund the programme.

Many of the new spending proposals had not yet been considered by the Corporate Programme Board; therefore, they should be approved for inclusion in the Council's Capital Programme as part of the budget process. The release of any earmarked reserve would be subject to verification of the business case by the Corporate Programme Board and a report to the Executive as appropriate.

With regard to the Disabled Facilities Grants Council funding of £200,000 per annum had been included until 2016/17. The position would then be reviewed based upon the operational responsibilities and requirements of the service.

The Executive had on 18 November 2013 (EX.136/13) considered the report and decided:

"That the Executive:

1. Noted the revised capital programme and relevant financing for 2013/14 as set out in Appendices A and B of Report RD.56/13;
2. Recommended that the City Council approve re-profiling of £710,000 from 2013/14;
3. Had given initial consideration to the capital spending requests for 2014/15 to 2018/19 contained in Report RD.56/13 in the light of the estimated available resources;
4. Noted that any capital scheme for which funding had been approved by the Council may only proceed after a full report, including business case and financial appraisal, had been approved."

In considering the report Members raised the following comments and questions:

- *Was the £200,000 reduction in Arts Centre capital (page 126 of the report) an increase in the figure indicated earlier in the report (page 121)?*

The Director of Resources explained that the figure was the preparation work for the tender for the project.

- *A Member wished to clarify that the closing date for tenders was April/May followed by refurbishment with a view to opening in October 2014.*
- *Had purchases been made with the funds from the Asset Review?*

The Director of Resources advised that 1.2million had been spent on the drainage works at Morton and 1.5million on the B&M (formerly Woolworths) site.

RESOLVED: To accept the recommendations as set out in Report RD.56/13.

## **COSP.77/13 QUARTER TWO PERFORMANCE REPORT 2013/14**

The Policy and Performance Officer submitted report PC.18/13 that updated the Panel on the Council's service standards that helped measure performance and customer satisfaction, and included updates on key actions contained within the Carlisle Plan.

With regard to the information on the Carlisle Plan the intention was to provide the Panel with a brief overview of the current position without duplicating the more detailed reporting that had been considered by the Overview and Scrutiny Panels at earlier meetings.

The report was reviewed by the Senior Management Team at their meeting on 29 October 2013 and would be considered by the Overview and Scrutiny Panels at their respective meetings in November.

The Policy and Performance Officer advised that there were different factors considered by different authorities when processing claims so it was difficult to compare authorities. However, joint work with the Department for Work and Pensions (DWP) analysts had been carried out to identify where the Council could implement better practices. The DWP made some recommendations which were currently being progressed.

In considering the report Members raised the following comments and questions:

- *Was the reduction in performance in August and September, compared to July, due to annual leave and would that figure return to the July level?*

The Director of Resources advised that over the year to date the figure was 19.9 days and it was expected that the figures would go up and down. Last year the figure year to date figure was 24 monthly. The Director advised that the number of claims was the same although nationally there had been a 10% reduction in the number of working age claims.

- *With regard to the Carlisle Plan update how would the reputation of the Council be managed during the pilot arts programme?*

The Culture, Health, Leisure and Young People Portfolio Holder stated that the reputation would be managed by delivering the project on time and within budget.

The Director of Resources explained that the risk assessment had been introduced following advice from the Council's Health and Safety Manager and a form devised for individual people using the Centre to be formally risk assessed. That should mitigate risk of accidents and therefore safeguard the Council's reputation.

- *With regard to the cycle ramp at Willowholme, how much would it cost and what was the progress to date?*

The Director of Resources advised that the matter was being dealt with by the Director of Economic Development who had been in discussions with Sainsburys, Officers and the Portfolio Holders. Tenders had come in £35,000 over budget.

The Deputy Chief Executive advised that the tender process had been paused until the issues relating to the Section 106 Agreement had been resolved. The matter was currently being dealt with and a report would be taken to Joint Management Team as soon as possible.

- *The Panel was interested in the Neighbourhood Community Programme. It could be added to the Work Programme for a future meeting.*
- *Had the work on the gypsy and traveller transit site started?*

The Communities and Housing Portfolio advised that Officers were keeping a watching brief on developments.

RESOLVED: 1) That Report PC.18/13 – Quarter Two Performance Report 2013-14 be noted.

### **COSP.78/13 TULLIE HOUSE MUSEUM AND ART GALLERY TRUST BUSINESS PLAN 2014/17**

The Overview and Scrutiny Officer advised that Members from the Resources Overview and Scrutiny Panel had been invited to attend the meeting to scrutinise the Business Plan with the Community Panel. One Member had given apologies but no other Members were in attendance. The Executive the previous day had requested that the Resources Overview and Scrutiny Panel should consider the plan but the Scrutiny Officer advised that it had been agreed at the last meeting that the Panel would attend this meeting. If the Resources Panel wished to consider the plan a special meeting may be required.

Mr Cooke, Chair of the Tullie House Trust Board introduced the members of the board in attendance. He reminded Members that the grant to Tullie House would be cut by £250,000 in 18 months. Whilst that was a painful decision to make the Board understood that the cut was necessary due to financial pressures. The Council had 18 months to finalise the details which were not without risk and the Trust could not guarantee that the income set within the business plan would be achieved. However, the Board had a track record of achieving targets and Mr Cooke was confident that the Trust could deliver the budget within the budget plan.

Mr Cooke advised that the Trust had a desire to implement a major redevelopment of Tullie House after the three years of the Business Plan. There was a long term intent to place the collections in a better environment that would do justice to the collections. Museums and art galleries were usually updated every 20 years or so and the Trust believed that the time was right for the Trust to recommend such a development to the City Council. The Trustees acknowledged that they managed the museum for the residents of Carlisle on behalf of the City council. The Trustees were in discussion with Officers to determine the best procedures for engaging with Members to ensure that the end result was a museum that the Trustees and Members could be proud of.

Ms Wade advised that the George Howard Collection had been well received and the museum had received a national award for its work on education.

In respect of the museum's collections Ms Wade explained that the Trustees had a vision of how they wished the museum to look in 2020 and had drafted a plan of how they wanted to work with the Council and partners. The museum had poor education facilities and the storylines needed to be refurbished. There was poor visitor circulation around the collections and also storage issues. The Trustees wished to discuss the Herbert Atkinson building with Council Officers.

Discussions had also taken place with the Heritage Lottery and a bid would be submitted within the next year or so. The Roman Frontier Gallery was doing well and had been given a strong push by the British Museum. The Trustees were now looking at international opportunities in countries such as China.

In March 2014 the Trustees would be submitting a bid with the Cumbria Museums Consortium to secure a three-year extension of Arts Council England's £2.3 million major grant funding from 2015. That would be undertaken with Cumbria Museums Consortium partners Wordsworth Trust and Lakeland Arts Trust. The original award, which was won against tough opposition from cities such as Birmingham and Sheffield, in effect placed Tullie House with its partner museums in the top sixteen in the country outside the national museums.

With regard to audiences there had been a number of temporary exhibitions and the outreach project had increased its numbers. There were various initiatives for young people that had been funded by the Arts Council. An apprentice scheme had started and there were currently three apprentices at the museum and the museum were looking at developing the scheme further. There was also a strong team of volunteers.

The Trustees were also starting a digital programme entitled Treasures of Cumbria in which people could submit their stories of Cumbria. The project would tie in with the World War 1 commemorations and it would be an opportunity for residents to put forward their own stories. The display of the Crosby Garret Helmet had been exciting and had realised 4,000 visitors over the last two weeks with over 300,000 Twitter reaches.

In terms of resources the Trustees were looking at business development, fund raising and increasing regeneration. The staff at the museum were very loyal and committed.

In considering the report Members raised the following comments and questions:

- *With core funding being reduced how would the museum be sustained? Would the museum start charging for projects?*

Ms Wade advised that the Trustees had recently changed their charging policy. They were looking at fund raising which was a major part of income generated over the next twelve months. The Trustees were also looking at appointing a Fund Raising Manager.

- *Appendix C indicated that the income generated for 2013/14 was £500,000. How did that compare to the first year that the Trust was in place?*

Mr Cooke explained that in the first year after transfer to Trust status the income generated was £250,000. It was anticipated that by the end of the Business Plan that figure would be nearly £750,000 (including about £100,000 from Cumbria Bio-Diversity Data Centre, which was part of Tullie House). That meant that generated income would increase from about 24% of the Council's core grant in 2012/13, the Trust's first year, to 63% in 2016/17 (recognising that there would be some reduction in Council grant over that period). The equivalent figures if the Cumbria Bio-Diversity Data Centre income was included would be 28% and 73%.

In response to a query from a Member Ms Wade gave a detailed breakdown of the income since 2011 from admission charges, Council budget and catering. Other sources of income included Grant Aid and interest from bank accounts. It was difficult to detail grants as they did not have a consistent pattern from year to year.

- *The justification for creating the Tullie House Trust was to enable the capacity for the Trust to generate income that would not be available to the Local Authority. Was the Trust on target with that funding or had it exceeded expectations?*

Mr Wheatley explained that it had exceeded expectations but it had been difficult to forecast for the first two years. A more accurate picture would be available for the coming year.

Mr Cooke explained that the Trust would have to re-apply for a grant from the Cumbria Museums Consortium over the next four months.

Ms Wade advised that when the previous bid had been won the bid had been put together by the Trusts themselves without the help of a professional fund raiser. Mr Cooke added that one of the major factors in winning that award was the fact that the Trust were working in partnership with two other major organisations in Cumbria and the outreach work was making art accessible to residents in Cumbria.

- *There was concern about the proposed reduction in Council grant and the potential impact on staff.*

Ms Wade advised that there was a lot of work to do but the Trust would look at ways of raising income and making savings from other sources before reducing staff numbers. The creating of a Fund Raising Manager post was seen as an investment.

Mr Cooke explained that the Trust would look at technology to enable the Trust to operate on a leaner basis.

The Culture, Health, Leisure and Young People Portfolio Holder acknowledged that the Trust had some tough decisions to make and increasing charges would be one option. A lot of work could be done on service delivery but none of the decisions would be taken lightly.

- *The Council were investing in other projects. Tullie House had been a superb museum for a number of years and the Council were now investing in a project that was not fully developed.*

Mr Cooke advised that if the Trust found it difficult to maintain the quality of service they would come back to the Council to discuss that best way forward but the Trust was not yet in that position. The Trustees had the scope to look at inventive ways to find funding and maintain their position. Mr Cooke added that he was pleased that the Council were investing in Arts projects and hoped that the proposed Arts Centre would complement Tullie House and the offer of Carlisle.

- *How long would the contract be for the Fund Raising Manager?*

Mr Cooke explained that that had not been decided but it would be preferable to have the post as a staff post rather than as an advisory position. The initiative was relatively short term looking to generate funding in the short term to meet the aspirations of the Business Plan.

- *After allowing for the grant to Tullie House did the Trust cost the Council less now than when it was under the Council's control?*

The Director of Resources advised that there had been a saving of £111,000 spread over three years from when the Trust commenced, ie a 10% reduction in direct costs. The proposed reduction would achieve a further 20% saving which would result in a 30% overall reduction which was in line with comparable savings elsewhere within the Council.

- *It had been anticipated last year that there would be 300,000 visitors to the museum this year but that figure had been amended to 250,000 by the end of the financial year. How confident was the Trust of achieving that figure?*

Ms Wade anticipated that there would be 242,000 visitors this year with an expected 250,000 the year after. The Crosby Garret helmet exhibition had had a positive impact on visitor numbers and the Trust was looking at an upward trend.

- *There was concern that the Trust's vision was ambitious. Members queried what contingency plans were in place should the proposed bid fail.*

Mr Cooke stated that they would go back to the Heritage Lottery Fund with a less ambitious option and use the available space for additional gallery and storage.

Ms Wade advised that she had had a very positive meeting with representatives from the Heritage Lottery Fund who had taken a draft of the 2020 vision. The representatives were very supportive and believed that the vision was along the right lines. The Trust recognised that it was important that they worked with partners such as the Council and the University. The bid would be worked up over the next year and then submitted in November 2014. The bid would have to go through the national office and would be competing against museums in large cities.

Mr Cooke added that stage one of the submission was key and there was a lot of work to ensure the bid was in good condition before it was submitted.

In response to a query regarding the Trust's 2020 vision Mr Cooke stated that the Trust would like to make a formal presentation to the Council at some point. Ms Wade added that the museum had superb collections that currently could not be displayed or made accessible to visitors. Work with toddler groups had increased but the conditions that schools were brought into were appalling and access for children with disabilities was difficult.

Mr Cooke explained how the collections were organised and explained that Tullie House was like four different museums. The Trust would like the linkage between the different collections to be better.

The Trust were looking at the possibility of introducing a visitor orientation gallery that would allow visitors to see what was in the museum before paying their entrance charge which was something that a number of museums had started to do.

- *It was good to see that the Trust was making use of the services to help the health and wellbeing of children.*
- *The Trust had been in existence for only two years but was doing a good job. They could look for funding in areas not available to the City Council and realised that they were the caretakers of that part of the historic quarter. The Member believed that the Council had a duty to support the museum on behalf of the residents of Carlisle and should provide the support that the Trust needed for the future.*

Mr Cooke stated that the Trust were aware from the beginning that they would have to demonstrate that they were capable of running the museum and believed that they would continue to be able to demonstrate that over the next three years.

- *The museum belonged to the people of Carlisle and it should be funded by the tax payers' money.*

The Communities and Housing Portfolio Holder hoped that the Trust were more than caretakers and believed that the City Council could continue to contribute. In view of the Council's financial situation the grant proposed was generous.

- *There was concern about the risk over the £1,000,000 investment in the Arts Centre which did not have a Business Plan.*

The Communities and Housing Portfolio Holder stated that she hoped that the development of the Arts Centre would complement the work of Tullie House and that the Council and the Trust could work together to complete the work in the museum. The Arts Centre would be new and bring in a different generation.

- *Tullie House should complement the Arts Centre more. Money was being taken from Tullie House to fund the Arts Centre.*
- *Tullie House currently contributed to the economy while the Arts Centre did not. Had the effect on the local economy been considered?*

The Director of Resources believed that there was no correlation between the Arts Centre and Tullie House in financial terms. The City Council would have to subsidise the Arts Centre but not to the same level as Tullie House.

- *Had the staff who had transferred been covered by TUPE conditions?*

Mr Cooke explained that staff had been transferred under TUPE. The local conditions included high fixed costs and the Trust may wish to consider changing the balance of fixed to variable elements of remuneration that could be more performance related. That would need to be looked at very carefully. The aim was to ensure employment costs were managed and that staff were able to work more flexibly. If there was any question of changing the employment contracts of staff who had transferred across from the Council that would be done in consultation with them in the proper way. The Trust would seek guidance from the Council's HR Officers but they had no specific plans at present.

- *A Member had confidence in what the Trust were doing. He acknowledged Members' concern but believed that they had to be more positive and the situation had to be accepted. The Member wished the Trust well and believed that they would achieve the funding they were seeking.*
- *What was the position in respect of purchasing services?*

Mr Cooke explained that prior to the creation of the Trust there had been discussion on funding for central services. It had been decided that services such as HR and payroll, ICT, premises management and procurement services would continue with the City council for an indefinite period. If the Trust wished to terminate that agreement they were required to give 12 months notice. The services did not include finance and accounting as the Trust, being a charity, had to have their own independent financial and accounting advisors. The Trust would be looking at the feasibility of transferring some of the services to external bodies and it had been indicated that the Trust could save around £10,000 from 2015/16 but recognised that a lot of discussion on the matter was required.

The Chairman thanked the Trust representatives for their time and input.

RESOLVED: 1) That Report SD.09/13 be noted.

(The meeting ended at 12.25pm)