

COMMUNITY OVERVIEW AND SCRUTINY PANEL

THURSDAY 15 OCTOBER 2015 AT 10.00AM

PRESENT: Councillor Burns (Chairman), Councillors Ellis, Mrs Franklin, Mrs McKerrell, Osgood, Mrs Stevenson, Mrs Vasey and Ms Williams.

ALSO

PRESENT: Councillor Quilter - Culture, Leisure and Young People Portfolio Holder
Councillor Glover - The Leader (Observer)
Councillor Martlew - The Economy, Enterprise and Housing Portfolio Holder (Observer)

OFFICERS: Director of Resources
Contracts and Community Services Manager
Arts Development Officer (until 10.50am)
Overview & Scrutiny Officer

COSP.59/15 MINUTES SILENCE

Members stood for a minutes silence as a mark of respect to the memory of Councillor Scarborough. The Chairman noted Cllr Scarborough's valuable contribution to this and other panels during his time on the Council and members agreed he would be sadly missed.

COSP.60/15 APOLOGIES FOR ABSENCE

An apology for absence was submitted on behalf of the Deputy Chief Executive and the Communities, Health and Wellbeing Portfolio Holder.

COSP.61/15 DECLARATIONS OF INTEREST

Councillor Osgood declared an interest in Item 4 – Leisure Contract, as he was a member of Stoney Holme Golf Club.

COSP.62/15 PUBLIC AND PRESS

It was agreed that the items of business in Part A be dealt with in public.

COSP.63/15 MINUTES OF PREVIOUS MEETINGS

RESOLVED – That the minutes of the meetings held on 3 September 2015 be noted.

COSP.64/15 CALL-IN OF DECISIONS

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

COSP.65/15 OVERVIEW REPORT AND WORK PROGRAMME

The Overview and Scrutiny Officer presented report OS.20/15 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 Overview and Scrutiny Officer reported that the Notice of Key Executive Decisions, published on 18 September 2015, included the following item which fell within the remit of this Panel.

KD.28/15 – Carlisle Plan– the matter was considered by the Panel at their meeting on 3 September. The Carlisle Plan will go back to the Executive on 19 October 2015 to consider the feedback from consultation.

KD.33/15 – Budget Process 2016/17- on the work programme for the relevant areas to be on the agenda of this Panel on 19 November 2015.

KD.34/15 – Leisure Contract–considered by the Panel at the meeting.

Members did not comment on Forward Plan.

The Panel's Work Programme had been attached to the report and Members were asked note and/or amend the Panel's Work Programmes and in particular consider the framework for the next meeting.

The Chairman noted that the next meeting of the Committee had two substantial items on the agenda; Tullie House Business Plan and the Greenwich Leisure Limited Annual report, which meant that the meeting would potentially be of extended duration and that Members should ensure that they allocated sufficient time in their diaries for the meeting.

RESOLVED – That the Overview Report (OS.20/15) incorporating the Work Programme and Notice of Executive Decisions items relevant to this Panel be noted.

COSP.66/15 THE OLD FIRE STATION

The Arts Development Officer gave a presentation which outlined the performance of the Old Fire Station to date, including; attendance figures: 3,500 attended since the opening; social media and marketing: 10,647 website visits, 3857 Facebook likes and 1507 twitter followers; and 77 confirmed bookings for 2016. The Programme had commenced with a launch phase that had included activities such as literary events, dance, jazz, rock / pop and classical music as well as exhibitions and theatre events; in total forty-five performances had been staged at the Old Fire Station. Discussions with promoters and acts at local, regional and national levels would continue to ensure that the Programme.

The Contracts and Community Services Manager submitted report SD.22/15 which gave an overview of the operation of the Old Fire Station since its opening in May 2015.

The Contracts and Community Services Manager informed Members that since the production of the report, the Council had contacted the contractor regarding the lift and instructed them to find an alternative supplier. The contractor had responded to the Council, advising that they were seeking a new sub-contractor, and anticipated a period of ten to twelve weeks for the lift to be installed once an agreement to supply had been reached.

The Contracts and Community Services Manager informed Members that the Council had received advice from Price Waterhouse Coopers which indicated that the Old Fire Station

would not qualify for VAT exemption for cultural activities. He explained that in order for this exemption to be applied, the Old Fire Station would be required to be the only provider of cultural activities in the city, which they were not. However, the Council had set aside monies for VAT payments in the Old Fire Station budget, so this expenditure would not comprise an additional budget pressure.

The Contracts and Community Services Manager drew attention to the Old Fire Station's budgetary performance. Regarding the full financial breakdown in the report, he noted that there was a lag in income figures, particularly from ticket sales as they were paid following an event. Conversely, expenditure related to booking fees and / or deposits were committed from the budget well in advance. Taking into account these factors, the Old Fire Station was performing, financially, as it had been profiled, and since the drafting of the report the income to date figure was £39,000.

In response to a question from a Member regarding figures included in the Budget section of the report, the Director of Resources agreed to provide a detailed written response to Members, including any variance from the original budget. He added that the Old Fire Station did not qualify for NNDR.

The Culture, Leisure and Young People Portfolio Holder commented that it had been disappointing to have lift out of operation. The problem had arisen as contractor had been let down by their sub-contractor, who had gone into liquidation, this circumstance could not have been foreseen by the Council, but she hoped that it would be addressed in the near future. She commented that public reception of the Old Fire Station had been positive, both from residents and through social media. The Culture, Leisure and Young People Portfolio Holder was pleased to advise Members that the Old Fire Station had won the Carlisle Living "Inspiration Award", which was a source of great pride and a tribute to the former leader of the Council, Councillor Hendry.

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

- *How does the Bistro work with the Old Fire Station regarding promotion of events?*

The Contracts and Community Services Manager replied that the Bistro and the performance elements jointly promoted events as this was beneficial to both parts of the Old Fire Station. The Bistro's trade increased when events were taking place at the Old Fire Station, and it would be adding events to the programme going forward, which would increase footfall into the Old Fire Station. Lunchtime business for the Bistro remained variable, but was anticipated that footfall would increase as the venue became more established. The Council's relationship with the Bistro was working well, and this was something the Council would look to cement as the Old Fire Station continued to operate.

The Culture, Leisure and Young People Portfolio Holder advised Members that plans for signage for the Old Fire Station had been submitted to the County Council, but these had not yet been approved. After Christmas, all Council marketing would include a map of Carlisle, indicating the Old Fire Station. She felt that usage would build up over time, and the Old Fire Station was actively investigating options for different ways for the space to be used, such as a venue for weddings.

- *A Member raised concerns about parking by visitors using the Old Fire Station*

The Contracts and Community Services Manager replied that he had been made aware of a small number of problems with users of the Old Fire Station parking in residential parking areas. He felt that it would be possible to include parking information on tickets and emails to customers of the Old Fire Station to make them aware of where they could properly park their vehicles. Signage was another option that could be investigated in relation to car parking. He asked Members to advise him if problems did occur with parking by users of the Old Fire Station, so that these could be monitored and addressed.

- *Would the Panel receive a full report on customer feedback?*

The Contracts and Community Services Manager replied that he would be happy to provide a report. He suggested that more meaningful information would be available following the Christmas period, when the Old Fire Station had operated for greater length and more meaningful data would have accumulated, and report would be presented at an appropriate time.

- *Was it possible to identify the number of people using the Old Fire Station through the two for one offer deals in the local press?*

The Contracts and Community Services Manager replied that the Council were able to track these tickets, as only a limited number were given out, he did not have figures to provide to the Panel. He added that the Council was also able to profile information about people using the Old Fire Station, for example their postcode area through electronic sales methods such as Skiddle. He anticipated that in future, more campaigns and ticket offers would be made available through social media, as the Old Fire Station's presence increased in those mediums.

- *Given the Council's desire for this facility to open up access to a broad range of arts and cultural activity to a wider section of the community, were there any measures in place to track where users were coming from e.g. postcode identification?*

Online ticket sales were analysed by postcode to reveal the location of customer base. Customer Satisfaction surveys also captured event attendees and their postcode information. Currently there was no mechanism for capturing customer location for 'in person' ticket sales at either the Old Fire Station or the Tourist Information Centre. However systems with the potential to capture this information from "in person sales" would be considered as a mechanism for capturing this information.

- *What are the plans to integrate the Old Fire Station with other arts and cultural providers in the city?*

The Arts Development Officer responded that the Old Fire Station was seeking to pull people together from the university, Tullie House, Gallery Number 3, West Walls Artists and other groups to work together. The Council would also look to work with the new theatre at Harraby, when it opened in January 2016, as well as working directly with other arts providers in the city, the Council would also seek to share its relationships with promoters and others in the industry. There was a need to develop a strategy for arts in the city as a whole, and the Old Fire Station could be used as catalyst for the growth of creative industries in the city.

The Panel expressed their appreciation of the success the Old Fire Station had enjoyed to date, and hoped this would continue into the future.

RESOLVED – (1) That the presentation be welcomed and report SD.22/15 be noted.

COSP.65/15 LEISURE CONTRACT

The Contracts and Community Services Manager submitted the Leisure Contract report which provided an overview of the procurement process regarding a new contract for operation of the Council's leisure centres and sports facilities.

The Contracts and Community Services Manager informed the Panel that the current contract with Greenwich Leisure Limited (GLL) had commenced in November 2002 and was due to expire in November 2017. GLL had indicated that subject to the agreement of the allocation of termination costs it would accept an early termination of the current contract. He noted that the market for leisure contract provision had altered markedly since the Council's current contract had been entered into, and early termination had the potential to realise significant financial savings for the Council. In addition, the need for new investment in leisure facilities, particularly the need for a new swimming pool facility was a key driver in the Council's decision to investigate new leisure contract options.

The Contracts and Community Services Manager reminded Members that the Executive had granted permission in June 2015 for market testing to be conducted to establish the level of interest in take up for the contract. He was pleased to inform the Panel that nine operators had responded to the exercise, and they comprised a mixture of large, national level providers along with smaller operators. Feedback from the market testing exercise had indicated that operators were familiar with local authorities seeking contracts based on zero level subsidies, and this was not uncommon in the tendering for a second generation leisure trust contract. This indicated that the Council would be successful in realising savings in its new contract. The Council's plans for new swimming facilities on the Sands Centre site had also been welcomed by operators who had engaged in the exercise.

The Contracts and Community Services Manager advised Members that a report from V4 Limited containing further options on how to progress the tendering process was to be considered by the Executive at its meeting on 19 October 2015.

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

- *A Member expressed concern that a new contract may reduce the range of services provided; particularly the golf offering, he sought reassurance that the provision would be maintained.*

The Contracts and Community Services Manager explained that golf was particularly challenging service for operators to provide as it had high costs in terms of maintenance. The Swifts flooded periodically which required remedial action to be undertaken to return the facilities to a usable standard, and this may be off putting to potential providers. He advised that there were a number of options with regards to golf provision, ranging from excluding it from the leisure contract to engaging a specialist operator to deliver the service. In discussions with potential operators the Council would identify and consider the provision of golf facilities as part of the contract negotiations as a whole.

The Culture, Leisure and Young People Portfolio Holder commented that she was aware that the Swifts and Stony Holme courses were used and well supported by residents, and golf provision would be an aspect she would be monitoring as the tendering of the contract process progressed.

- *A Member asked for further detail of the costs associated with early termination of the current contract.*

The Contracts and Community Services Manager explained that the main cost to the Council associated with early termination of the current contract would relate to equipment, as over the duration of the current agreement, GLL had added new equipment to the facilities it managed, the details of which had been collated in an inventory. The Council had earmarked funds to meet this expenditure from its own budget; however this cost would potentially be taken on by the new provider.

- *What level of involvement would the Council have with the leisure facilities once the contract had been signed?*

The Contracts and Community Services Manager explained that the Council's level of involvement with the leisure facilities after a contract had been entered into would be dependent upon the terms agreed in the contract. The new contract was expected to cover a ten to fifteen year time period, which would allow the provider to plan and deliver services over the long term. The Council involvement with the provider would also be defined by the terms of the agreed contract.

- *How would the zero subsidy level the Council was seeking in a future contract be budgeted, and how would new Pools facilities be funded?*

The Director of Resources responded that the zero level subsidy had been included in the Medium Term Financial Plan (MTFP) from financial year 2017/18. Regarding the funding of swimming pool facilities, he advised that a £5M loan would be taken out to fund the core scheme of works, and additional investment from external sources may be forthcoming, Sport England had indicated a potential contribution to the new facilities in the range of £500k to £2M. The £5M loan the Council would take to fund the project would be prudential borrowing through a capital repayment agreement, based on current interest rate and this would be included in the MTFP accordingly.

- *What action could the Council take to ensure that costs for leisure facilities users would be kept affordable?*

The Contracts and Community Services Manager advised that price control measures would be part of the ongoing discussions between Officers and the Executive, and with potential operators. The inclusion of price controls into the contract would potentially affect the Council's ability to realise a zero subsidy agreement, as an operator may require a level of subsidy to make up any shortfall in income as a result of the price controls. He added that competition from other leisure and sport facilities in the city, such as Bannatynes, Lifestyle Fitness, and DW Gym would also act to keep prices at an affordable range for residents.

- *Had any designs for the new pool facilities been developed and had a timescale for commencing works been identified?*

The Contracts and Community Services Manager reminded Members that the Sports Facilities Strategy had stipulated a 25m, eight-lane pool at present, however, no specific design for new pool facilities had been formulated. The development of new swimming pool facilities was an area the Council was keen to commence discussion about with operators at an early stage in the new contract arrangements. He anticipated that the design, planning and construction of a new pool facility would take around two years to complete.

- *Would the current Pools facilities at James Street remain open whilst the new pool facilities were under construction?*

The Contracts and Community Services Manager responded that it was the Council's intention to continue to operate The Pools at James Street until the new facility at the Sands Centre was operational to ensure resident had access to swimming facilities. However, should an equipment failure occur at James Street, the Council may be required to close that facility as it may not be cost effective to carry out significant repair works. At present no plans for the Pools site at James Street following its closure, had been put together, that would be addressed through the democratic process at the appropriate time.

- *A Member expressed concern that the facilities at the new swimming pool should seek to go beyond merely complying with disability access requirements, and provide good quality access and use.*

RESOLVED – (1) That the Leisure Contract report (SD.23/15) be welcomed.

(2) The observations of the Panel as set out above, be conveyed to the Executive.

(The meeting finished at 11.28am)