



# AGENDA

## Community Overview and Scrutiny Panel

Thursday, 15 October 2015 AT 10:00  
In the Flensburg Room, Civic Centre, Carlisle, CA3 8QG

**PLEASE NOTE: Members should allocate at least 2 hours for Scrutiny Meetings.**

**\*\*Briefing meeting for Members will be at 9.30 am in the Flensburg Room\*\***

### **Apologies for Absence**

To receive apologies for absence and notifications of substitutions.

### **Declarations of Interest**

Members are invited to declare any disclosable pecuniary interests, other registrable interests and any interests, relating to any items on the agenda at this stage.

### **Public and Press**

To agree that the items of business within part A of the agenda should be dealt with in public and the items of business within Part B of the agenda should be dealt with in private.

### **Minutes of previous meeting**

5 - 12

To note the minutes of the meeting held on 3 September 2015.  
(Copy Minutes herewith).

## **PART A**

**To be considered when the Public and Press are present**

### **A.1 CALL-IN OF DECISIONS**

To consider any matter which has been the subject of call-in.

### **A.2 OVERVIEW REPORT AND WORK PROGRAMME**

**13 -  
18**

To consider a report providing an overview of matters related to the work of the Community Overview and Scrutiny Panel, together with the latest version of the Work Programme and details of the Key Decisions items relevant to this Panel as set out in the Notice of Executive Key Decisions.  
(Copy Report OS.20/15 herewith)

### **A.3 OLD FIRE STATION**

**19 -  
30**

(Culture, Health, Leisure and Young People)

The Deputy Chief Executive to submit a report on the performance of the Old Fire Station.  
(Copy Report SD.22/15 herewith)

### **A.4 LEISURE CONTRACT**

**31 -  
38**

(Culture, Leisure and Young People)

The Deputy Chief Executive to submit a report considering the next steps regarding procurement of a new Leisure Contract.  
(Copy Report SD.23/15 herewith)

## **PART B**

**To be considered when the Public and Press are excluded from the meeting**

**NIL**

## **Members of the Community Overview and Scrutiny Panel**

**Conservative** – Ellis, Mrs McKerrell (Vice Chairman), Mrs Vasey, Bainbridge (sub), Bloxham (sub), Mrs Mallinson (sub)

**Labour** – Burns (Chairman), Osgood, Scarborough, Mrs Stevenson, Ms Williams, Caig (sub), Ms Franklin (sub), Harid (sub)

**Enquiries, requests for reports, background papers,  
etc to Committee Clerk: Jacqui Issatt - 817557**



**COMMUNITY OVERVIEW AND SCRUTINY PANEL**

**THURSDAY 3 SEPTEMBER 2015 AT 10.00AM**

PRESENT: Councillor Burns (Chairman), Councillors Ellis (until 11.30am), Mrs McKerrell, Osgood, Scarborough, Mrs Stevenson, Mrs Vasey and Ms Williams.

ALSO

PRESENT: Councillor Mrs Quilter – Culture, Leisure and Young People Portfolio Holder (until 11.50am)  
Councillor Mrs Riddle – Communities, Health and Wellbeing Portfolio Holder (until 11.50am)  
Councillor Glover – The Leader (from 10.20am)

OFFICERS: Deputy Chief Executive  
Housing and Health Manager  
Private Sector Housing Technical Team Manager  
Policy and Communications Manager  
Overview and Scrutiny Officer

**COSP.49/15 APOLOGIES FOR ABSENCE**

An apology for absence was submitted on behalf of Director of Economic Development.

**COSP.50/15 DECLARATIONS OF INTEREST**

There were no declarations of interest in respect of the business to be conducted.

**COSP.51/15 PUBLIC AND PRESS**

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

**COSP.52/15 MINUTES OF PREVIOUS MEETINGS**

RESOLVED – That the minutes of the meetings held on 23 July 2015 be approved and signed by the Chairman as a true record of the meeting.

**COSP.53/15 WELCOME**

The Chairman welcomed the new Committee Clerk to her first meeting.

**COSP.54/15 CALL-IN OF DECISIONS**

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

**COSP.55/15 PRIVATE SECTOR HOUSING IN CARLISLE**

The Housing and Health Manager and the Private Sector Housing Technical Team Manager gave a presentation on the private sector housing in Carlisle; a copy of the presentation had been circulated to Members.

The Private Sector Housing Technical Team Manager opened the presentation by noting the Council's duty to assess Private Sector Housing across the District. In looking at the picture of Housing Tenure, the Officer noted that Carlisle had a high proportion of Private Sector Rental Properties, in comparison to the county and national average figures. The sector had seen recent growth of 8%, which was slightly below the national average. The Stock Profile was highlighted as it illustrated the different ages of stock in the City, and how it complied with the relevant Housing Standards. The Officer then outlined the General Housing Characteristics in the Private Sector, and the Person Profile of those who used the sector. There were six hundred and thirty-four long term empty properties in the Private Sector in the City, which were defined as those that had been empty for more than six months. Those who privately rented in the City lived mainly in terraced housing and flats, and tenants were staying longer in their homes. 58% of Private Sector renters were aged between 25 and 44. 72% of those in the Private Rented Sector were in Employment.

The Private Sector Housing Technical Team Manager described the Housing Conditions and gave an overview of the Housing and Health and Safety Rating System, as well as the Decent Homes Standard. They covered areas on which a property was assessed; defects, thermal comfort, damp, fire, slips and trips; and how they should be categorised in relation to their severity. The presentation included photographs which illustrated some of the defects which had been found during inspections undertaken by the team.

The presentation described the statutory framework that governed the Private Rented Sector, and the Council's obligations in this area, which comprised; dealing with complaints, Duty to assess properties, Duty to take action and, Houses of Multiple Occupation. The work of the team in 2014/15 was highlighted; all of the one hundred and five licenced properties had been inspected, eighty-nine complaints had been dealt with, and fifty-four Empty Properties had been brought back into use.

The Private Sector Housing Technical Team Manager concluded the presentation by outlining the direction of the team's work for 2015/16 that would include; a Risk Assessed approach to inspection in the Private Rented; a project to fund heating systems for off gas properties without central heating which would use part of £1.14M funding from Department of Energy and Climate Change. The project funding would be shared with Allerdale, Eden, and South Lakeland District Councils.

In receiving the presentation Members raised the following questions and comments:

- *How many long term empty properties were in the private sector?*

The Private Sector Housing Technical Team Manager explained that Social Housing was not counted in the figures. Most of the empty properties in this classification were there as a result of being on sale on the open market or being in Probate.

- *How many void properties were there in the City?*

The Private Sector Housing Technical Team Manager advised that there were around 1,500 properties classed as void. This meant that they had been empty for up to six months. The figure included Housing Associations properties.

- *How did the Council know how many properties were empty?*

The Private Sector Housing Technical Team Manager explained that the information came from the Council's Council Tax Database.

- *Were age and disability linked in the breakdown of the Private Rented Sector person profile?*

The Private Sector Housing Technical Team Manager noted that the proportion of people with disabilities in the private sector was higher than the national average. Additionally, Cumbria as a whole has an older than average population, and there may be a causal link between the two. However, when the figures are collated the type of disability was not recorded.

- *Does the Housing and Health and Safety Rating System apply to Riverside too?*

The Private Sector Housing Technical Team Manager advised that Housing Associations had to comply with the Decent Homes standards.

- *How supportive were private landlords of the Rating Scheme?*

The Private Sector Housing Technical Team Manager advised that ninety-five percent of complaints raised by tenants were dealt with, by landlords, within three months. In many cases the reasons that the standards were not met and complaint was raised was that the landlord had not been aware of the standard requirements. The Council's approach was to focus on education and advice, rather than enforcement. If a landlord failed to comply with a standard, the Council would issue a formal Notice. Not complying with the Notice was a legal offence, the Council had only served a handful of Notices in the past three years.

- *Would the Council's new policy on Private Sector Landlords include issues such as Anti-Social Behaviour and the Environment?*

The Private Sector Housing Technical Team Manager responded that the Environmental Health Manager was looking into these areas and liaising with residents to develop methods for addressing these issues.

- *Could Members be provided with a copy of the Decent Homes Standard and the Housing and Health and Safety Rating System?*

The Private Sector Housing Technical Team Manager advised that the documents were both large and technical. She suggested Members may benefit from having copies of the guidance leaflets given to tenants and to circulate a copy.

- *Did the Council have statutory time limits to respond to complaints or access properties for inspection?*

The Private Sector Housing Technical Team Manager noted that there was no statutory requirement relating to response times. However, the Service Standards adopted by the team stipulated that they would; respond to a complaint in five working days of its receipt; conduct a visit within two weeks, and produce an inspection report within 14 days of the inspection. She added that prior to any visit the resident was given a leaflet that outlined what would happen during the inspection.

- *Was the Empty Homes Officer still in post?*

The Private Sector Housing Technical Team Manager advised that the post was still filled and that the Officer had been in the process of identifying the exact number of properties in the City that were currently classed as empty. This would ensure the information the team had for statistical analysis was correct.

- *What percentage of privately rented properties in the City were Houses of Multiple Occupation?*

The Private Sector Housing Technical Team Manager advised that the team estimated 7% were Houses of Multiple Occupation.

- *The funding for Empty Homes had been reduced, how did this impact the work of the Private Sector Team?*

The Private Sector Housing Technical Team Manager explained that there had been previously been a number of funding sources open to the team, but these were no longer available. As a result, the team could only offer advice to tenants.

- *The figures indicate that 72% of people in Private Sector rented properties were in employment. Was a comparable figure for the Social Housing Sector available?*

The Private Sector Housing Technical Team Manager noted that this information may be found in the Housing Needs Survey.

- *What has been the impact of the recession on the Private Rented Sector?*

The Private Sector Housing Technical Team Manager explained that the recession had meant that some home owners who had experienced difficulties selling their properties had begun renting them out in the Private Sector. This had increased the number of properties available in the sector. The Private Sector Housing Technical Team Manager noted that the City now had a property auction house, whereas previously it had not. It was felt that lower level stock in the market was sold through this mechanism.

RESOLVED – (1) That the presentation be noted. The Members thanked the Officer for her very professional and informative presentation.

## **COSP.56/15 OVERVIEW REPORT AND WORK PROGRAMME**

The Overview and Scrutiny Officer presented report OS.17/15 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 24 July 2015, included the following item which fell within the remit of this Panel.

- KD.28/15 – Carlisle Plan which was included on the agenda
- KD.29/15 – Demonstration Project – Affordable Housing Provision – The Executive considered the matter on 24 August 2015.



The Panel's Work Programme had been attached to the report and Members were asked to discuss suggested topics for Task and Finish groups to decide the purpose of scrutiny and where focus should lie in order to gain maximum value and to consider the timing of the reviews.

At the request of the Panel, the Housing and Health Manager explained that the Demonstration Project was an innovative approach to building Affordable Housing and meeting skills shortages. To deliver the housing the project would utilise Council land, Homes and Communities Agency Funding, and Carlisle College building and construction apprentice skills. The finished properties would become the property of a Registered Social Landlord. The approach of the project was to re-think housing; what could housing do for the local economy? The design and construction phase would support jobs, and the new properties were addressing an evidential need for further affordable housing in the City.

In response to questions the Housing and Health Manager clarified the following;

- The age of apprenticeships would be a decision for the College.
- The Registered Social Landlord would give consideration to the type and mix of properties in the project, but would include Affordable Housing.
- *Social Housing tenants have the Right to Buy their property after three years, what impact would this have?*

The Housing and Health Manager noted the government's manifesto and the potential Housing Bill in autumn, that would potentially give the Right to Buy to Registered Social Landlord tenants. Tenants earning above the local average wage would be required to pay a market rent. The clear message from government was reward through owner occupation.

- *A Member expressed concern that the Project was focussing on Affordable properties, which could alienate some tenants, who may not be able to afford the properties in the project. They felt a focus on Social Housing might have been more beneficial.*

The Housing and Health Manager responded by defining the term Affordable Housing. They rented at 80% of the prevailing market rate; Social Housing was marketed at a lower rate than that. The properties delivered by the project were to be available to those who do not have a house, or had not been able to get into the market. The Strategic Housing Market Assessment had indicated that the needs of these people were for rental properties.

RESOLVED – (1) That the Overview Report (OS.17/15) incorporating the Work Programme and Notice of Executive Decisions items relevant to this Panel be noted.

(2) That the Leisure Facilities Development Report be included on the agenda for the Panel's October meeting.

## **COSP.57/15    CARLISLE PLAN 2015-18**

The Policy and Communications Managers submitted report PC.16/15 presenting the draft Carlisle Plan. Attention was then drawn to the draft Carlisle Plan 2015-18 (attached as Appendix 1) which set out the Council's overall vision for Carlisle, supported by five priorities. The vision gave a clear direction and context for all of the Council's activities. Opportunities

to improve health, wellbeing and economic prosperity would be maximized through the five priorities that supported the vision.

The Leader explained that a programme of 'Listening Council' events had been held from 24 August 2015 to give residents the opportunity to comment on the draft plans for Carlisle's future. In addition to consultation with partners, community and voluntary groups consultation would also be carried out the Youth Council to seek their views on the plan. He outlined some of the issues which had been brought up during the events thus far; the future of independent retailers in the city; making the city's retail offer stand out; improving branding of the Fair Trade City status; making the housing market sustainable; the importance of promoting the city's heritage and arts facilities; the leisure facilities offer in the city; making the Mayor's Charity able to benefit from Gift-Aid.

In considering the Carlisle Plan Members raised the following comments and questions:

- *How well attended had the Listening Council events been?*

The Leader responded that they had not been as well attended as hoped, but they had been worthwhile. Those who had taken part in the events had stayed for some time and made contributions. He also noted that residents now had a lot of opportunities to contact the Council, for example, through electronic mail which had not previously been available.

- *A Member asked how the events were advertised.*

The Leader explained that; a large advert had been included in the Cumberland News, along with and article leaflets had been distributed, and the events had been advertised on social media, in Community Centres and on local radio. There had also been a stall in the city centre during the week of the Pageant, where people had been able to take part in the process.

- *A Member highlighted the change in people's shopping habits, due to the internet, and asked was it time to think outside the box and include more cafes and restaurants between shops in the city centre?*

The Leader did feel that this was important, and noted the increasing number of bars and restaurants in the city centre. Housing and restaurants were other potential parts of the mix for growing the city centre. He further observed that it was important to balance both large retailers and smaller independents to give Carlisle a unique offer and the Plan could help to develop this.

- *One of the priorities was to develop sports, arts and culture: would current venues be protected?*

The Leader responded that each offer would need to be considered on an individual basis. Factors such as frequency of use, and other potential uses could be looked into.

- *A Member felt that it was very important that the retail shops in the city were protected to maintain an incentive for visitors. The move towards including a greater proportion of bars and restaurants should not impact too greatly upon the shopping offer of the city.*

The Leader noted the change in people's shopping habits, which now relied more in internet shopping. However, he felt that the city's events offer increased footfall into the city, and thereby offer some support to retailers in the centre.

- *How realistic was it to expect each of the priorities to be met when the Council's finances were being reduced?*

The Leader replied that they were very realistic. The Council had strong partnerships in the city, which would help to deliver priorities. He added that the Council would continue to build partnerships to grow the city.

RESOLVED – That the Carlisle Plan 2015-18 (PC.16/15) be welcomed and the comments of the Panel as set out above be considered by the Executive.

### **COSP.58/15 1<sup>ST</sup> QUARTER PERFORMANCE REPORT 2015/16**

The Policy and Performance Officer submitted report PC.12/15 updating the Panel on the Council's service standards that helped measure performance. The report also included an update on key actions contained within the Carlisle Plan 2013-16.

The Policy and Performance Officer reported that the revised priorities contained within the Carlisle Plan 2015-18 would be reported from the 3<sup>rd</sup> quarter onwards following full Council in November. Details of each service standard were included in the report in section 1. To coincide with the introduction of a new Complaints Policy, Corporate Complaints had been included in the report as a new service standard.

RESOLVED – That report PC.12/15, 1<sup>st</sup> Quarter Performance Report 2015/16, be welcomed.

(The meeting ended at 12.00)



<b>Community Overview and Scrutiny Panel</b>	<b>Agenda Item:  A.2</b>
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Meeting Date: 15<sup>th</sup> October 2015  
Portfolio: Cross Cutting  
Key Decision: No  
Within Policy and  
Budget Framework  
Public / Private Public

Title: OVERVIEW REPORT AND WORK PROGRAMME  
Report of: Overview and Scrutiny Officer  
Report Number: OS 20/15

**Summary:**

This report provides an overview of matters related to the Community O&S Panel's work. It also includes the latest version of the work programme.

**Recommendations:**

Members are asked to:

- Note and/or amend the Panel's work programme

**Contact Officer:** Sarah Mason **Ext:** 7053

**Appendices attached to report:** 1. Community O&S Panel Work Programme 2015/16

## **1. Notice of Key Executive Decisions**

The most recent Notice of Key Executive Decisions was published on 18 September 2015 and was circulated to all Members. The following items fall into 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** - on the agenda for this Panel meeting

## **2. Work Programme**

The Panel's current work programme is attached at Appendix 1. Members are asked to note and/or amend the Panel's work programme and in particular consider the framework for the next meeting.

The following items are scheduled for the next meeting:

- Budget setting 2016/17-2020/21
- Greenwich Leisure Ltd Annual performance report
- Tullie House Business Plan
- Quarterly Performance monitoring report

**Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None**

# COMMUNITY OVERVIEW AND SCRUTINY PANEL WORK PROGRAMME 2015/16

Issue	Type of Scrutiny							Comments/status	Meeting Dates							
	Performance Management	Key Decisions Item/Referred from Executive	Policy Review/Development	Scrutiny of Partnership/ External Agency	Monitoring	Budget										
									11 Jun 15	23 Jul 15	3 Sep 15	15 Oct 15	19 Nov 15	14 Jan 16	18 Feb 16	31 Mar 16
<b>CURRENT MEETING 15<sup>th</sup> October 2015</b>																
Arts Centre	✓						Performance of the Arts Centre (in the first months after opening)				✓					
Sports and Leisure new contract							Results of market engagement for new contract				✓					
<b>TASK AND FINISH GROUPS</b>																
Young People <i>Needs of Young People</i>							Possible topics for Task and Finish groups.									
Health Issues in Carlisle																
<b>FUTURE ITEMS</b>																
Scrutiny Annual Report			✓		✓		Draft report for comment before Chairs Group							✓		
Welfare Reform Agenda							Scrutiny of Council contribution (after informal briefing at Council)						?			
Budget setting 2016/17-2020/21		✓	✓				Consideration of service implications				✓					
Greenwich Leisure Ltd							Annual Performance Report				✓					

# COMMUNITY OVERVIEW AND SCRUTINY PANEL WORK PROGRAMME 2015/16

Issue	Type of Scrutiny							Comments/status	Meeting Dates							
	Performance Management	Key Decisions Item/Referred from Executive	Policy Review/Development	Scrutiny of Partnership/ External Agency	Monitoring	Budget			11 Jun 15	23 Jul 15	3 Sep 15	15 Oct 15	19 Nov 15	14 Jan 16	18 Feb 16	31 Mar 16
Riverside Annual Report							Monitoring progress and developments of joint working (consider including all social landlords)						?			
Tullie House Business Plan							Annual scrutiny of Tullie House Business Plan					✓				
CSP Strategic Assessment							Presentation of the Strategic Assessment that informs that Partnership Plan						✓			
Community Safety Partnership		✓					Scrutiny of the Partnership Plan		✓					✓		
Energy Efficient Project							Impact of new legislation							✓		
Customer Services	✓						Performance of new web-site					Date to be				
New Homes bonus / Housing Quality / Empty properties							Review same time as Riverside report?					Date to be				
<b>Completed Items</b>																
Low Cost Home Ownership Policy		✓					Scrutiny of Executive Report	✓								



# COMMUNITY OVERVIEW AND SCRUTINY PANEL WORK PROGRAMME 2015/16

Issue	Type of Scrutiny						Comments/status	Meeting Dates							
	Performance Management	Key Decisions Item/Referred from Executive	Policy Review/Development	Scrutiny of Partnership/ External Agency	Monitoring	Budget		11 Jun 15	23 Jul 15	3 Sep 15	15 Oct 15	19 Nov 15	14 Jan 16	18 Feb 16	31 Mar 16
Leisure Facilities Development							Private report on options for future delivery	✓							
Carlisle Plan 2015-18		✓					Pre-decision consultation on the draft Carlisle Plan 2015-2018			✓					
Performance Monitoring Reports	✓						Reporting of performance relevant to remit of Panel	✓		✓		✓		✓	
Private Rented Sector			✓				Presentation on the Private Rented Sector in Carlisle / relationship with Private Landlords			✓					
<b>INFORMATION ONLY ITEMS</b>															
<b>Details</b>								<b>Date Circulated</b>							
Food Law Enforcement Service Plan								1 <sup>st</sup> June 2015							



# Report to Community Overview and Scrutiny Panel

Agenda  
Item:  
**A.3**

Meeting Date: 15th October 2015  
Portfolio: Culture, Health, Leisure and Young People  
Key Decision:  
Within Policy and  
Budget Framework  
Public / Private

Title: OLD FIRE STATION  
Report of: DEPUTY CHIEF EXECUTIVE  
Report Number: SD 22/15

**Purpose / Summary:**

This report will be accompanied by a presentation to Carlisle City Council’s Community Overview and Scrutiny Panel on the 15<sup>th</sup> October 2015.

Together they are intended to give an update and overview of the operation of the Old Fire Station since it’s opening in May 2015. They will cover key milestones, successes / challenges, operations and budgetary performance to date.

**Recommendations:**

The Community Overview and Scrutiny Panel are requested to consider the contents of this report and the presentation delivered at the panel meeting and provide feedback on the programme, operations and performance to date.

**Tracking**

Executive:	
Overview and Scrutiny:	
Council:	

## 1. BACKGROUND

The Old Fire Station officially opened on 15<sup>th</sup> May following completion of the capital development on the 30<sup>th</sup> April.

The completed new facilities include:

- An entrance foyer and lobby with seating and eating area (home to McGrew's Bistro)
- the Old Engine Room main performance auditorium (divisible to increase available café/bistro space through the week, and to create a range of performance spaces for events)
- Kitchen area and storage facilities for the catering partner
- The Parquet Room performance / event Studio
- The Dormitory performance / event studio
- Upstairs and downstairs male and female / disabled toilet blocks
- Five rentable workshop / office spaces
- A hot desk office for touring companies / road managers
- Two large dressing rooms / green room spaces
- Three private dressing rooms
- Backstage showering facilities
- External equipment storage space

The opening events (a soft launch with live bands as part of Carlisle Music City; and the formal opening event) were very successful with over 800 people attending events or visiting the site for tours during the opening two weekends.

Since the launch the programme has developed at a significant pace and offers a considerable scale and diversity of content. The opening programme to date has included theatre, comedy, jazz, pop / rock, classical music, dance, spoken word, world music, and poetry and literary events.

The building itself has operated as planned with little adaptation required (the only significant alteration to the completed design being the implementation of additional internal acoustic cladding to improve acoustic performance).

Building related operational costs have been broadly in line with estimates with (to date) significant savings on electricity, gas and NNDR offset by slightly higher than anticipated costs on cleaning and waste collection.

Snagging lists have been completed satisfactorily with the contractor with the only outstanding item being the installation of the lift following the liquidation of the original supplier and sub-contractor. This has had a detrimental effect on office lettings and room hire for non-artistic events and the Council will seek compensation to cover this lost income.

## 2. THE PROGRAMME

In its opening 5 months the Old Fire Station has presented a varied and balanced programme covering a wide range of genres and a cross section of professional, amateur and community scale events. In total there have been 45 performance and public events with a total attendance of almost 5000 people.

This is purely for the performance and event side of the programme and excludes visitors to the gallery space and exhibitions in the dormitory. We have no formal footfall counter on the gallery space but exit surveys have been conducted by exhibitors which estimate total visitor numbers to exhibitions at approximately 2000 people.

A further 38 performance events have been confirmed extending the programme through until the end of January 2016 and conversations continue with acts and promoters at a local, regional and national level on a daily basis.

The support of key programming partners (Highlights North, Root Music, Cumbria Dance, and Music in the Round – all procured with support from the Arts Council) has ensured a high quality, critically acclaimed programme at an affordable cost. A full break down of past and planned performance events and attendances is provided below:

### Performance Events:

<u>Date</u>	<u>Event</u>	<u>Promoter</u>	<u>Numbers Attending</u>	<u>Genre</u>
<b><u>Past Events</u></b>				
09/05/2015	CMC	Carlisle City Council	280	Pop Music
15/05/2015	Official Opening	Carlisle City Council	270	Mixed
16/05/2015	Classical Matinee	Carlisle City Council	60	Classical Music
16/05/2015	Little Comets	Carlisle City Council	120	Pop Music
17/05/2015	Children's Comedy	Carlisle City Council	29	Comedy
17/05/2015	Salsa Social	Carlisle City Council	75	Dance
22/05/2015	Inspiral Carpets	Carlisle City Council	270	Pop Music
26/05/2015	Ha HaHadrians Wall	Jon Stewart	40	Comedy
29/05/2015	The Wild Murphy's	Jon Stewart	90	World Music

30/05/2015	CN Comedy	3rd Party	40	Comedy
11/06/2015	Hypnotic Brass Ensemble	Carlisle City Council	77	World Music
12/06/2015	Crime Writing Weekend	Carlisle City Council	300	Literature
16/06/2015	Danny Bhoj	Carlisle City Council	200	Comedy
18/06/2015	Zoe Bestel	Jon Stewart	40	World Music
20/06/2015	Terry Christian	Carlisle City Council	29	Spoken Work
24/06/2015	Richard Rose Rock Night	3rd Party	85	Pop Music
25/06/2015	New Rope String Band	Carlisle City Council	115	Theatre / Music
26/06/2015	The Jeremiahs	3rd Party	120	Folk and Blues
03/07/2015	Kings ov Leon	Jon Stewart	45	Tribute
04/07/2015	CN Comedy	3rd Party	60	Comedy
09/07/2015	Blossoms	Carlisle City Council	80	Pop Music
10/07/2015	Lez Hammersley	Jon Stewart	64	Spoken Word
14/07/2015	John Cooper Clarke	Carlisle City Council	299	Poetry
16/07/2015	Wild Beasts	Carlisle City Council	210	Pop Music
17/07/2015	Andy Fury	Jon Stewart	37	Comedy
18/07/2015	Matt Watson	Jon Stewart	35	Magic
19/07/2015	Kids Comedy Club	Carlisle City Council	45	Childrens
24/07/2015	We Are Quasars	Carlisle City Council	50	Pop Music
25/07/2015	Chicken Licken	Carlisle City Council	92	Theatre/Childrens
26/07/2015	Sunday Sounds	Jon Stewart	20	Jazz
31/07/2015	The Farm/Tommy Scott	Carlisle City Council	49	Pop Music
04/08/2015	New Palace Talkies	Carlisle City Council	22	World Music
08/08/2015	Sunny Ormonde	Carlisle City Council	33	Theatre
14/08/2015	Mark Morris & Chris Helme	Carlisle City Council	75	Pop Music
23/08/2015	Cast	Carlisle City Council	377	Pop Music
28/08/2015	Hugh Cornwell	Carlisle City Council	142	Pop Music
30/08/2015	Kids Comedy Club	Carlisle City Council	80	Childrens
04/09/2015	Edwina Hayes	3rd Party	95	Folk and Blues
05/09/2015	Cumbria Live Comedy Club	3rd Party	220	Comedy
08/09/2015	The Colour of My Voice	Carlisle City Council	60	Theatre
11/09/2015	Hardwicke Circus	Carlisle City Council	140	Pop Music
12/09/2015	Kontiki Suite	Carlisle City Council	120	Pop Music
13/09/2015	The Sherlocks	3rd Party	70	World Music
14/09/2015	Every Brilliant Thing	Carlisle City Council	115	Theatre
18/09/2015	Folk & Blues Club	3rd Party	80	Folk and Blues

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**Totals**

**4955**

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**Future Events**

19/09/2015	The Other Half	Carlisle City Council	Theatre
20/09/2015	Youth Zone	3rd Party	Theatre
27/09/2015	Dickens Abridged	Carlisle City Council	Theatre
01/10/2015	The View	Carlisle City Council	Pop Music
02/10/2015	John Emil Montagnino (F&B)	3rd Party	Folk and Blues

03/10/2015	Local Band Day	3rd Party	Pop Music
04/10/2015	Sunday Sounds	Jon Stewart	
08/10/2015	Beryl	Carlisle City Council	
09/10/2015	Mark Chadwick	Carlisle City Council	
10/10/2015	Darren Farley	Carlisle City Council	
11/10/2015	International Guitar Night	3rd Party	
15/10/2015	Tijuna Bibles	3rd Party	
16/10/2015	Folk & Blues Club - Luke Jackson	3rd Party	
18/10/2015	Cumbria Dance - Motionhouse	Carlisle City Council	
21/10/2015	Ensemble 360	Carlisle City Council	
22/10/2015	Matthew Halsall& Orchestra	Carlisle City Council	
23/10/2015	Roger McGough	Carlisle City Council	
24/10/2015	Ferocious Dog	Carlisle City Council	
25/10/2015	My Teacher's a Troll	Carlisle City Council	
27/10/2015	King King	Carlisle City Council	
30/10/2015	Real Time	3rd Party	
31/10/2015	No Soap No Radio	Jon Stewart	
01/11/2015	Kids Comedy Club	Carlisle City Council	
04/11/2015	Strictly Balti	Carlisle City Council	
06/11/2015	The Henry Girls	3rd Party	
07/11/2015	The Parltones	Carlisle City Council	
08/11/2015	Board Game Challenge	3rd Party	
12/11/2015	Skip McDonald & King Size Slim	Carlisle City Council	
13/11/2015	Liz Lochhead	Carlisle City Council	
20/11/2015	Festival of the Spoken Nerd	Carlisle City Council	
26/11/2015	The Chaplins	3rd Party	
27/11/2015	Sean Hughes	Carlisle City Council	
29/11/2015	Lau	Carlisle City Council	
11/12/2015	Vin Garbutt	3rd Party	
12/12/2015	A Christmas Carol	Carlisle City Council	
18/12/2015	Soul City Walkers	3rd Party	
20/12/2015	He Wore a Red Hat	Carlisle City Council	
19/01/2016	Oyster 3	Carlisle City Council	

### **Exhibitions:**

14/05/2015 – 24/05/2015	Morton Photographic Society
01/06/2015 – 31/06/2015	Stephen Lynn (Pop Art)
01/07/2015 – 31/07/2015	Olly Alcock (Paintings)
01/08/2015 – 31/08/2015	This is Eden (Photographs)
01/09/2015 – 12/09/2015	Cumbria Wildlife Trust
24/09/2015 – 27/09/2015	Gallery Number Three (Various art forms)
15/10/2015 – 31/10/2015	Colin Beck (Paintings)
01/11/2015 – 30/11/2015	Gavin Bannister (Wood carvings)
01/12/2015 – 13/12/2015	West Walls Artists (Various art forms)
02/01/2016 – 31/01/2016	Andrew Taylor (Photography)

### **3. OPERATIONS**

The building has operated in accordance with initial proposals. Jon Stewart has enjoyed a successful opening period with McGrew's Bistro and is contributing significantly to the programme. A pop up bar has been added to the facility in the Parquet Room and is used to increase capacity for major events. The food offer through the day has been well received and Jon Stewart is currently developing proposals to increase the offer in the evening (with particular exploration of pre-show meal offers).

A pavement café has been licenced and outdoor seating is now provided on nicer days on the Warwick Street side of the building.

Set up, event management, and take down for performances is being managed by the Arts Development Officer with support from the Contracts and Community Services Team. A bank of casual staff including Event Supervisors have been trained and are deployed directly for smaller scale events.

The City Council have developed a strong programming partnership with Mighty Boof promotions and they have supported the major events (including technical production, stewarding, provision of SIA qualified security staff and negotiations with the acts and agents). This has resulted in significant savings on the casual pay cost code for the arts centre but an increase in the payments to contractors, third party administration fees, and artists fees codes (where Mighty Boof's costs are recorded).

Ticket sales for Carlisle City Council promoted events are handled via three platforms. Through Skiddle for online tickets, at the Tourist Information Centre, and at the Old Fire Station itself. A range of promotional activity has been utilised to increase ticket sales. Most notably the e-voucher scheme with the CN group allows customers to secure 2 for 1 tickets, in return the Old Fire Station receives significant free publicity in CN publications as the offer is promoted. Other 2 for 1 offers and social media competitions have been used to increase sales for slower selling events.

There can be significant variation in events' popularity and no clear patterns are currently emerging in terms of particular genres or high yielding genres. Across all genres some events exceed ticket sales expectations and others perform disappointingly. Promotional (particularly 2 for 1 offers etc) are understandably largely reserved for events where ticket sales are slow.



The development of a customer database and the use of 'Mail-Chimp' to circulate automatic newsletters and event updates to previous customers has significantly boosted sales since coming on line in early September and we are confident this will further bolster the year end ticket sales income.

Ticket sales income is broadly in line with income expectations at this stage of the year, with £21,400 delivered to date against an annual income target of £54,600. There is also a lag in ticket sales feeding through (and a further £6000 of income due and on account), allowing for this we will be almost exactly halfway towards the ticket sales income target at the half way point of the financial year.

All the income received to date has been subject to VAT. The City Council is awaiting on advice from Price Waterhouse Cooper's regarding the implications of applying for Cultural Exemption for ticket sales income at the Old Fire Station (specifically the effect this would have on the Council's partial exemption). If the Council is in a position to apply for cultural exemption for the Old Fire Station it would provide an immediate boost current and future income.

The Old Fire Station's website and social media presence continues to be developed. This year we have received X hits on our website; X hits on Skiddle; we have X followers on Facebook and X on Twitter. Two 'What's On' guides have been published with print runs of 10,000 and distributed across a range of outlets and organisations across Cumbria and Southern Scotland.

Room Bookings have not effectively come in to operation as yet (although a number of internal meetings and a limited number of external meetings and events have been hosted). This is in part due to an initial focus on the event programme but primarily due to a decision not to market and promote this stream of the business actively as yet. This decision has been taken as the lift has not yet been installed and the building therefore not being fully accessible on the first floor. The City Council may consider seeking compensation from the contractor with regards to the lift to cover the lost revenue from room bookings in the opening months.

Four of the five office / workshop spaces are now occupied by tenants and will start generating revenue from quarter 3 of the financial year. The fifth office is being held back for a potential partnership with the University of Cumbria which would see them take the office and a long term block booking on the dormitory for exclusive use and programming as gallery space. The proposal is subject to Arts Council funding and a bid will be submitted in November.

The cleaning of the building is provided via additional hours to the City Council's existing cleaning staff and the service provided is high quality and within budget.

Biffa have been contracted to handle waste disposal on site and collect all waste and recyclables.

#### **4. CUSTOMER FEEDBACK**

Customers and Visitors nominated the Old Fire Station in two categories at the recent Carlisle Living Awards (Best Arts Venue / Event; and Culture City). At the actual awards the Old Fire Station surpassed all expectation and went on to win the prestigious and wholly open 'Inspiration' final award.

A formal customer feedback and satisfaction survey was launched in September with results due back in in November.

Informally customer feedback is being monitored via social media.

On Facebook we have 23 reviews and an average venue rating of 4.5 stars out of 5. We have 18 x 5 star ratings, 1 x 4 star, 3 x 3 star, and 1 x 1 star.

Comments on Facebook include:

*"Great music venue spot on , great food will recommend."*

*"Really great venue! Only one thing needed.....real ale!"*

*"Well done everyone involved in this new venture. A quirky venue and love the stained glass window. Comfortable and friendly place to pop in for a coffee and have lunch and probably an exhibition you can browse. Lots of interesting things happening, definitely offering alternative entertainment to Carlisle in an accessible place close to the main shops and buses. I went last night to see JCK and it was packed so looking good for the city."*

*"Fantastic to have this venue in Carlisle. Been twice for very different performances. Both worked well."*

*"A really great venue and relaxed atmosphere. Looking forward to attending future events."*

As well as further development of the formal customer satisfaction surveys, in the coming weeks we will also be looking to establish the Old Fire Station of TripAdvisor to gain further customer insight and feedback and promote the programme and venue.

## **6. BUDGETARY PERFORMANCE**

The Old Fire Station is operating on profile for this stage of the year and a full financial break down is provided on the following page. The expenditure and income profiles are understandably different as booking fees and / or deposits are committed well in advance but income (particularly ticket sales income) is not realised until after the events and can be subject to a lag of 1-2 months.

There are significant underspends and overspends noted in the table below, but the net positions for income and expenditure remains on track for budgetary provision.

	Annual Budget	Income / Expenditure (to Date)
<b><u>Expenditure</u></b>		
Employers NI	0	123
Employers Pension	0	199
Overtime	0	1554
Special Responsibility Allowance	400	0
Casual Pay	20,100	578
Recruitment Local Advertising	700	0
Internal/Own Training	3,000	393
Planned Premises Repair and Maintenance	35,000	35142
Reactive Premises Repair and Maintenance	28,900	1136
Gas	13,700	3103
Electricity - Small Users	13,200	2888
Climate Change Levy	800	158
NNDR	25,000	18752
Unmeasured Water Charges	2,800	1707
Cleaning Materials	600	473
Cleaning Contract	18,000	4457
Fire Insurance	1,800	1755
Transport and Plant Hire Charges	0	0
Specialist Equipment	15,000	15073
Corporate Hospitality	0	1572
Uniforms and Protective Clothing	1,000	865
Exhibition and Publicity Expenses	20,000	4398
Events & Consultation	0	-679
Non Vehicle Licences	5,000	0
Payments to Contractors and Operators	800	8080
IT Software Licences	1,200	0
Subsistence	0	4740
Public Liability Insurance	3,200	0
Contingency	18,000	740
Artists Fees	86,900	53653
Payment of Consultants Fees	0	661
Third Party Administration Fees	13,800	2000
	<u>328,900</u>	<u>163519</u>
<b><u>Income</u></b>		
Grants from Other Bodies	-39,200	-35,393
General Sales	-54,600	-22,339
Sale of Meals and Refreshments	-5,900	0
General Letting Income	-11,600	0
General Rent Income	-3,700	-240
	<u>-115,000</u>	<u>-57,972</u>
Net Position (Income less Expenditure)	<u>213,900</u>	<u>105,547</u>

*N.B The annual expenditure and net position above are both inflated by £38,900 of premises maintenance carry forward from the 2014/15 financial year (this is not recurring revenue provision)*

Accommodation & Support Charges	81,500	81,500
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**Contact Officer: Darren Crossley**

**Ext: 7120**

**Appendices  
attached to report:**

**Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:**

- **None**

**CORPORATE IMPLICATIONS/RISKS:**

**Chief Executive's -**

**Deputy Chief Executive –**

**Economic Development –**

**Governance –**

**Local Environment –**

**Resources -**



# Report to Community Overview and Scrutiny Panel

Agenda  
Item:  
**A.4**

Meeting Date: 15TH October 2015  
Portfolio: Culture, Health, Leisure and Young People  
Key Decision: Yes  
Within Policy and Budget Framework: No  
Public / Private: Public

Title: LEISURE CONTRACT  
Report of: DEPUTY CHIEF EXECUTIVE  
Report Number: SD 23/15

**Purpose / Summary:**

Officers have been examining options for the procurement of a new contract for the operation of the Council’s leisure centres and sports facilities. The existing contract with Greenwich Leisure Limited (GLL), following the merger with Carlisle Leisure Ltd (CLL), is due to expire on 30<sup>th</sup> November 2017. Decisions need to be taken as to how a new contract will be awarded. Any decisions related to the award of a new contract will have to take into account the Council’s investment plans for leisure. The award of any new contract will need to follow a process which is fully compliant with new procurement law.

An options report was commissioned from specialist advisors V4 Services Ltd and approval given for a pre procurement phase (market engagement exercise) which was completed during September 2015.

**Recommendations:**

1. That Community Overview and Scrutiny Consider the proposals within this report and provide comment ahead of Executive consideration.

**Tracking**

Executive:	19 <sup>th</sup> October 2015
Overview and Scrutiny:	15 <sup>th</sup> October 2015
Council:	

## 1. BACKGROUND

### 1.1 Context

The existing leisure contract with GLL (formerly CLL) commenced on 29<sup>th</sup> November 2002 and covers the provision of leisure services and site operation across leisure facilities, including;

- Sands Centre;
- The Pools;
- Sheepmount Athletics Stadium;
- Swifts and Stonyholme Golf Course;
- Leisure and sports services in Bitts Park.

Under the existing contract, the Council currently pay a combined direct revenue subsidy of £732,000 per annum to GLL. GLL retain the operating revenues generated from fees and charges levied for the use of the facilities and services to further support their operations. Whilst the current contract will not expire until 30<sup>th</sup> November 2017, the Council recognises the benefits associated with addressing the options related to the contract as early as possible in order to secure the best possible outcome; which will also help to deliver the Councils' facility investment plans and savings requirements.

Initial discussions with GLL have confirmed that they are willing to terminate the contract early to allow the Council to benefit from new contractual arrangements, subject to agreement of how best to allocate any reasonable termination costs GLL may incur.

### 1.2 Investment plans

The Council is seeking to close the existing "Pools" site and build new swimming and leisure facilities at the Sands Leisure Centre (currently a "dry" site) while also delivering wider improvements on the same site. The indicative capital cost for the "core" development of new swimming pools is c.£6m (at 2013/14 prices). An extended scheme which includes further improvements and a wider range of facilities is estimated to cost c.£9m (at 2013/14 prices). Sport England have indicated that they may make a contribution of between £500k and £2m, depending on various factors and subject to further applications. However, even if Sport England provide the maximum level of contribution (£2m) this would leave the Council with a capital funding requirement of either c.£4m (core scheme) or c.£7m (extended scheme).

Provision has been made within the City Council's Medium Term Financial Plan to cover the cost of prudential borrowing for capital works up to £5m. The Business Case for



Prudential Borrowing is predicated on securing reductions in the net revenue subsidy provided to the Leisure Operator by the Council under a new contract. The Council is therefore considering how best to secure the reduction in net revenue subsidy sufficient to meet or exceed the annual cost of finance (prudential borrowing). A further saving of £329k is required from the service to meet the Council's identified savings requirements. The outcome of meeting the saving requirement and the cost of borrowing will be to extinguish the current subsidy provided.

### 1.3 Market engagement – pre-procurement process

A market engagement exercise was undertaken with interested community leisure operators during September 2015.

The market engagement process comprised of the preparation, publication and circulation to the market of a Prospectus which set out the nature of the opportunity for partnering / engaging with the Council and invited experienced Leisure Operators to identify how they felt the Council will be best able to secure the range of outcomes it seeks within an arrangement which is mutually viable and affordable.

V4 sought/received 13 enquiries from operators and received responses from seven operators who were subsequently invited to discuss their interest in the scheme and how they could assist the Council deliver its objectives:

- There is significant market interest in any opportunity to re-tender the leisure services contract and support for the Council's approach to investing in the Sands Centre
- Amongst the operators there was a widespread consensus that with sufficient investment in an extended and remodelled Sands Centre and transformed leisure services, there is potential to deliver a zero subsidy position over the term of a contract although it would be a significant challenge
- There is a clear preference for a longer term contract period to allow operators to transform the services and generate a return on their investment
- There was interest in improving the golf offer and removing the subsidy during any contract, either as part of a wider leisure service contract or as a standalone agreement
- A number of operators would be interested in project managing the design and build elements of the Sands Centre scheme, as they believe they could offer cost and time savings for the Council as they have extensive experience in this area.
- The proposed timetable is very tight and may need amending slightly to reflect the capacity of operators to submit quality bids in what is currently a very busy market for tender opportunities

It is important to note that the individual responses to the engagement exercise were not evaluated as the process as this stage is purely informal. The outcomes have helped to form the procurement strategy and define the process.

## **2. PROPOSALS**

### **2.1 Legal compliance**

The Council needs to ensure that the process it follows before awarding a new leisure management contract is compliant with UK and EU legislation.. Advice has been provided by V4 Services on various procurement route options for both the building of new facilities (Works) and the provision of management for the Sports and Leisure Facilities (Services). The advice from V4 Services is that the Works and Services would be better procured separately, with the leisure services procured as a concession contract. Concession contracts currently are exempt from the EU procurement regulations, although the Council needs to ensure that any process is fair, transparent and equitable and compliant with the Councils own standing orders.

For both the Works, and the Services, the Council will seek appropriate legal advice at each stage of the procurement process and for the subsequent award of contracts.

### **2.2 Timing**

The report sets out the various stages in a tendering process which advisors recommend should be concluded as soon as possible.

The major benefits that would accrue from completing a process well in advance of the current contract extension date (following agreement with GLL) would include;

- Earlier delivery of savings from a reduction in the management fee
- Savings can be used to help fund the cost of borrowing for the Councils investment in the new leisure facilities
- The Council can go ahead with the project to build the replacement for the Pools, avoiding some of the escalating repair costs now being incurred, and providing service continuity for local people by making sure that the Pools are replaced before the risks of a major building or plant failure leading to a facility closure
- The Operator can be in place early enough to make valuable contributions in the final design and fit out for the new leisure facilities and may also be able to use their experience to assist the Council in the project management of the scheme

- Staff employed at the leisure centres will not have to suffer from further uncertainty about when the procurement will take place
- The Council will have time to deliver a process which is innovative and able to allow bidders to propose different ways to meet the Councils ambitious plans for the service.

### 2.3 Stages and indicative timeline in the tendering process culminating in the award of a new contract

The proposed procurement process that will lead to the award of a contract has been developed based on advice from legal and financial officers from V4 Services and the outcomes of the market engagement exercise. It is proposed that the contract is procured as a services concession involving the following key stages;

<b>Stage</b>	<b>Process element</b>	<b>Timeline</b>
Phase 1	Council issues its requirements seeking outline proposals from interested parties	Late November 2015
Phase 2	Respondents are evaluated for technical ability and financial standing and their outline proposals	Early January 2016
Phase 3	Council issues its refined requirements and invites detailed proposals from 2-3 shortlisted bidders	Mid January 2016
Phase 4	Discussions with shortlisted bidders	Mid January to Late February 2016
Phase 5	Submission of detailed proposals	Early March 2016
Phase 6	Evaluation of detailed proposals	March 2016
Phase 7	Appoint Preferred Bidder	Early April 2016
Phase 8	Contract Award	Early May 2016
Phase 9	Completion and mobilisation	May – July 2016

The process will require various levels of approval at different stages. As a minimum, further Executive consideration will be sought in advance of Phase 8.

Further specialist legal and procurement advice may be required to complete the procurement exercise with the costs of this estimated at up to £125,000. Budgetary provision has been made via the Leisure Reserve and Executive will be asked to approval expenditure against this budget up to £125,000.

### **3. CONSULTATION**

- 3.1 Internally via the Council's corporate structures and processes
- 3.2 Council Members have been notified of the proposals and afforded the opportunity to comment via prior Executive Reports and the Community Overview and Scrutiny Panel.
- 3.3 Further appropriate consultation will be undertaken as part of the process at suitable points in the procurement exercise.

### **4. CONCLUSION AND REASONS FOR RECOMMENDATIONS**

- 4.1 The key recommendation coming out of the V4 Services report was that the Council should design a bespoke procurement process which will involve competitive dialogue with bidders, and that this process should commence following a pre procurement market engagement exercise. This exercise has identified extensive market interest in the opportunity and officers recommend that procurement should commence as soon as possible to enable the Council to benefit from the predicted revenue savings early in the 2016/17 financial year.

### **5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES**

- 5.1 "We will develop vibrant sports, arts and cultural facilities, showcasing the City of Carlisle."

**Contact Officer: Darren Crossley**

**Ext: 7004**

**Appendices  
attached to report:**

**Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:**

- **None**

## **CORPORATE IMPLICATIONS/RISKS:**

**Chief Executive's -**

**Deputy Chief Executive –**

**Economic Development –**

**Governance –** A number of legal agreements will need to be prepared, including with V4 for the next phase of advice and, ultimately, with the successful leisure partner. Any procurement process must be compliant with EU and UK Regulations as stated in the report. Consideration needs to be given as to whether to procure both Services and Works Contracts together or the Services Contract at this stage then to procure the Works Contract in partnership with the successful services provider after the Services Contract has commenced. The advice from V4 is that the latter approach would be preferable. It is important to note that, while a services concession contract is exempt from the full procurement regulations (although must still comply with European Treaty principles) a contract for works is not and must be OJEU compliant.

**Local Environment –**

**Resources –** The procurement of a new leisure contract will require the use of external advisors that can be provided via an established Framework agreement. The cost of procurement and legal advice can be met from the Leisure Reserve, which was established for this purpose and which use of is delegated to the Deputy Chief Executive, Director of Resources and Portfolio holder. The Procurement process itself will follow the requirements for a contract of this scale, i.e. be EU compliant.

The Medium Term Financial Plan assumes that the cost of borrowing for any capital investment required to develop new facilities will be met from a reduction in the level of subsidy provided to the operator. There is also a requirement to make a further £329,000 savings from 2018/19 as a result of the procurement of a new contract. It is likely that these will lead to a zero subsidy situation in any new contract.

