

## **SPECIAL COMMUNITY OVERVIEW AND SCRUTINY PANEL**

**FRIDAY 18 JULY 2014 AT 10.00 AM**

**PRESENT:** Councillor Burns (Chairman), Councillors Ellis, Gee, Harid, McDevitt, Mrs Prest, Mrs Stevenson and Mrs Vasey.

**ALSO**

**PRESENT:** Councillor Glover – Leader  
Councillor Mrs Martlew – Deputy Leader, and Environment and Transport Portfolio Holder  
Councillor Tickner – Finance, Governance and Resources Portfolio Holder  
Councillor Mrs Bradley – Economy, Enterprise and Housing Portfolio Holder  
  
Councillors Allison and Bainbridge (Observers)

**OFFICERS:** Town Clerk and Chief Executive  
Deputy Chief Executive  
Contracts and Community Services Manager  
Overview and Scrutiny Officer

### **COSP.34/14 WELCOME**

The Chairman welcomed all those present. He explained the purpose of the special meeting, expressing the hope that an interesting and fruitful debate would ensue.

### **COSP.35/14 APOLOGY FOR ABSENCE**

An apology for absence was submitted on behalf of Councillor Ms Quilter – Culture, Leisure and Young People Portfolio Holder

### **COSP.36/14 DECLARATIONS OF INTEREST**

There were no declarations of interest affecting the business to be transacted at the meeting.

### **COSP.37/14 PUBLIC AND PRESS**

**RESOLVED** – That the Agenda be agreed as circulated.

### **COSP.38/14 ARTS CENTRE DEVELOPMENT**

The Chairman reported that Officer Decision OD.022/14 taken by the Town Clerk and Chief Executive (in conjunction with the Culture, Leisure and Young People Portfolio Holder) concerning the Arts Centre Development had been called-in for scrutiny by Councillors Ellis, Mrs Prest and Mrs Vasey.

The decision was:

“To award the design and build contract to Thomas Armstrong (Construction) Limited for the re-development of the Old Fire Station at Warwick Street, Carlisle as a new Arts Centre.”

The reason for the decision was:

“To progress the agreed recommendations as laid out below:

1. Approve the Warwick Street Fire Station for development as an Arts Centre for Carlisle
2. To approve the increase in the capital programme from £586,000 to £1,064,500, for recommendation to Council, noting that the increase will be funded from additional capital receipts generated from the Asset Review Programme;
3. To approve the release of the current budget and re-profiling of the overall scheme, subject to Council approval above, with £50,000 being incorporated within the 2013/14 Capital Programme and £1,014,500 in the 2014/15 Capital Programme;
4. Delegate authority to the Portfolio Holder for Culture, Health, Leisure and Young People in consultation with the Director of Community Engagement to produce and progress the plans to deliver the Arts Centre as detailed in this report
5. Make this report available for consideration by the Community Overview and Scrutiny Panel”

The reason given by the Members for the call-in was “Significant delays on the project”.

At the invitation of the Chairman, a call-in Member explained that he had, upon receipt of the Officer Decision (OD.022/14), looked at the decision in the sense that it had been taken very late in the day. The Member particularly referred to the background position and Report CD.47/13 considered by the City Council on 10 September 2013 which included an indicative timetable for the scheme. That timetable anticipated an award of contract in October 2013 i.e. 30 days after the Council meeting. The Officer Decision to award the design and build contract to Thomas Armstrong (Construction) Limited for the re-development of the Old Fire Station as a new Arts Centre was therefore significantly late.

The Member emphasised that, having searched, he had been unable to find any information advising / explaining to the Community Overview and Scrutiny Panel the status of the programme. Neither did the Officer Decision make any reference to the delay / reasons there for. Consequently Members expected that the Arts Centre would be open in October 2014, which was why they had called the matter in for scrutiny today.

The Member asked that the Panel be provided with an explanation as to whether the Arts Centre would be completed by 31 October 2014 and, if not, details of the estimated completion date. Another call-in Member had concerns regarding the effect delays would have upon the project budget, staffing, etc.

The Town Clerk and Chief Executive sought Members’ assistance in terms of the procedure for the special meeting. He noted that there were three options open to the Panel (detailed on the Agenda) in dealing with a call-in, but was unsure as to whether any of those options would help with the timely delivery of the project.

In response, the Chairman clarified that the matter had been called in for the reasons highlighted above. Members were seeking an explanation for the delays to the project and, if acceptable, would be content to recommend that the matter should not be referred back.

The Town Clerk and Chief Executive emphasised that the timetable detailed within Report CD.37/13 was indicative rather than a clear project plan, since clearly dates could be affected / influenced by a number of processes, decisions and third parties.

The Town Clerk and Chief Executive then explained that there were a number of reasons for the delay, the first of which being his responsibility since he had asked that all major projects go through the North West Construction Hub (NWCH). The tender for the scheme, based on a design and build package, allowed the authority to sit down with providers and agree the whole project. He felt that the NWC Hub process could minimise the risk of overspend such as had occurred in relation to the Resource Centre project.

The timetable at that stage was on programme, but on the agreed tender return date of 6 September 2013, Officers were informed by the NWCH that only one company out of nine had expressed an interest. The reason given being that the contract was not large enough in the context of the North West. The City therefore withdrew from the process.

On 16 September 2013 procurement via the “Chest” process commenced, producing an award date of mid-December 2013. That equated to a 2.5 month delay to the timetable. In addition, the construction industry closed for a two week period at Christmas. The close proximity of the award date to the Christmas break created a further delay of two weeks against the original indicative timetable – effectively 3 months in total.

The Town Clerk and Chief Executive advised that an application for planning permission (Application 14/0129) was submitted to the Development Control Committee on 11 April 2014. However, an objection was received from the Ministry of Justice (the Fire Station’s immediate neighbours). Following consideration of the application the Development Control Committee resolved (Minute DC.27/14(b)) “That authority be given to the Director (Economic Development) to issue approval for the proposal subject to undertaking further discussions with the Ministry of Justice to agree the imposition of additional conditions to address their concerns about the impact of the proposed arts centre on the operation of the courts.”

Officers wished to amicably resolve the concerns expressed by the Ministry of Justice via discussions, which process involved a considerable amount of time and effort. That was achieved, with planning permission granted on 20 June 2014, some 3.5 months later than originally planned.

With the contractor mobilisation period of 1 month and the incurrence of the next Christmas period shutdown in the construction timescales, the overall effect was a delay of 5 months against the timescales in Report CD.37/13. The initial estimated completion date for the project was 31 October 2014, but it was now anticipated as 30 March 2015.

The Town Clerk and Chief Executive accepted that there were lessons to be learned by Officers in terms of improved communication with Members with a view to ensuring that they were kept informed.

The Leader commented that the Arts Centre was a major project, the timetable detailed within the report was indicative, and the associated risks must be mitigated against.

The Leader further stated that he was somewhat confused by the call-in today. Opposition Members had attempted to block the Arts Centre project all along, but now it appeared that they were critical of delays on the project. He added that the Executive wished to move the matter forward. If those Members were now in agreement with the project, clarification to that effect would be welcomed.

In response, a call-in Member said that his personal perspective was not of importance, the real issue being around ensuring that the decision taken by the City Council on 10 September 2013 was actioned by the Executive.

The Member acknowledged that the Town Clerk and Chief Executive had provided good reasons for the 5 month delay in the project. He did, however, take issue with the Leader's criticism of the call-in Members for what amounted to a ten day delay.

The Member further stressed the role of Overview and Scrutiny; and that Members had not been apprised of the delay, which position the Town Clerk and Chief Executive had acknowledged was unacceptable. Report SD.12/14 submitted to the Executive on 23 June 2014 or the Officer Decision could have provided that information and, if he had not picked the matter up, the Panel would still be unaware of the position.

The Chairman considered that latter point to be well made, commenting that steps should be taken to ensure that Members were kept informed in the future.

Another Member expressed his surprise at the call-in. The Member stated that he also served on the Development Control Committee alongside a call-in Member, who should have been aware of the position concerning the Arts Centre project. That Member could therefore have kept colleagues informed.

In response the Member indicated that, whilst she was not opposed to the project, she had concerns regarding the knock on effects of delays in terms of staffing / the budget.

The Chairman alluded to the fact that there was confusion between a "business case" as opposed to a "business plan". He clarified that reference should in future be made to the Arts Centre 'Business Plan' as the 'Business Case' had effectively been approved when the Council agreed that the concept of an Arts Centre should be included in the Capital Programme from 2013. The 'Business Plan', which would be presented for scrutiny at the next meeting of this Panel, would contain proposals for how the project would operate as a business in the future.

The Deputy Leader, and Environment and Transport Portfolio Holder concurred with the sentiments expressed concerning Development Control Committee Members. The Deputy Leader further referred to the cost of calling the special Panel meeting today suggesting that, if Members had concerns, those could have been taken up with the Town Clerk and Chief Executive in the first instance. If, following such discussion, Members were not satisfied then a meeting could be called.

A Member replied that she was not against the Arts Centre project, her biggest concern relating to the use of tax payers' money.

In response to Members' concerns, the Finance, Governance and Resources Portfolio Holder stated that, by following the tender process and undertaking discussions with the Ministry of Justice, the Town Clerk and Chief Executive had in fact saved the authority money.

A call-in Member reiterated once again that the Arts Centre project was significant; delays had occurred which Members were unaware of; and the Panel was therefore doing its job. The Minutes of the Development Control Committee referred to would not have included an up-to-date timetable for the project. All Members asked was to be kept informed.

The Town Clerk and Chief Executive accepted that more could / should have been done in terms of communication with Members. He emphasised that the piece of work in question had been delegated to Officers; they had an acceptance that the timetable was indicative and would be subject to change as the project developed. Officers were not trying to conceal any delay and would come back to Members with a Project Plan in due course.

The Chairman felt that it was not unrealistic to expect that Members should be concerned regarding the delay and lack of information. There were lessons to be learnt for the future.

In response, the Town Clerk and Chief Executive indicated his acceptance.

The Leader stated that, in his view, the Town Clerk and Chief Executive had acted entirely correctly in executing his delegated authority to progress the project. The lesson was around keeping Members informed and a Business / Operating Plan would come forward. He urged the Panel to endorse the Officer Decision.

A Member was of the opinion that the Town Clerk and Chief Executive had been entirely transparent in his response to the call-in. The Arts Centre project was a major development for the City, one which would go through many stages. He asked that steps be taken to ensure that Members were informed of any future complications.

RESOLVED – (1) That the Community Overview and Scrutiny Panel accepted the explanation for the delay to the Arts Centre project provided by the Town Clerk and Chief Executive.

(2) That the matter shall not be referred back and the decision shall take effect from the date of this meeting.

(3) That the Panel noted that there were lessons to be learnt in terms of keeping Members informed; and Officers be requested to take that on board in the future.

(4) That it be noted that future discussion on the operation of the Arts Centre should refer to the proposed 'Business Plan' rather than the 'Business Case'.

[The meeting ended at 10.34 am]