

COMMUNITY OVERVIEW AND SCRUTINY PANEL

THURSDAY 15 OCTOBER 2015 AT 10.00 AM

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 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)

COMMUNITY OVERVIEW AND SCRUTINY PANEL

THURSDAY 19 NOVEMBER 2015 AT 10.00 AM

PRESENT: Councillor Burns (Chairman), Councillors Ellis, Ms Franklin (until 13.00 pm), Mrs McKerrell, Osgood, Mrs Vasey (until 12.55pm), Mrs Warwick and Ms Williams (until 12.40 pm).

ALSO

PRESENT: Councillor Glover – Leader (for part of the meeting)
Councillor Ms Quilter – Culture, Leisure and Young People Portfolio Holder (until 12.25 pm)
Councillor Mrs Bradley – Economy, Enterprise and Housing Portfolio Holder
Councillor Nedved (Observer)
Andy King – Greenwich Leisure Limited
Tom Rice – Greenwich Leisure Limited
Hilary Wade - Tullie House
Andrew Mackay – Tullie House
Roger Cooke – Tullie House

OFFICERS: Director of Resources
Director of Economic Development
Contracts and Community Services Manager
Policy and Performance Officer
Overview and Scrutiny Officer

COSP.66/15 AGENDA

RESOLVED – Item A.2 be considered following discussion of the Budget.

COSP.67/15 APOLOGIES FOR ABSENCE

An apology for absence was submitted on behalf of the Deputy Chief Executive.

COSP.68/15 DECLARATIONS OF INTEREST

Councillor Osgood Declared an Interest in relation to Item A3 – Greenwich Leisure Limited. The Interest related to his membership of Stony Holme Golf Course.

COSP.69/15 PUBLIC AND PRESS

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

COSP.70/15 MINUTES OF PREVIOUS MEETINGS

RESOLVED – That the minutes of the meeting held on 3 September 2015 be agreed as a correct record of the meeting and signed by the Chairman.

COSP.71/15 CALL- IN OF DECISIONS

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

COSP.72/15 GREENWICH LEISURE LIMITED

The Chairman welcomed Andy King Regional Director, Greenwich Leisure Limited and Tom Rice Partnership Manager, Carlisle, Greenwich Leisure Limited to the meeting.

Mr King and Mr Rice gave a presentation setting out Greenwich Leisure Limited's (GLL) achievements in Carlisle which included growing the business in Carlisle, an increase in adult participation, investment in the City's assets and development of relationships with local partners within the City.

Mr King and Mr Rice detailed the activities at The Sheepmount, Golf in the city, particularly Stony Holme, Carlisle Pools, the Sands Centre, and tennis facilities in Bitts Park. They outlined the company direction for 2014/15 and gave a detailed overview of GLL and the vision it had for Carlisle and possible developments to leisure facilities in the city.

The Chairman thanked Mr King and Mr Rice for the presentation.

The Contracts and Community Services Manager stated that the purpose of the report was to provide a year to date performance summary for the Carlisle contract as background and context to Greenwich Leisure's presentation (SD.27/15). He reminded Members that the Panel's role was to consider the performance relating to the Leisure Contract of the preceding twelve months.

The Culture, Leisure and Young People Portfolio Holder commented that GLL were bucking the national trend of leisure providers by not disposing of sports facilities, they had also contributed towards the Council's Healthy City agenda.

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

- *A Member expressed concern that golf provision would be discontinued under the new Leisure Contract arrangements.*

Mr King responded that as the tender of the new leisure contract had not been agreed GLL's vision for the future of leisure services in Carlisle were only possible options. Golf was a particularly costly service to deliver, and a number of Council's and Leisure contract providers were discontinuing Golf provision as the costs associated with running the facilities impacted on the commercial viability of the provider. Stony Holme Golf Course's issues with flooding made it a difficult and costly service to provide, however, Mr King was not advocating the closing of any facilities; he sought to look at the range of options available to the Council in relation to its leisure services.

In response to a Member's comment that both Stony Holme and Swifts golf courses had performed ahead of their budget targets, Mr King replied that the budget for golf course facilities were particularly difficult to forecast as the facilities were affected to a large extent by the weather.

The Contracts and Community Services Manager informed the Panel that the Market Engagement exercise undertaken by the Council, as part of its leisure services contract tender, had indicated that operators found the provision of golf services challenging, however, specialist golfing providers were an option for the Council to consider. He added that Golf course provision would remain in the specification of the tender for the new leisure contract,

perhaps as a separate item from the main tender to enable smaller, specialist operators would be able to bid for the service.

- *How important was the Council's subsidy of the leisure contract to GLL, and what did the relationship with the Council give GLL?*

Mr King explained that subsidies for leisure contract provision were in decline, however, leisure service operators in some areas had begun to work with local authorities to deliver specific aspects of the health agenda. In response to a Member's question about the future of universal leisure services, Mr King commented that the Council would stipulate in its tender the specific services it wished to commission.

Mr King commented that the level of subsidies had been a key factor in Carlisle Leisure Limited's decision to merge with Greenwich Leisure Limited, as had GLL's status as a social enterprise.

- *Had a timescale for the completion of the tender been agreed?*

The Contracts and Community Services Manager replied that the Council aimed to have the new contract agreed by May 2016.

- *Were figures detailing income and usage of the ice rink over the last twelve months available?*

The Contracts and Community Services Manager replied that the first year financial figures for the ice rink had been poor; however, this was due to the cost of the initial investment in purchasing the rink and the expense of moving the facility from the city centre to Bitts Park. He added that a spell of very poor weather had occurred shortly after the rink's siting in the city centre and that this had impacted on usage figures. The Contracts and Community Services Manager agreed to circulate the relevant financial and usage information to members of the Panel.

Mr Rice commented that the costs relating to running the ice rink from Bitts Park were lower than those associated with operating it in the City Centre. There were currently no plans to return the rink to the City Centre for the Christmas period as the staging units which had been used to install the rink there last year had been hired. Mr King added that as part of the Christmas offer, an event around the ice rink could be delivered in Bitts Park.

In response to a Member's question, the Contracts and Community Services Manager confirmed that the ice rink was operated as a profit share between GLL and the Council, no profits had been realised in the first year of operation, due to the capital costs of setting the facility up, however, it was anticipated that the facility would deliver a profit in its second year.

- *Would the Sands Centre consider installing stage equipment to allow larger companies to perform there?*

Mr King replied that the Sands Centre was currently a facility that provided both sports and arts/entertainment facilities, which meant using large equipment for one service may have a detrimental impact on the other service, consequently the use of equipment such as a fly-tower, which were often used for stage sets by larger touring companies was not possible. The Council's decision to create new facilities, for example, a swimming pool, would potentially allow the focus of the Sands Centre to shift towards exclusively arts provision,

which would then enable the Sands Centre to consider installing additional equipment associated with staging productions.

- *What changes would the user see if a county-wide leisure services access card were introduced?*

Mr King replied that currently no detailed proposal had been developed regarding a county-wide leisure services access card, however, it would potentially allow the user to access leisure services across the county in any facility provided by GLL.

RESOLVED – 1) That Mr King and Mr Rice be thanked for their detailed presentation :

2) That report SD.27/15 be noted.

COSP.73/15 TULLIE HOUSE BUSINESS PLAN 2016/17

The Chairman welcomed Roger Cooke, Chairman of the Tullie House Art Gallery and Museum, Hilary Wade, Director of Tullie House Art Gallery and Museum, and Andrew Mackay Head of Collections and Programming to the meeting.

Report SD.26/15 was submitted introducing the Tullie House Museum and Art Gallery Trust 2016-2019 Business Plan.

The report set out details of the transfer of Tullie House Museum and Art Gallery from Carlisle City Council to an independent company in 2011. The partnership agreement between Tullie House and the City Council stated that the core funding for future years granted from the Council would be set following consideration of an annual business plan.

The financial pressures and funding constraints which Carlisle City Council has faced since the initial establishment of the Tullie House Trust had required significant savings across Council expenditure. The pressures had also required reductions in the Core Funding provided to the Tullie House Trust. As part of the 2015/16 budget consultation process Tullie House Trust were notified of a requirement for a further £214,000 reduction in Core Funding in 2016/17. The Tullie House Trust had built the reduction into the Business Plan submission attached to the report.

Section 2.3 of the report gave details of the prominent issues which arose from the review of the Business Plan.

The Executive had on 16 November 2015 (EX.132/15) received the report and decided:

“The Executive:

1. Had given consideration to Report SD.25/15 and the proposed Tullie House Museum and Art Gallery Trust Business Plan 2016 - 2019.
2. Made the report available for consideration by the Community Overview and Scrutiny Panel. “

Mr Cooke addressed the Panel, advising Members that Mrs Wade would be standing down from the post of Director of Tullie House in December 2015; he added that the Trustees of Tullie House were extremely grateful for all the work Mrs Wade had undertaken in the role. Mr Mackay would fill the Director's role in January 2016.

Mrs Wade gave an overview of the work of the museum in the last year which included achieving the “Kids in Museums Award” and the “Golden Apple Award”, the museum had hosted a variety of exhibitions including one of works by Anselm Kiefer which had been delivered in association with the Tate Gallery and the National Gallery of Scotland.

Mrs Wade advised the Panel that going forward, the Trust would look to refresh its permanent gallery spaces, and following the Crosby Garret helmet exhibition a space had been identified within the gallery to provide “spotlight” exhibitions, which would be developed in the coming months. In 2016 the gallery would host a new Viking Exhibition; learning work undertaken with primary schools would be expanded to include secondary schools and the University. Mrs Wade informed the Panel that the unsuccessful Heritage Lottery Funding bid would be redeveloped and work would continue to reduce the Trust’s revenue costs to increase the financial stability of the Trust.

Mr Mackay informed the Panel that over the last twelve months the museum had undergone a staffing restructuring as a result of its funding cut, the new structure had been operational for three months. The Business Plan that the Trust had put forward assumed a cut to its funding from the Council of £214,000 as had been agreed in the Council’s Budget, and the Plan detailed how those savings would be made through; the reduction of revenue costs; increased revenue generation by an increase in the cost of the Tullie Card; and reduction of access to collections by limiting the amount of sites that collections were viewable at by removing collections from the Guildhall and Shaddon Mill.

Mr Mackay felt that as a result of the staffing restructure the Trust needed to develop a new business model based on a better understanding of the economy and realistic income targets. He felt that the core purpose of the museum needed to be defined and proposed developing a manifesto to assist with this. Mr Mackay felt that the Trust would still be adjusting to its new staffing structure in the coming years and in order for it to establish itself in a sustainable financial position and mode of operation, he asked that the reduction in funding from the Council be phased, rather than being implemented in 2016/17.

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

- *What was the current number of active Tullie Cards?*

Mr Mackay replied that the total number of Tullie Cards was approximately 4,000, and this number comprised a mixture of new cardholders and renewals.

In response to a Member’s comment that the increase in price of the Tullie Card from £1 to £7 was disappointing, but understandable, Mr Cooke informed the Panel the Trust was considering offering Member benefits for holding the card, such as “free” or “open” days for cardholder. He added that at its current price, the Tullie Card cost more to administer than it contributed to the museum in income. Another Member commented that £7 still represented very good value for money for a family day out.

A Member expressed concern that increasing the cost of the Tullie Card may prevent families on low incomes from accessing Tullie House. He asked if postcode information was captured to build a profile of those using Tullie House and the Tullie Card. Mr Cooke replied that such data was not currently captured by Tullie House as it did not have access to information regarding economic status of areas. The Contracts and Community Services Manager advised that the postcode data collected by Tullie House could be cross referenced to ACORN data to provide profiling information about Tulle Card users.

- *How would the removal of collections from the Guildhall provide a cost saving to the Trust?*

Mr Cooke explained that the Guildhall was an exception to the leases held by the Trust which had been unable to sign a lease on the site due to the condition of the premises; therefore, the Guildhall remained a responsibility of the Council, not the Trust. Mr Cooke explained that under current arrangements, Tullie House provided collections which were exhibited in the Guildhall and managed access to the galleries there; the removal of the collections would provide a saving as the Trust would not retain the management of the gallery space at the site. He added that the collections would then become available for use at Tullie House.

- *Had the Council decided how it would operate the Guildhall if the Trust removed their collections?*

The Leader responded that no decision had been taken by the Council regarding the future use of the Guildhall, as currently the Tullie House Business Plan was at the draft document stage, and had yet to be agreed by the Board of Trustees. If the Trust were to agree the draft Business Plan, the Council would need to consider the options for Guildhall and come to a decision following the appropriate procedures.

- *What plans did the Trust have for future funding bids?*

Mr Cooke replied that the Trust were determined to present an amended version of the 2020 bid to the Heritage Lottery Fund (HLF) and other potential funding sources. The Trust were seeking funding to enable them to refresh the gallery spaces to make the museum an outstanding and modern facility fit for the twenty-first century. Mr Cooke advised the Panel that as a consequence of the unsuccessful HLF bid, and lower levels of financial reserves, the plans to update the museum and gallery may need to be phased and delivered over a longer period of time. Mr Cooke advised that the Trust's partners needed to see a sustainable financial model, and the museum would be working towards this, he added that reduction in core funding and the loss of the Funding Officer post would reduce the museum's capacity to attract external funding, however, the draft Business Plan sought to address this.

- *A Member expressed concern regarding the proposal in the draft Business Plan to close Tullie House one day per week*

Mr Mackay responded that the proposal was an option in the draft Business Plan which could be explored in the following financial year, currently, no decision on the proposal had been taken. Mr Mackay commented that the Trust would be reluctant to pursue this option, as it would impact on contractors, such as the caterers and retailer, as well as customers, however, difficult financial decisions would be required to meet the Trust's funding cuts. Mr Mackay felt that the Trust would face a variety of complex financial decisions in the coming year, and reiterated his request that the cut in funding from the Council for the financial year 2016/17 be phased in.

Mr Cooke noted that the Council's funding of the Tullie House Trust had reduced from £1.25M to its current £1M; the £214,000 reduction in 2016/17 would mean the Trust had absorbed a £500,000 reduction of funding in three years. The level of funding cut impacted on the organisation's decision making capacity, phasing the 2016/17 funding reduction would allow the Trust more time to gear up other funding streams. The Chairman commented that the Executive would consider the proposal regarding phasing the funding reduction, and noted that the Council did not have the luxury of being able to phase its own funding cuts.

- *What actions had been taken to increase Membership of the Tullie Card?*

Mrs Wade replied that the membership scheme had only commenced the preceding year, and that the Trust had been looking at ways to develop this, a target of 350 new members a year had been set. Mrs Wade gave a history of the Tullie Card, advising that there was approximately 4,000 Tullie Card holders; she added that the Board would appreciate any input from the Panel of suggestions to increase membership.

A Member suggested that reminder letters be sent to membership cardholders prior to the card's expiry inviting them to renew the card, and that the Board consider offering discounts within Tullie House to cardholders. A Member commented that in comparison to other days out for a family, Tullie House offered great value for money, and that Tullie House was underselling itself.

The Chairman congratulated Tullie House on the awards it had received; he added that Tullie House was held in great affection by the public and a jewel in the city's crown. The Chairman thanked Mrs Wade for her contribution and work as Director of Tullie House, and congratulated Mr Mackay on his new post.

RESOLVED – (1) That the report SD.26/15 be noted.

(2) That the comments and observations of the Panel as detailed above be conveyed to the Executive.

(3) That the Tullie House Trust representatives be thanked for attending the meeting.

COSP.74/15 BUDGET 2016/17

Revenue Budget Reports

(a) Budget Update - Revenue - Estimates

The Director of Resources submitted report RD.40/15 that provided a summary of the Council's revised revenue base estimates for 2016/17 together with base estimates for 2015/16 and updated reserve projections to 2020/21.

The Executive had on 16 November 2015 (EX.121/15) received the report and decided:

"That the Executive:

1. Noted the revised base estimates for 2015/16 and base estimates for 2016/17.
2. Noted the current Medium Term Financial Plan projections, which would continue to be updated throughout the budget process as key issues became clearer and decisions were taken.
3. Noted the budget pressures / savings needing to be taken into account as part of the 2016/17 budget process."

The report set out known revisions to the Medium Term Financial Plan (MTFP) although there were a number of significant factors affecting the budget that were currently unresolved. Decisions would need to be taken to limit budget increases to unavoidable and high priority issues, together with maximising savings and efficiencies, and probable use of reserves, to enable a balanced budget position to be recommended to Council in February 2016.

The Director of Resources explained that, in light of the current position in the MTFP, some potential new spending pressure had come to light. The pressures had been identified in appendix D of the report and were regarded as unavoidable or were the highest priority in meeting the Council's corporate objectives.

With regard to savings, the Director of Resources stated that the current MTFP included a savings requirement to be found by 2018/19 of £3.475 million. Further savings/additional income had been identified in the budget process for 2016/17, details of which were set out in Section 6 of the report. Also summarised were the movements in base budgets, the updated MTFP projections, the outstanding key issues, the projected impact on revenue balances, together with a summary of the financial outlook and budget discipline 2016/17 to 2020/21.

The Director of Resources advised the Panel that the government's Autumn Statement would not be delivered until 25 November 2015, and this would potentially impact on the level of Revenue Support Grant. The Autumn Statement would also firm up details regarding Business Rate Retention for local authorities, which would be expected to be available from 2020, and Welfare Reform.

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

- **New Homes Bonus 2015/15**

The allocation of New Homes Bonus for 2014/15 would cease in 2020/21 and as such would be removed from the budget.

- **Homelife**

The pressure reflected the continuation of funding for the Homelife team as funding from external sources would cease on 31 March 2016.

- **Supporting People Contract**

The pressure reflected the requirement to provide funding due to the reductions in the supporting people contract from Cumbria County Council.

The Director of Resources advised the Panel that main Transformation savings would come from the reduction in funding to the Leisure Services Grant, Tullie House Grant, and Community Centre Funding.

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

- *How did the £329,000 Leisure Service Grant from 2018/19 contribute to the transformation savings?*

The Director of Resources replied that the saving had been generated by off-setting the payment of the loan the Council would take out to plan and build new swimming pool facilities, against the ending of the grant paid to the Leisure Contract provider. The grant to the leisure provider was currently £730,000 per annum, this revenue cost would cease with the agreement of a new leisure contract, the cost of servicing the loan for the new swimming pool facility would become a revenue cost in 2018/19.

- *Was the proposed reduction in Community Centre funding based on a standard percentage decrease applied to all Community Centres?*

The Contracts and Community Services Manager replied that the decrease in funding had been generated through a percentage cut in funding to all Community Centres; he added that the Centres had been contacted regarding the reduction in funding and had been offered to take the reduction as a one-off decrease in grant or for the reduction to be phased.

- *If inflation were to remain low, would the Council consider amending its Charging Policy?*

The Director of Resources replied that the Charging Policy was set in line with the Bank of England's target for inflation (plus 1%), which had remained the same throughout the period of low inflation, if the government decided to amend the target figure, the Council would assess the need to amend the policy.

- *A Member commented that the £1.5M Revenue Contribution to Capital was a significant amount to add to the Capital Budget.*

The Director of Resources explained that the £1.5M had occurred as a result of underspends and Transformation Savings being realised early. Funding the Capital Programme in this way meant that the Council's borrowing requirement was reduced. The Member suggested that the £1.5M may have been added to the Reserve Budget, which would have reduced the pressure to rebuild the Reserves. The Director of Resources replied that Medium Term Financial Plan outlined the Council's Reserves returning to £2.6M, adding the £1.5M to the Reserve fund would reduce the pressure to rebuild the Reserves, however, in his view the £1.5M would be more effectively utilised in the Capital Budget by reducing the Council's borrowing requirement.

RESOLVED – (1) That Report RD.40/15 be noted.

(2) That the observations of the Community Overview and Scrutiny Panel, as outlined above, be conveyed to the Executive.

(b) Individual Charges Reviews

• Chief Executive's Team and Deputy Chief Executive's Team

The Director of Resources presented report PC.21/15 setting out the proposed fees and charges for 2016/17 relating to those services falling within the responsibility of the Chief Executive's Team and the Deputy Chief Executive's Team.

The Director of Resources highlighted the proposed charges, which included Organisational Development, the use of Assets by external organisations, Promotion and Marketing and the use of the Old Fire Station which was a key priority and a major project for the City Council. Details of the forecast levels of income for 2016/17 based upon the charging structure were also provided within the report.

The Contracts and Community Services Manager advised that with regard to the Old Fire Station there were no changes, but that the venue would look to meet its income gap staff had become aware that the charges for use of the function room were relatively expensive, and these would be reassessed to ensure the space was maximised and profitable.

The Executive had considered the matter on 16 November 2015 (EX.122/15 refers) and decided:

“That the Executive:

1. Agreed for consultation the charges as set out in Report PC.21/15 and relevant Appendices with effect from 1 April 2016, and noted the impact those would have on income generation as detailed within the report.
2. Where project work was ongoing the Executive granted delegated authority to the Deputy Chief Executive for the setting of those charges.

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

- *How long would the Old Fire Station funding be ring fenced?*

The Chairman responded that it would not currently be possible to identify any areas of the Old Fire Station funding which may be cut, as the venue had not operated for sufficient time for an understanding of its financial needs to have been met.

The Contracts and Community Services Manager added that the Old Fire Station’s Business Plan outlined no cuts to its service; however this was based on the venue increasing its income generation.

RESOLVED – That Report PC.21/15 be noted.

- **Local Environment**

Report LE.30/15 was submitted, setting out the proposed fees and charges for the services falling within the remit of the Local Environment Directorate.

Details of the proposed charges in respect of City Centre usage by external organisations, car parking, allotments, sports pitches, environmental quality, food safety, waste services and bereavement services were provided.

Section 4.1 recorded proposed allotments charges, including a proposal to increase the qualifying age from 60 to 65 years in line with state pension age for discount on allotment rental, but not the water supply charge; and to remove the age related discounts.

With regard to Bereavement Services, Appendix C set out proposed increases in charges, as well as the introduction of charges in relation to use of the Chapel organ; the localisation and on-site identification of grave spaces; and charges for double cremation slots with an option for the pre-booking of double cremation slots at a discounted rate.

The Executive had considered the matter on 16 November 2015 (EX.124/15 refers) and decided:

- “1. Agreed for consultation the charges as set out in Report LE.30/15 and relevant appendices with effect from 1 April 2016; noting the impact of those charges on income generation, as detailed within the report.
2. Delegated authority to the Director of Local Environment, in consultation with the Portfolio Holder and Director of Resources, the agreement of discounts on the permit process with agreed limitations.”

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

In response to a Member of the Panel expressing concern about the application of dirty pitch charges being levied on the correct user of the pitch facilities, the Economy, Enterprise and Housing Portfolio Holder replied that the Member would need to direct his concerns to the appropriate Portfolio Holder or Director. However, she did advise the Panel that the Council had undertaken education work in schools which aimed to prevent children from littering, she added that clubs using the pitches also had a responsibility to ensure that they tied up after using the facilities.

- *Would the removal of the age related discount for allotment charges be phased?*

The Director of Resources replied that one of the proposals was to bring the age-related discount in line with national pension age. A Member noted that a number of alternatives for the discount had been outlined in the report and it was unclear which of these would be taken forward. The Economy, Enterprise and Housing Portfolio Holder responded that gaining the Panel's view on the proposal formed part of the Council's Budget consultation process. The Member expressed concern that the age-related discount would be discontinued as the discount allowed people to hold allotments which benefitted their health and well being; he added that keeping allotments in use also prevent the spaces becoming overgrown and derelict.

In response to a Member's question regarding variation in charges for pitch hire, the Director of Resources advised the Member to contact the Director of Local Environment, who would be able to provide a detailed answer to the query.

RESOLVED – (1) That report LE.30/15 be noted.

(2) That the observations of the Community Overview and Scrutiny Panel, as outlined above, be conveyed to the Executive, in particular the concerns of the Panel regarding the allotments.

SUSPENSION OF STANDING ORDERS

It was noted that the meeting had been in progress for 3 hours and it was moved, seconded and RESOLVED that Council Procedure Rule 9, in relation to the duration of meetings be suspended in order that the meeting could continue over the time limit of 3 hours.

- **Economic Development**

Report ED.38/15 was submitted setting out the proposed fees and charges for areas falling within the responsibility of the Economic Development Directorate. The proposed charges related to Economic Development and Tourism, planning services, housing and hostel services.

The Executive had considered the matter on 16 November 2015 (EX.125/15 refers) and decided:

“That the Executive agreed for consultation the charges, as set out in the relevant Appendices to Report ED.38/15, with effect from 1 April 2016; noting the impact those would have on income generation as detailed within the report.”

In considering the report the Members of the Panel raised no questions or comments.

RESOLVED – 1. That report ED.38/15 be noted.

(c) Revised Capital Programme 2014/15 and Provisional Capital Programme 2015/16 to 2019/20

The Director of Resources submitted report RD.41/15 detailing the revised Capital Programme for 2015/16, together with the proposed method of financing. The report also summarised the proposed programme for 2016/17 to 2020/21 in the light of the new capital proposals identified, and summarised the estimated capital resources available to fund the programme.

The Director of Resources drew Members' attention to Section 4 which provided details of the current commitments. He emphasised that any capital scheme for which funding had been approved by Council may only proceed after a full report, including business case and financial appraisal, had been approved.

Also highlighted for Members were the estimated resources available to finance the capital programme for 2016/17 to 2020/21 based on the announcements by Government in the spending review. A summary of the estimated resources compared to the proposed programme year on year was also provided.

The Executive had considered the matter on 16 November 2015 (EX.127/15 refers) and decided:

"That the Executive:

1. Noted the revised capital programme and relevant financing for 2015/16 as set out in Appendices A and B of Report RD.41/15;
2. Had given initial consideration and views on the proposed capital spending for 2016/17 to 2020/21 contained in the Report in the light of the estimated available resources;
3. Noted that any capital scheme for which funding had been approved by Council may only proceed after a full report, including business case and financial appraisal, had been approved."

In response to a Member's question regarding Disabled Facilities Grants, the Director of Resources responded with an outline of the scheme and the application process.

The Director of Economic Development commented that the Local Enterprise Partnership would be an important factor in taking the Council's Capital Programme forward, and it would be necessary to secure funding partnership.

RESOLVED: 1) To note Report RD.41/15.

COSP.75/15 OVERVIEW REPORT AND WORK PROGRAMME

The Overview and Scrutiny Officer presented report OS.23/15 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 16 October 2015, KD.33/15 - Budget Process 2016/17 and KD.37/15 – Tullie House Business Plan 2016/17 were both included on the agenda for this meeting.

Members did not raise any questions or comments on the items contained within the Notice of Key Decisions.

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.

RESOLVED – (1) That the Overview Report (OS.23/15) incorporating the Work Programme and Notice of Executive Decisions items relevant to this Panel be noted.

(2) That the Chairman, Vice Chairman and Overview and Scrutiny Officer liaise regarding items for the agenda of the next meeting of the Panel.

COSP.76/15 2ND QUARTER PERFORMANCE REPORT 2015/16

Report PC.22/15 had been submitted 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.

In considering the report the Members of the Panel raised no questions or comments.

RESOLVED - The Panel noted the report PC.22/15.

(Meeting ended at 1.12pm)