COUNCIL MEETING – 4 OCTOBER 2011

REPORT OF THE CASTLE COMMITTEE

28 September 2011

Present: Councillors Bell (Chairman), Graves (Vice-Chairman), Carr, Dholakia, Hawkes and Scarborough.

Also present: Mr R Micklewright, Director of Resources, Mr T Wright, Director of Services, Mrs G Chapman, Principal Community Support Manager, Mr C Pittman, Monitoring Officer, and Mrs C Mundy, Democratic Services Officer.

Mrs G Arnott and Mr R Levene were also present from The Castle (Wellingborough) Limited.

(Councillor G Lawman was present as an observer.)

1. APOLOGIES

RESOLVED to note that an apology was received from Councillor M Patel.

2. DECLARATIONS OF INTEREST

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<tr>
<th>Councillor</th>
<th>Minute No.</th>
<th>Title</th>
<th>Reason</th>
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<tbody>
<tr>
<td>Dholakia</td>
<td>All</td>
<td>All</td>
<td>Personal – Friend of the Castle.</td>
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<td>Graves</td>
<td>All</td>
<td>All</td>
<td>Personal – Friend of the Castle.</td>
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<td>Scarborough</td>
<td>All</td>
<td>All</td>
<td>Personal – Friend of the Castle (ordinary member).</td>
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3. INDEPENDENT REVIEW OF PROCUREMENT PROCESS

The annexed circulated report and verbal update of the Director of Resources was received on the commissioning of the independent review of the procurement process.

The report detailed the terms of reference, the review being carried out on the procurement process in respect of the management of the theatre.

An external investigator had been commissioned to carry out the review.

The remit of the review would be to ascertain the facts and establish whether lessons should be learned in respect of: compliance with EU procurement processes and best practice; the conduct of negotiations and other communication with prospective contractors; selection and commissioning of external advisers; independence and impartiality of advice; involvement by advisers, including legal advisers (NB assessment of the quality of legal advice is not within the scope of the review); documentation of processes.
Councillor Dholakia asked what the timescale for the report was.

The Chairman was hopeful that a report on progress would be available for the next meeting.

Councillor Scarborough asked whether the Overview and Scrutiny committee would be considering the aspect of the legal advice given.

The Chairman confirmed that this would be considered by the Overview and Scrutiny committee.

The Chairman agreed to take a question from Mr Levene representing The Castle (Wellingborough) Limited who asked who would be interviewed.

The Director of Resources confirmed that officers of the council and the external advisors, the former Leader and current Leader, and those members who were on the working party or the Board of the Directors of The Castle (Wellingborough) Limited would all be interviewed.

Councillor Graves asked what the cost of the investigation would be.

The Director of Resources was unable to give a precise figure as it depended on the amount of work that was required but advantage was being taken of two days of consultancy work that had previously been commissioned from the investigator.

**RESOLVED** that the report and verbal update be noted.

4. **THE CASTLE – PERFORMANCE INDICATORS**

The annexed circulated report of the Head of Community was received on the performance statistics for The Castle for the period 1/4/2011 to 30/6/2011.

Mrs G Chapman, Principal Community Support Manager, presented the report. She informed the committee that the performance indicators included targets for performance, income, capacity, subsidy and participation. She confirmed that there had been a wider showing of films and that production was up although seat sales were down. Participation from schools, amateur groups and other groups had all increased.

The Chairman asked the representatives of The Castle (Wellingborough) Limited to answer any questions that the members had.

It was considered that the reason for the audience reduction was the decision to replace the full scale community production with a week long children and families festival. Whilst this had been very successful there had only been one performance instead of a run of five performances. There was also a change in the programming with the increase in the proportion of films shown. This had brought in lower ticket revenue per seat sold and there were lower audience figures. Films tended to play to audiences of around 100 people,
smaller than that for live work. The Saturday ‘film and curry’ evening for *Bridesmaids* attracted a new audience.

Mrs Arnott asked how and what the committee wished to see reported.

Councillors concurred that the information within the report was very useful but that additional information surrounding the ways in which money could be made would be useful to know as currently the subsidy being paid for each seat was of concern and potentially something that could not be sustained. Concern was also expressed over why performances were not selling and whether this was because the right shows/performances were not being put on for the target audience?

Mr Levene and Mrs Arnott confirmed that they had put on a programme of film shows as a pilot in accordance with the business plan discussed with the council. They had been aware that this would not attract the same number of seat sales. Also audiences attending films spent less at the bar.

The Chairman stated that if something wasn’t working that The Castle (Wellingborough) Limited needed to say if they considered that an alternative production would work better. Mr Levene confirmed that the board was constantly reviewing the business plan and that work was ongoing to produce a new business plan.

Councillors asked if figures could be provided as to where people were attending from such as parishes, towns and villages outside of the borough and others outside the county. Mrs Arnott confirmed that this would be possible.

Councillor Carr asked if it would be possible to have a breakdown of the number of hours the theatre was ‘dark’ and not in use. Mrs Arnott stated that it would not be a true reflection to do this in hours and that days was a better way of recording.

Councillor Dholakia suggested that to encourage all community groups consideration should be given to the performances that were staged. He was aware that there would be a large audience for the showing of Bollywood/Indian movies. Cultural plays and musical shows would also be well received. Currently these were only shown in the Leicester and Nottingham areas so local people had to travel.

Mr Levene said he was aware that the council was considering terms for a new contract with The Castle (Wellingborough) Limited and without prejudice to The Castle (Wellingborough) Limited’s right to refer the council’s conduct of the previous procurement process to the Local Government Ombudsman, he said that The Castle (Wellingborough) Limited was prepared to discuss terms with the council. He particularly asked that the committee pay particular attention to the premises maintenance aspects of the contract.

**RESOLVED** that the report be noted.
5. EXCLUSION OF PRESS AND PUBLIC

**RESOLVED** that the press and public be excluded from the meeting during consideration of the following items in accordance with Section 100A (4) to the Local Government Act 1972 on the grounds that they would involve the likely disclosure of exempt information of the descriptions shown in schedule 12A to the Act:

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<tr>
<th>Min. No.</th>
<th>Items</th>
<th>Paragraph of Schedule 12A</th>
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<tr>
<td>6</td>
<td>Contractual arrangements</td>
<td>3</td>
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6. CONTRACTUAL ARRANGEMENTS

The annexed circulated exempt report of the Head of Community was received on the current contract and particularly the three aspects of the service plan, maintenance arrangements and payment which needed to be amended.

The current contract with The Castle (Wellingborough) Limited had been extended with the termination date being 30/06/2013.

The Head of Community advised that as a result of advice obtained in connection with recent developments in procurement obligations with regard to the European procurement it was judged that there was no barrier to the council agreeing the terms of a new contract with The Castle (Wellingborough) Limited.

The report detailed a number of proposed changes which members discussed. The Head of Community responded to queries raised by members. It was considered that a decision needed to be made about whether there should be a lease in place with break clauses or a Licence to Occupy;

After consideration of advice from the Head of Community on the way forward it was agreed that the committee would establish a Castle Working Group, comprised of all the members of the committee to discuss a new contract in more detail. The working group would consider the contract arrangements including whether a lease with break clauses would be put in place or a Licence to Occupy; the subsidy level would also need to be considered with a reduction year on year; and maintenance responsibilities as to internal and external expectations.

**RESOLVED** that a Castle Working Group, comprised of all the members of the committee, be established to discuss any matters relating to the contract
arrangements and that officers bring proposals to the working group at the earliest possible opportunity.

Chairman

The meeting closed at 6.15 pm.