

COUNCIL MEETING – 1 DECEMBER 2015
REPORT OF THE RESOURCES COMMITTEE

21 October 2015

Present: Councillors Bell (Chairman), Griffiths (Vice-Chairman), Allebone, Bailey, Carr, Emerson, Francis, Hallam, Harrington, Henley, Morrall, Partridge-Underwood, Scarborough, Ward and M Waters.

Also present: Mr J T Campbell, Chief Executive, Mrs L Elliott, Head of Finance, Mrs B Lawrence, Head of Resources, Miss J Thomas, Head of Planning and Local Development, Miss S Lyons, Monitoring Officer/Solicitor District Law and Mrs C A Mundy, Democratic Services Officer.

(Councillors G Lawman and V Waters attended as observers.)

1. DECLARATIONS OF INTEREST

RESOLVED to note that in accordance with the Localism Act 2011, the council's code of conduct and the council's constitution, the following declarations were made.

Councillor	Min. no.	Report Title	Reason
Allebone	5	Castle Theatre	Personal – is council representative on the Board.
Scarborough	3	Treasury Management	Personal – wife works for Yorkshire Building Society.

2. CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON 16 SEPTEMBER 2015

RESOLVED that the minutes of the Resources Committee held on 16 September 2015 be confirmed and signed.

3. MID YEAR REPORT ON TREASURY MANAGEMENT

(Councillor Scarborough left the meeting.)

The annexed circulated report of the Head of Finance was received in relation to the treasury management activity in line with the treasury management strategy statement which was approved by Resources Committee on 18 March 2015.

The summary of investment transactions at 30 September 2015 and the summary of economic background and interest forecast were both appended to the report.

The Head of Finance apologised to members as the incorrect appendix had been provided she would circulate an updated summary of economic background and interest forecast after the meeting.

RESOLVED that the mid-year report on treasury management be noted.

(Councillor Scarborough returned to the meeting.)

4. MANAGEMENT OF INVESTMENT PROPERTY ARREARS

The annexed circulated report of the Head of Resources was received to seek approval of a refreshed draft policy for dealing with arrears in commercial properties, for which the council is landlord, and to write off historical arrears which cannot be recovered.

The draft policy for dealing with arrears was appended to the report along with a further appendix detailing the existing debts recommended for write off.

Some background information was included in the report which prompted members to ask about the accounting process, particularly around the return from the council's investment portfolio and the extent to which it supported the running costs and maintenance of its operational property.

The Head of Finance confirmed that the investment and operational costs were accounted for separately but that for the purpose of this report they had been totalled; she would provide a members briefing note to explain the full break down.

The council's commercial property investment portfolio was managed via contract by Messrs Underwoods LLP and they carried out the rent collection and debt management. Collection and debt levels were reviewed monthly as part of the council's management of the contract.

Members asked for clarity on the current process carried out by Messrs Underwoods for chasing and collecting debts. The Head of Resources confirmed that the review had been carried out because the financial climate had changed since the current policy was put in place, and she would provide a members briefing note to highlight the differences between the existing procedures and the proposed new procedure.

RESOLVED that approval be given to:

- (i) the policy and procedure for handling arrears in commercial property to take immediate effect;
- (ii) write off the debts detailed in appendix two of the report.

5. CASTLE THEATRE

The annexed circulated report of the Head of Resources was received following a request from The Castle (Wellingborough) Ltd to consider a proposal to redevelop the premises. The aim would be to make it a more viable business and would be a means of ensuring that it remained in the borough.

The Castle was built by the council at a cost of just under £3.5 million and opened on 30 March 1995. The council subsidises the running costs of the theatre and there is currently a contract in place with The Castle (Wellingborough) Ltd to provide a range of specified services. This commenced on 1 April 2011 and is due to terminate on 31 March 2021.

The financial support provided to The Castle has reduced over the years and would continue to do so by agreement between the council and The Castle (Wellingborough) Ltd, under the terms of the contract.

There had been a number of challenges over the years but a programme of improvements was ongoing.

The report suggested that, having received the proposal from The Castle (Wellingborough) Ltd to develop the facility, a detailed options appraisal be carried out to provide members with the information they needed to make a decision on the future of The Castle.

Three requests to address the meeting had been received from the public and the chairman allowed each person to speak for three minutes. Their comments are précised below.

Marion Turner-Hawes, a local resident who was also chairman of the Castle Fields Community Group, made representations on behalf of the local community and asked for assurance that all options be considered for the running and use of the theatre. She considered The Castle to be an essential asset for the town bringing many people into the area and enabling the diverse community to participate in various activities, enhancing their skills and interests. She expressed concern that its place in the community had withered with local groups no longer being able to afford to stage meetings or events at the venue. She called for The Castle to be registered as a community asset so no decision about its future ownership could be made without recourse first to the community who would have the opportunity to present its own option.

Darren Walter, spoke as Director of The Castle (Wellingborough) Ltd and informed the committee of the improvements that had been made during the last three years with an increase in ticket sales, full capacity on participation, and the new restaurant concession 'Franks' which had seen a marked increase in restaurant takings. He spoke of the aspirations and plans that he envisaged for the future of The Castle. This included a refurbished 500 seat main theatre, 200 seat studio theatre and a 100 seat cinema, along with a

destination restaurant, extra rehearsal spaces, private function rooms and a business centre with meeting rooms.

Rae Levene, Chairman of the Board of Trustees of The Castle, also addressed the meeting. He referred to the opportunities that the redevelopment of The Castle could bring to the borough which would ensure that the arts offering remained for the borough. If a community asset transfer, either freehold or leasehold, was agreed in due course this would enable The Castle (Wellingborough) Ltd to apply for external funding for what was an ambitious and aspirational project ensuring the future of The Castle.

The chairman reminded members that at this stage they were only being asked to decide whether to instruct officers to carry out a detailed options appraisal to enable full consideration to be given to this matter.

Members acknowledged that The Castle (Wellingborough) Ltd had made improvements during the last three years and also acknowledged that the grant funding from the council was reducing each year. Members considered that it would be wise to instruct officers to carry out further investigations.

Councillor Henley made reference to 6.5 of the report and the options (a) through to (f) and proposed that options (a) to (d) be investigated. Councillor Scarborough seconded this proposal.

Councillor Carr proposed an amendment and suggested that only an amended version of option (c) be considered, to read as follows:

“to investigate the interest from The Castle (Wellingborough) Ltd in completing a community asset transfer based on a sound business case and sound development aspirations committing this council to relinquish its interest in the property.”

This was seconded by Councillor Morrall.

A lengthy debate ensued with members considering the best way forward.

Mrs Lawrence outlined the key features of a community asset transfer; if this was the route the council wished to follow it would be necessary for members to confirm that they wished to dispose of the premises by this means. She also reiterated that it was essential for members to satisfy themselves that they had carried out due diligence in respect of any decision they made, as well as considering all the risks. For this reason a consideration of all options available had been proposed.

The chairman suggested that options (a) to (d), incorporating Councillor Carr's amendment to option (c) be investigated to enable a detailed report to come before the December meeting. Members agreed that they needed to understand any proposals coming forward and to ensure their viability.

Some members considered that they needed more information and further details of the plans that The Castle (Wellingborough) Ltd had for the site before they could make a decision and suggested that an informal presentation be given to councillors to inform members' when making a decision about the facility's future. Members concurred that a presentation would be welcome.

The Chief Executive addressed the meeting. He reminded members that at this stage the only decision required was whether or not members wished officers to investigate the options available. From such investigation members would be able to make an informed decision as they would have all the current information that was available, including legal, financial and procurement advice.

Further discussion took place and Councillor Carr agreed to retract his amendment that only option (c), as amended, be considered.

The chairman then put to the meeting that options (a) through to (d) be further investigated. This was seconded by Councillor Griffiths and on being put to the vote declared carried.

RESOLVED that officers be instructed to carry out an options appraisal on options (a) through to (d), as detailed within the report, for further consideration by members in due course.

Chairman

The meeting closed at 8.25pm.

