

COUNCIL MEETING – 28 NOVEMBER 2017
REPORT OF THE RESOURCES COMMITTEE

1 November 2017

Present: Councillors Griffiths (Chairman), Partridge-Underwood (Vice-Chairman), Carr, Emerson, Francis, Graves, Hallam, G Lawman, L Lawman, Morrall, Scarborough, Simmons and Ward.

Also present: Mrs B Gamble and Miss J Thomas, (Directors), Mrs S Knowles (Interim Assistant Director), Mrs J O'Connell, (Accountancy Team Leader) and Mrs C A Mundy, (Democratic Services Officer).

(Councillor Skittrall attended as an observer and Mr N Robinson to respond to questions on minute 4.)

1. APOLOGIES

RESOLVED to note that apologies for absence were received from Councillors Allebone and Henley.

2. 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.	Item	Reason
Partridge-Underwood	7	Castle Theatre Progress report	Personal daughter and grandson work at the Castle Theatre
Scarborough	6	Mid-year report on treasury management	DPI – during the year his wife has worked for Principality Building Society

3. CONFIRMATION OF THE MINUTES OF THE RESOURCES COMMITTEE MEETING HELD ON 13 SEPTEMBER 2017

RESOLVED that the minutes of the resources committee held on 13 September 2017, be confirmed and signed.

4. FINANCIAL MONITORING AND POSITION STATEMENT FOR 2017-18

The annexed circulated report of the section 151 officer was received in relation to the monitoring position for revenue expenditure. The revenue forecast outturn was estimated as at 30 September 2017.

The report detailed the net revenue budget as £10.106m, using £1.071m of general fund reserves and other sources of external funding. During the reporting in September it had been anticipated that the council would need to use an additional £131k of reserves to fund the 2017-18 budget, meaning a total use of general reserves of £1.202m.

Further analysis of the spending position and re-profiling of expenditure had mean the forecast has changed and an overall increase in the budgeted level of reserves was forecast as being £706k, giving a revised use of general reserves of £1.777m.

The report detailed the main areas contributing to the increase in the usage of reserves which included the reduction in benefit subsidy, due to the increase in homelessness, along with the reduction in the rent allowance grant. There were also non recoverable costs in respect of homelessness which had increased the pressure.

Members asked officers for further clarification on the increases. The assistant director and principal manager, revenue and benefits explained in further detail the reasons for the increased pressures in these areas.

The report anticipated that there would be further costs for the Castle Theatre, to be reported at a future meeting. The financial position in relation to the Castle Theatre was detailed within the report.

RESOLVED that the position in relation to the revenue monitoring, along with the reason for variances reported and shown in the appendix to the report, be noted.

5. CAPITAL PROGRAMME MONITORING

The annexed circulated report of the section 151 officer was received in relation to the capital programme monitoring information to 30 September 2017.

The total capital budget for 2017-18 of £6.635m had been reported to committee in September 2017. The capital budget had now been revised to £4.923m as at 30 September 2017.

In response to a query raised at the committee in September relating to the disabled facilities grant budget virement of £236k, the report explained that this was an adjustment required to reflect the 2017-18 grant allocation, as £264k had previously been forecast as grant income. The report further detailed the

breakdown of the virements that had resulted in the 2017-18 budget total of £614,292. The assistant director explained that this was totally funded by the 'Better Care Fund'.

The report also detailed the bids received by the capital working group in respect of the boiler replacement requirements at Swanspool Pavilion and the Tithe Barn Road offices totalling £20,200 and other ICT expenditure.

An urgent action request for £60,000 had been received to replace the heating and air handling controls at The Castle Theatre to reduce the risk of the systems failing as the winter approached.

RESOLVED that:

- (i) The projected outturn and anticipated variances as at 30 September 2017 be noted;
- (ii) The external funding be noted;
- (iii) The updates and amendments to the 2017-18 capital programme be noted;
- (iv) The update from the capital working group be noted;
- (v) The urgent action request ,approved under delegated powers, be noted;

R1 RECOMMENDED that:

- (i) approval be given to the use of the property contingency budget to fund the new boilers for Tithe Barn and Swanspool Pavilion totalling £20,200;
- (ii) approval be given to transfer and combine the ICT budgets totalling £101,337;
- (iii) approval be given to the additional request for £96,250 of in year budget for the Academy system upgrade.

6. 2017-18 MID YEAR REPORT ON TREASURY MANAGEMENT

(Councillor Scarborough left the meeting during discussion on this item having declared an interest.)

The annexed circulated report of the section 151 officer was received in relation to the treasury management activity.

The report detailed the annual investment strategy and the performance to date.

Members asked if there was any intention to consider alternative investments to those currently used. The assistant director confirmed that there was an aspiration to do so in the future and this would be covered in a future report.

Members also referred to the two breaches to the annual investment strategy, which the assistant director clarified related to delays at the bank following staff changes, which the council had been aware may happen.

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

(Councillor Scarborough re-joined the meeting and Councillor Partridge-Underwood left the meeting having declared an interest.)

7. CASTLE THEATRE – PROGRESS REPORT

The annexed circulated report of the director was received in relation to the Castle Theatre, including a review of the previous year and a look at plans for 2018 along with a summary of actions in relation to the tender for a new operator.

The report detailed the shows that had been hosted, along with ticket sales and website visits. These were divided into auditorium shows and shows taking place in the studio. A number of private hire events had taken place including long-term hirers such as dance schools, theatre classes, exercise and fitness classes, training courses and the BLW church group.

Castle employees had worked hard to build relationships with local community groups and organisations. The theatre's database had grown with 10,191 registered customers; approximately 76% of these allowing the theatre to contact them directly. A 'pop-up box office' was also set up in the Swansgate shopping centre with the new autumn brochure being distributed to shoppers and the opportunity for the public to purchase tickets.

Also detailed in the report was the financial position at the end of 2016/17 where the net operating costs of £556k had been incurred, which resulted in a £254k overspend against available base budget. At the beginning of the financial year 2016/17, £94,000 had been paid to The Castle Wellingborough Ltd (TCW) in line with the contract existing at that time.

The forecast for 2017/18 was that a net operating cost of £447k would be incurred which would result in a budget pressure of £103k. There had been significant start-up costs, together with a backlog of maintenance and repair work when the council had taken over the management of the theatre.

Prior to the re-opening of the theatre, risk assessments and surveys had been undertaken to ensure that the building, and its contents, were health and safety compliant. A further survey had been undertaken to ascertain what essential building and plant works were required to lengthen the life of the building along with a specialist report on theatre-specific issues (such as sound, lighting, and stage equipment).

Attached to the report was a capital bid, for £1,050,000, for funding all essential works to the fabric of the building to be commenced before the contract was let; other essential fixtures, fittings or specialist content were also essential, but would need to be undertaken by the council in consultation with the new operator.

Other requirements had also been identified as part of the planned preventative maintenance amounting to £14,000 for flooring, £6,000 for external redecoration and £5,000 for internal redecoration.

A request was made for £6,000 from the revenue budget for 2018/19 for external redecoration, plus £19,000, to span 2018/19 and 2019/20, to enable consultation with the new operator in relation to internal redecoration and flooring.

The advertisement for the first stage of the tender was submitted on 4 October 2017 with a return date of midday on 9 November 2017. Shortlisted bidders would be invited to tender in December or early January with a closing date of 27 February 2017.

Once the evaluation process has been undertaken in the spring of 2018 it was planned that the castle advisory group would meet to be advised as to whether there is a recommended contractor. A report would then be submitted to the council meeting.

Members thanked officers for all the work they had done to bring this report forward. They considered that the re-opening of the Castle Theatre and the way the staff at the Castle Theatre were working to produce a good programme, and encourage sales and community participation, was exceptional and far exceeded expectations. Members had been aware that a great deal of work was required to maintain both the external and internal building and equipment at the theatre.

It was suggested that the recommendation to create an Arts and Culture Sub-Committee could be enhanced to include sport also. Following a discussion it was concluded that sport should not be included. If members wished to have a Sports Sub-Committee this would need to be the subject of further discussion in the future.

RESOLVED that the progress of the Castle Theatre since June 2016 be noted, and approval be given to the arrangements agreed by the castle advisory group in relation to the tender for a new operator;

RECOMMENDED that:

- (i) an Arts and Culture Sub-Committee be created to report to services committee with effect from January 2019;
- (ii) the sum of £1,050,000 be included in the capital programme to cover all works identified in phases one and two of the capital bid as essential for the effective operation of the theatre and the longevity of the building;

- (iii) the sum of £25,000 be included in the revenue budget, to span two financial years (2018/19 and 2019/20) to enable the council to work with the new operator to complete the redecoration and upgrading of flooring.

Chairman

The meeting concluded at 7.50pm.