

Minutes

**Culture and Visitor Economy
Overview and Scrutiny Committee
Tuesday, 3 August 2021**



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Committee Members present

Councillor Judy Stevens (Chairman)
Councillor Paul Fellows
Councillor Nikki Manterfield
Councillor Mrs Judy Smith
Councillor Jill Thomas
Councillor Amanda Wheeler
Councillor Mark Whittington

Cabinet Members in attendance

Councillor Kelham Cooke (The Leader of the Council)
Councillor Rosemary Trollope-Bellew (Cabinet Member for Culture and Visitor Economy)

Members in attendance

Councillor Jacky Smith
Councillor Charmaine Morgan
Councillor Phil Dilks
Councillor Gloria Johnson

Officers

Alan Robinson (Deputy Chief Executive)
Nicola M^cCoy-Brown (Director of Growth and Culture)
Richard Wyles (Director for Finance)
Alice Atkins (Graduate Trainee)

12. Apologies for absence

Apologies for absence had been received from Councillor Penny Robins. Councillor Mark Whittington would be substituting for Councillor Robins, for this meeting only.

13. Disclosure of Interests

No disclosures of interest were received.

14. Arts, Culture and Events Service Review Update

The Cabinet Member for Culture and Visitor Economy presented a report which updated Members following receipt of an independent review of the Council's Arts, Culture and Events Service. The Cabinet Member for Culture and Visitor Economy assured the Committee that no arts venues were at risk of closure.

The review had been conducted by Sport, Leisure and Culture Consultancy (SLC) at a cost of below £10,000 in December 2020. The scope of the review covered the three arts centres (the Guildhall in Grantham, Stamford Arts Centre and Bourne Corn Exchange) and arts events.

Mr David Rushton from SLC was present and provided an outline of the review's key findings. Mr Rushton referred to a number of concerns outlined in the report, including the high level of subsidy the arts centres received, how the three arts centres operated independently to each other and to the Council, how it was unclear who the service was targeted at, and high staffing costs. The review had identified areas where potential savings could be made and suggested the adoption of a different operating model longer term, for example via a Trust Model.

During discussion, Members agreed that it was good management practice to review how the Council's services were provided to ensure efficiency and value for money.

One Member asked a question with regards to Bourne Corn Exchange. As it was a multi-purpose venue, hosting South Kesteven District Council (SKDC) offices as well as the Registry Office, the fairness of including this in the review was queried when a significant proportion of its costs could not be attributed to arts in general.

It was confirmed that the allocation of costs of the Bourne Corn Exchange had been separated out, so the review had focused only on the operational costs.

One Member expressed they felt central Government cuts had led to a lack of funding for arts provision.

During discussion, some Members took issue with how the review had been conducted. Numerical errors within the report were referred to. Concerns were raised that the consultation had taken place after Cabinet and Full Council meetings, rather than before. Some Members criticised the fact that volunteers working at the arts centres had not been consulted as part of the review.

The Director of Growth and Culture confirmed that all arts staff had been made aware of the review and had been invited to attend a separate briefing.

Mr Rushton noted that the recommendations outlined in the review were only advisory and that the key message was that the Council should undertake a management appraisal to assess a range of alternative management options in the long term, for example, running the service through a local authority trading company. That would be a long-term option. At the moment, the service was not in a position where it could be put to market, if needed.

Centralisation was discussed by Members. It was stated that centralisation had mostly occurred in relation to back-office services, as opposed to those in the front office. Members discussed the possibility of creating more outlets to buy tickets and get information on arts centres than currently operating. Members discussed the future utilisation of resources that the Council already had access to, especially with regards to marketisation and communication.

One Member asked whether the commercial side of the operation could be improved as it currently stood. Mr Rushton responded that this had not happened during the last twenty years, and that income had been static during this time.

One Member noted that the service operated without Key Performance Indicators (KPIs) at present, so it was difficult to measure performance and efficiency. It was suggested that this should be addressed as part of future developments.

A question was raised regarding the Audience Demand Assessment on page 16 of the review. It was asked whether the profiles included in the Assessment were standard across the industry and whether these were suitable in a local context.

One Member raised a concern about the financial information on page 20 of the review. The Member was unsure as to why the spend of 2019/20 was being compared to the budget of 2018/19. Other concerns were raised regarding the programme costs outlined on pages 23 – 26 of the review, with one Member noting that when added up these costs did not match the table presented on page 21.

Mr Rushton responded by stating that SLC had not attempted to reconcile the programme costs with overall costs, and that marginal staff costs, not total costs, had been analysed. He stated that the contribution to fixed costs was missing, hence the difference.

One Member asked for evidence to support Mr Rushton's statement that the Council invested heavily in arts and culture compared to most District Councils.

Another Member asked why only one elected Member had been involved in the review as a consultee. It was also asked why the Trade Unions had not been engaged with at an earlier stage than they had.

In reference to the review stating the benefits of externalising venues to reduce existing subsidies, it was asked as to why no potential negatives of pursuing this option were listed. One Member asked how externalising the services would bring the provision of arts and leisure closer to the Council. Reference was made to the fact that the operational deficit had already been cut by 10%. It was requested that SLC provide the estimated full costs of Options 1 and 2 as listed in the review, as well as the impact on existing successful festivals if these routes were pursued.

Members discussed the features of a Trust Model rather than in-house operation. Reference was made to the operation of the Council's leisure centres through a Hybrid Trust Model. It was noted that the Arts would always be subsidised to a degree.

Some Members raised concerns about the recommendation of adopting a Trust Model. One Member stated that it might be appropriate not to have centralised services, as the District was large and the different art centres were each diverse and had different needs. It was suggested that other solutions could be looked at, and that services could be improved but should reflect the needs of the community.

One Member raised concerns about the prospect of increased centralisation. The idea that services were working independently was questioned, as it was stated that they had shared ticketing and marketing. It was noted that some roles, for example arts marketing, were specialist roles and therefore should not be centralised.

Mr Rushton advised that whilst there were other funding streams available, generally most charities would be more comfortable funding a Trust than a Council.

The Chairman of the Committee asked what research SLC had undertaken in terms of the Deepings Literary Festival, in response to the statement that this money would be better spent helping reluctant readers.

The Leader of the Council stated that it was too premature to consider adopting a Trust Model. The necessary engagement process with all centres as part of this would be an extensive piece of work, and the Committee should focus on the short-term recommendations outlined in the review first.

The Interim Director for Finance advised that the operation from venues as tangible assets was an expensive model and that the cost of capital for the Council was tied up in the respective facilities. Difficult choices would need to be made by the Council regarding where it placed its finances going forward, and every part of the Council would need to be reviewed in this context.

One Committee Member stated disappointment that the review had been conducted without the engagement of staff, community groups and service users. It was agreed by Committee Members that any review needed to be holistic and should involve all those who used the facilities.

The Cabinet Member for Culture and Visitor Economy responded that staff working in the arts centres had been consulted as part of the review.

Reference was made to the Mental Health Challenge which had been adopted by the Council at the last Full Council meeting. It was noted that cultural assets, such as the arts centres, had a positive impact on the mental health of staff and service users. Reference was made to Kent Council having allocated £4million to arts funding by recognising this impact.

One Committee Member expressed that the delivery of arts should not be centred on profit.

It was asked whether Stamford Councillors could be included in any decision-making around the Stamford Arts Centre.

Councillors discussed that any decisions made should not be rushed, and that accuracy and certainty were key. It was noted that members of the public should be engaged with as part of any decision-making-process.

It was noted that any savings made as a result of a potential restructure would be recurring. One Member requested that officers provide an indication regarding the payback period of any savings made.

The Director for Finance advised that this could not be pre-empted, but that the normal payback period was less than three years.

Mr McCabe, a volunteer at Stamford Arts Centre, expressed that he was unhappy with the review and the way it had been conducted, stating that he did not believe it offered value for money. He referenced to gaps in the revenues listed in the review and questioned as to why major users of Stamford Arts Centre had not been consulted.

Exclusion of the Press and Public

It was agreed to exclude the press and public from the meeting during the discussion of the following item of business due to the likelihood that information that was exempt under paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended) because it contained information relating to the financial or business affairs of any particular person (including the authority holding that information).

The Committee discussed the two alternative staffing options as recommended in the review.

The centralisation of communications in order to create savings was discussed.

A question was raised regarding changing job descriptions under a potential adoption of an alternative staffing option. The Director of Growth and Culture advised that a review was needed around job descriptions in the arts service. It was noted that job descriptions would need to be a critical part of any restructure.

One Member suggested that volunteers could be encouraged to take on casual roles, with specialist roles maintained as paid.

ACTION

- For officers to return to the Committee on 8th September with the proposed future structure
- Over the next year individually review the three centres (Bourne, Grantham and Stamford), with a view to determining a future operating model. This approach would result in Officers presenting information to enable the Council to decide what it wanted from arts, culture and events services in terms of objectives, who to target and the development of key performance indicators
- At the appropriate time, prepare an arts and culture strategy to clarify exactly what it is the Council wishes to achieve

- For officers to return to the Committee during the course of the next year with more detail regarding the different ways the arts services could be delivered in the future.

DECISIONS:

- 1. That the Culture and Visitor Economy Overview and Scrutiny Committee note the independent Arts, Culture and Events Service Review.**
- 2. That the Culture and Visitor Economy Overview and Scrutiny Committee support the Arts, Culture and Events Service Review being presented to Cabinet for further consideration in September 2021.**

The Chairman closed the meeting at 13:16.