

## Scrutiny Panel

28 February 2017

Item  
**11**

Report of	Chief Operating Officer	Author	Ann Hedges ☎ 282202
Title	Review of the Council's funding and partnership delivery arrangements with Firstsite		
Wards affected	Not applicable		

**The Panel is invited to review the progress of Firstsite since the decision by Arts Council to withdraw their National Portfolio Organisation status and to consider how effectively they support the Council's Strategic Plan priorities and provide value for money for the funding provided**

### 1. Scope of review

- 1.1 To review the progress of Firstsite since the decision by Arts Council to withdraw their National Portfolio Organisation status and to consider how effectively they support the Council's Strategic Plan priorities and provide value for money for the funding provided.

### 2. Reason for undertaking review

- 2.1 The Council's Code of Corporate Governance states the aim for robust scrutiny, and principle to engage with stakeholders to ensure public accountability.

### 3. Representatives

- 3.1 The following representatives have accepted an invitation to attend and present to this meeting:
- Sally Shaw, Director
  - Noorzaman Rashid, Chair

### 4. The Organisation

- 4.1 Housed in a landmark building opened in 2011, Firstsite is leading contemporary visual arts organisation presenting exhibitions from both locally and international renowned artists, as well as events, activities and workshops that aim to bring art to the heart of the community, ensuring a diverse range of experiences and activities are accessible to all. The organisation is integral to the creative industries and visitor economy, both priority sectors for the Borough.

### 5 Partnership delivery arrangements

- 5.1 Firstsite, the Mercury Theatre and Colchester Arts Centre form a cultural and creative asset base for Colchester which is the result of a strong funding partnership between the Council, the arts organisations, Arts Council England, and Essex County Council and which has been in place for more than 10 years.

- 5.2 In 2014 Firstsite was awarded Arts Council England (ACE) National Portfolio Organisation (NPO) funding status for 2015-18. In Feb 2015 this was withdrawn and Firstsite was put into special funding arrangements by ACE for one year. An interim Director, Anthony Roberts, was appointed in April 2015. In November 2015 in view of the substantial progress made against the conditions set in February, ACE awarded an additional two years revenue funding to allow Firstsite to continue with its plans to develop a new and sustainable business model. As per this agreement, Firstsite's funding partners, ACE, Colchester Borough Council and Essex County Council continue to work closely with the organisation to monitor and support its progress against the Milestones attached here as Appendix 1. In April 2016 a new permanent Director, Sally Shaw, was appointed to lead Firstsite, which will be applying for readmission to the ACE National Portfolio for 2018-22.
- 5.3 The next round of formal NPO applications has just been completed and Firstsite have submitted a bid that if successful will mean the Arts Council will provide £814,512 per year, for four years from 2018. This will give the organisation much more financial stability. The application includes up to date financial forecasts for this period. (Application and financial information attached at Appendices 2 & 3) The decision on whether the application is successful will be notified in late June 2017. Part of the criteria for successful applications will then be the development of a full business case by October 2017 to demonstrate how the programme described in the application will be delivered.
- 5.4 An annual funding agreement is agreed between CBC and Firstsite and sets out the activity and targets for that financial year in line with objectives within the Strategic Plan 2015-18. A copy of the current funding agreement is attached as an Appendix 4.

## **6. Financial Arrangements**

- 6.1 The Council determines the level of revenue funding that will be provided on an annual basis, and aims to support the organisation's medium-term business and operational plans. The funding is agreed by Cabinet and full Council through the budget process. The terms and conditions of funding including eligibility criteria and performance monitoring arrangements are set out in the funding agreements attached here as an Appendix 4.
- 6.2 Between 1 April 2016 and 31 March 2017, the Council will have provided funding of £127,925 to firstsite Ltd.
- 6.3 In early 2016 Colchester Borough Council agreed and provided one-off additional funding of £100,000 to support Firstsite, in recognition of the ongoing transition the organisation needs to make to complete its recovery. The conditions of this funding were that it is used for specific, positive activities (letter of agreement attached here as Appendix 5).

## **7. Strategic Plan References**

- 7.1 This report links to the 'Vibrant' strand of Strategic Plan 2015-18:
- Enhance the diverse retail and leisure mix supporting independent businesses valued by residents and visitors
  - Develop a strong sense of community across the Borough by enabling people and groups to take more ownership and responsibility for their quality of life
  - Make more of Colchester's great heritage and culture so that people can enjoy them and draw inspiration for their creative talents
  - Create the right environment for people to develop and flourish in all aspects of life both business and pleasure

## **8. Standard References**

- 8.1 There are no particular references to publicity or consultation considerations; or financial; equality, diversity and human rights; community safety; health and safety or risk management implications.

### Appendices

- Appendix 1 Firstsite Milestones 2016/17
- Appendix 2 NPO application
- Appendix 3 NPO financial model
- Appendix 4 Firstsite Funding Agreement
- Appendix 5 Additional Funding Agreement

### **Background Papers**

[Firstsite Business Plan](#)