

Scrutiny Panel

Tuesday, 22 February 2022

Attendees: Councillor Lyn Barton, Councillor Nigel Chapman, Councillor Mark Cory, Councillor Derek Loveland, Councillor Lorcan Whitehead, Councillor Dennis Willetts, Councillor Barbara Wood
Apologies: Councillor Tina Bourne
Substitutes: Councillor Michael Lilley (for Councillor Tina Bourne)

338 **Review of Colchester Borough Council's partnership arrangements with The Mercury Theatre, Colchester Arts Centre and Firstsite**

Anthony Roberts, Director of Colchester Arts Centre, introduced the work of the Centre and gave a presentation to show the funding received from the Council and how it had been used. £48,175 had been provided by the Council, equating to around 7% of the Centre's overall income and was the foundation upon which other income generation was built. £12.99 of external income was generated for each £1 of funding from the Council. In addition, a capital investment of £35k had been made over the past two years.

The Director outlined the employment of staff at the Centre, and a total of £780,133 of inward investment had been recorded, including wages, fees, payments to suppliers, etc.

Performance targets were covered, and it was explained that the pandemic has caused most to be missed. The target for ticket sales had been 46,000 per year; this had only just been missed, even with the effects of the pandemic. The demographic data of ticket purchasers was shown.

The Director outlined how the Arts Centre had responded to the Climate Emergency. Audience travel remained the largest portion of the Centre's carbon footprint. The Centre had increased its use of 'grey' water and reduced its use of fossil fuels, aiming to bring this to zero by using alternatives such as e-cargo bikes. Growing projects and carbon offsetting were also being employed, alongside efforts to enhance biodiversity and conservation. The churchyard was being utilised, in consultation with experts on the different flora and fauna located there.

The Arts Centre continued to support vulnerable people and to address inequalities. Project 'Game Changer' aimed to do this, reducing exclusion from use of the venue and informing decision making. Examples were given of events, shows and activities held by and for vulnerable groups. The facilities had also been improved to be more easily accessible, including a shower facility which could be used by all, including those with limited mobility. Examples were given of members of vulnerable and oft-excluded demographics who had worked with the Arts Centre to increase its accessibility and broaden its offering of events and activities.

Council funding had helped to increase the Centre's partnership in strategic initiatives,

investment, employment, arts provision, social engagement and collection of data used to evaluate how to improve visitor experiences and increase numbers.

Steve Mannix, Executive Director of the Mercury Theatre, presented an update on the Theatre's work, including the prioritisation of maintaining connections with its partners, stakeholders and staff during the pandemic, and in meeting the challenges caused by the pandemic. This included the setting up of a hardship fund for freelancers who were often not eligible for furlough or other sources of Government support.

The Mercury Rising project had continued to target and had not been significantly delayed by the pandemic. Costs had risen but these had been met, and the building was now ranked in the top 25% of buildings in the UK for sustainability.

The Theatre's staff had supported organisations across the Borough in tackling the effects of the pandemic, including volunteering with the Council and the Foodbank and producing PPE, whilst supporting local groups.

118 online events had been held, with an emphasis on inclusivity. Creative engagement had been prioritised and a digital film festival had been held with opportunities for youth work and screenings at care homes.

Funding successes were listed, including from the Town Deal, Arts Council England, and the Department of Culture, Media and Sport's 'kick-start' funding. This led to an outline of the Theatre's local strategic partners including non-profit organisations, the Business Improvement District [BID] and the Haven Gateway.

The Theatre had achieved an average of filling 65% of its capacity, which compared well to other venues. Numbers had been affected by the pandemic. In addition to shows/events, the Theatre had conducted creative engagement work and activities, looking to improve participation.

The Panel was informed that it cost £4.4m to run the Mercury Theatre each year, with 4% and 20% of costs met by the Council and Arts Council England respectively, with 76% of income generated by the Theatre itself. The Theatre prioritised spending on local suppliers, products and food. It was estimated that audience members for Theatre productions spent around £3.8m around Colchester annually. In addition, the Mercury Rising project had led to around £10.6m to be spent locally, with 44 new jobs per year. The Mercury Creatives Programme supported 114 local businesses, with over £1m income generated for those firms.

The future targets and aims of the Theatre were outlined, along with recovery work to return to full output and touring activities. This included work and activities for young people and members of vulnerable and marginalised groups.

Sally Shaw, Director of Firstsite, introduced the work of the gallery over the past year. In the past year £95k of Council funding had been used to help generate £1.9m additional income for the gallery, including funding from Arts Council England. Essex County Council had also reinstated its core funding of the gallery, following the arts organisations' previous appearance before the Scrutiny Panel. It was felt that the Council's investment had encouraged Essex County Council to renew its funding. The

funding received from the two councils gave confidence and certainty to the gallery.

In the past year, an estimated £2.2m of press coverage had been generated, including for the successful 'Museum of the Year' campaign. Coverage was used to build the reputation of Firstsite and Colchester.

Firstsite had fully delivered its planned programme of events and continued to aim to provide and support World-class local artists and exhibitions. Examples were provided of the support given to local artists, including social media, publicity, and advice on selling works. Examples were also given as to how creativity and mental health wellbeing of visitors were supported and encouraged, especially for young people. There had been 40,000 participations in the Holiday Fun programme, with more than 1,000 different families engaged and 12,000 meals provided for free. Attendance levels had recovered to 70% of pre-pandemic levels, which was in comparison to London museums which had reported that their visitor numbers were between 40% and 45% of pre-pandemic levels. Demographic data was given of those visiting the gallery, with 18% of audience members now being from non-white demographics. This had increased from 11% pre-pandemic and, whilst it was hard to definitively explain this, it was suggested that this might have been as a result of increasing the use of digital workshops and through partnership with other organisations.

The Director informed the Panel that Firstsite planned to use the money from winning 'Museum of the Year' to commission an asylum seeker who lived and produce art locally to make a rug to depict his journey to the UK from Sweden, to partner his earlier work which showed his journey from Iraq to Sweden. This would feed into the gallery's aim to 'make art matter' and to show how increasing artistic creativity can increase the creativity shown to find solutions to problems across the UK.

Firstsite's goals included listening to audiences, showing and promoting what artists could do, sharing resources to create social capital and taking a sustainable approach to everything it did.

Commercial operations were outlined, and it was confirmed that the gallery's café had now become profit-making, in a welcoming space for visitors and participants in activities. The Christmas programme, working with others, had generated enjoyment for visitors, longer stays at the gallery, more jobs at the venue and greater spending in the café and shop.

Firstsite aimed to promote Colchester in general, and part of this was the campaign to win the 'Museum of the Year' award, which was the biggest prize of its type in the World. This showed the payoff from investment in Firstsite and across the local cultural sector, showcasing the difference and radicalness of Colchester, and how this was being encouraged.

The Panel welcomed the information provided by its guests. More detail was asked on the Arts Centre's 'pay what you like' events on Wednesday nights. Anthony Roberts, Director of Colchester Arts Centre, explained that the approach was akin to having an 'honesty box', where people could pay what they could afford in order to participate in cultural events, encouraging people to try new things and to increase inclusivity through experiencing new arts and artists. A part of this strategy was to generate

greater interest and popularity, leading to increased income over time.

Steve Mannix, Executive Director of the Mercury Theatre, detailed the Theatre's range of ticket options and prices, including cheaper options for those on limited incomes which aimed to encourage more to come to see productions. Bursaries were provided, especially targeted at those who were vulnerable or more likely to be facing exclusionary pressures.

Firstsite's Kickstart programme was due to commence interviewing for young people to take up work placements at the gallery, gaining experience which was aimed at creating careers in the creative arts sector. Additionally, it was hoped that this would help users of the Holiday Fun programme to engage and then progress to employment at Firstsite. Sally Shaw, Director of Firstsite, explained the importance of expanding imaginations and creativity to improve success in the workplace. Anthony Roberts, Director of Colchester Arts Centre, likewise explained that the Centre was also looking to commence an apprenticeship/work placement scheme following the pandemic, also offering school work experience opportunities and mentoring to generate and improve skills.

The Panel discussed the 'Mercury Creatives' programme and were informed that this had engaged with 114 individuals, with 26 hours of tailored support provided to each participant. One example was training offered on marketing, idea development and promotion. The programme's aim was to help increase resilience in the sector, increase access to necessary skills and to improve partnerships locally. Partners included Colbea, University of Essex and the Colchester Institute.

The Director of Firstsite was asked how environmental sustainability at the gallery could be improved. The Panel were informed that Firstsite had applied for Arts Council England funding to replace every bulb with modern energy-efficient bulbs. Most fixtures would need to be refitted to accommodate LED bulbs. A review would be carried out to identify ways to reduce energy use and to seek sustainable energy options. Any points of learning gained from this review would be shared with other organisations to help them improve sustainability and reduce costs.

The arts organisation representatives were asked by the Panel to give information regarding their continuity and succession planning for the future. The three representatives all gave assurance that continuity planning and succession strategies were in place, with an emphasis on team strength and resilience.

The Panel asked whether there were any hard-to-reach groups for which more could be done. The Director of Firstsite explained that work was ongoing to ascertain reasons which prevented members of the public from visiting the site. This had shown the complexity of the question. A meeting had been held with community leaders to discuss digital exclusion and had shown the scale of the problem and how much was needed to be done. An issue identified was that some families could not afford to travel to Firstsite for the free Holiday Fun Days and meals. Another problem was the reliability of public transport, and the need to ensure people felt safe when visiting Colchester. The Director of the Arts Centre agreed that it was important for the venues to reach out to future generations, fostering ideas and artistic spirit for the future. This would connect with action on environmental sustainability and conservation work.

A Panel member asked what further work could be done to improve the organisations' environmental sustainability. The Executive Director of the Mercury praised the partnership working which had been fostered during the pandemic and acknowledged the challenges everyone had faced. Cost and availability of public transport had been found to be a significant problem.

The guests were asked what lessons were being taken forward from the pandemic and whether there would be an increase in virtual events. Further to that, a question was asked as to whether there could be further sharing of back-office functions to reduce costs. The Executive Director of the Mercury explained that the pandemic had reminded everyone of the importance of their staff members and the need to support and protect them, especially freelancers. The Director of Firstsite agreed that the pandemic had led to significant re-evaluations as to what was important at each organisation, and the need for cultural activities and events. It was potentially possible to increase the impact of the venues' work by reducing the number of shows and making more of those that are held. The lockdowns had given time for the organisations to look at how to do things differently in the future and embrace new ideas as to how the spaces were used and how outreach work was conducted.

The guests were asked how much their organisations spent locally to benefit communities and whether they and their contractors paid the living wage. Widening this to cover a range of ethical matters, the Executive Director of the Mercury informed the Panel that the Theatre had a close relationship with the Fairtrade Foundation and was working towards being able to pay at least the enhanced minimum wage to all members of staff. Staff pay was not affected by age, so younger employees received the same wage rates and opportunities as older staff. Firstsite were increasing their lowest wage rates and worked to influence suppliers to do likewise. Similarly, the gallery expected its contractors to meet its ethical standards, with any who did not act accordingly being replaced. The Director of the Arts Centre explained that a condition for receiving Culture Recovery Fund funding had been to freeze pay rates. The Centre provided proper pay rates for its apprentices.

The Panel and its guests discussed the relationships between the Council and local arts organisations. The arts organisations maintained a non-political stance in their dealings with the Council and looked to cooperate on shared priorities and principles, necessitating a partnership with clear objectives and aiming to be critical friends, when appropriate. The Directors of Firstsite and the Arts Centre welcomed the longer-term thinking and funding agreement with the Council, especially around points of mutual interest. Appreciation was also shown that changes in Council administrations had never interfered in the workings and partnerships with the local arts organisations. The setting of a four-year funding agreement was felt to be helpful by the arts organisations. There were always issues around the timing of agreements, for example the Council funding agreement was for four years, whereas the funding agreement with Arts Council England was only for three years.

Questions were asked regarding what activities and events were being provided for individuals who were not within one of the demographics identified as being more likely to be excluded or hard-to-reach. The organisations' outreach work was explained, including how this work led to an increased uptake in events and activities

across all demographics. The Executive Director of the Mercury explained that record sales showed how the Theatre offered things of interest across the board. Nigel Hildreth, Chairman of the Arts Centre, explained that the Centre offered events and performances for all tastes, across many art forms.

The Panel and arts organisation representatives discussed the outreach work carried out, and the importance of arts not being removed from school curriculums, with schools expecting arts organisations to pick up this work instead. The Executive Director of the Mercury agreed that the loss of arts teaching on curriculums was a concern and informed the Panel that the theatre offered a venue for the Essex Music Service to conduct instrumental lessons on Saturdays. The Chairman of the Arts Centre gave a view of the difficulties in teaching arts subjects during lockdowns/Covid restrictions and confirmed that the outreach work carried on was not designed to replace arts on school curriculums.

In response to questions involving cooperation in back-office systems and booking service, it was explained to the Panel that the venues already sold tickets via a shared booking system which had been put in place in collaboration with the Council.

Scrutiny Panel thanked the representatives of the Mercury, Firstsite and the Arts Centre for attending the meeting, and thanked their organisations for the work that they had carried out.

RESOLVED that the Scrutiny Panel had reviewed the work of the arts organisations and their performance in relation to their funding agreements with the Council.

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Portfolio Holder Briefing from Cllr Andrew Ellis [Housing and Planning]

Councillor Ellis, Portfolio Holder for Housing and Planning, provided an overview of the highlights from within his portfolio. The Portfolio Holder praised the quality of the teams in planning, housing, and at Colchester Borough Homes.

The Housing Revenue Account [HRA] Business Plan had been updated. The Council was now falling short of the progress needed to meet its target of net zero carbon emissions, due primarily to budget constraints. The Council was therefore taking a 'fabric first' approach to its work and aiming to achieve net zero as soon as possible. If increases in housing charges could be kept at CPI [consumer price index] plus one percent, the Council would be able to raise enough income to achieve net zero. An update was provided on the '100 Homes' project. The Council had experienced some challenges and had found it was chasing the housing market and its increasing prices. 76 properties had been acquired, and the remaining number of properties were under offer. Only 16 or 17 of the acquired properties had been rented out thus far, due mainly to market conditions, including the scarcity and shortage of the materials and labour to make these properties ready for letting. Significant repair work had also been needed for some existing Council properties, which caused further challenges, but a new contractor had been appointed to expedite the work done on eight of the new properties. 84 more affordable homes had been delivered across the Borough, taking the total delivered so far in 2021-22 to 144.

A Panel member asked if and how the Council was prioritising local applicants. The Portfolio Holder explained that a pilot scheme had been set up in Layer de la Haye. There would be 30% affordable housing on the development site, with other properties going straight to market. Clauses were put in place to require that first letting would need to be to local residents. The outcomes of this pilot would be assessed.

The 'Heart of Greenstead' project was described, in addition to the investment of £1.7m in Colchester by Homes England.

Disruptions in the Council's work had been experienced, with challenges being faced regarding staff retention in a labour market experiencing high demand for trained officers. The death of Alistair Day had also necessitated structural change within the Council's planning and development services.

The Panel were informed that around £6m in Section 106 contributions had been gained by the Council from planning applications during 2021-22.

The Council was developing its own design code for Colchester. This aimed to help change the types of housing delivered and avoid homogenous, characterless developments. This could include some tall buildings, where they were deemed appropriate. This work would assist in the holistic work with partners to improve the centre of Colchester. Expert advice would be sought in drafting the new code.

Concern was raised that a new design code would increase the cost of new build properties and questions asked as to whether this would be addressed. The Portfolio Holder explained that a code was hoped not to lead to increase costs once developers understood its requirements. They would also save owners money in the long term, through inbuilt environmental sustainability measures.

The Panel discussed the Housing and Planning portfolio, noting its size. Comments were made in support of the development of a Town Masterplan and design code, which could look to avoid unwanted types of development. The Portfolio Holder explained that he wanted to see the Council being given first opportunity to purchase the premises of any businesses vacating them, so that they could be run by the Council's Amphora companies. The Portfolio Holder was asked what was happening regarding Vineyard Gate and the Britannia Car Park, regarding Town master-planning. The Panel were told that these were currently on hold, due to their location in proximity to the St Botolph's area where investment was already being made. However, the Portfolio Holder posited that the Vineyard Gate area would potentially be a good site for a new bus station. Plans which had been suggested for the Britannia Car Park had been deemed inappropriate, with some parts of the site where underlying archaeology would prevent any building.

In response to questions, the Portfolio Holder agreed that there should be room for environmental sustainability requirements within the proposed Colchester design codes. This would be looked at with officers to see what was possible.

The Panel asked whether there was a future for planning committees, given the proportion of planning applications decided by officers. The Portfolio Holder noted that he didn't see value in 'permitted development' items going to Planning Committee,

given that these, under current law, could not be refused or changed by planning committees. The Portfolio Holder gave the view that there was still a role for planning committees to do useful work in amending planning applications or refusing them on valid planning grounds, and that planning committees were important in maintaining a link with residents and their views.

The Panel questioned what the Council was doing and could do to protect staff in the planning team from overload, with regard to its increased workload and increase in number of applications. The Portfolio Holder agreed that it was difficult to retain and recruit staff in present circumstances, but noted that recruitment efforts were proceeding to expand the team and reduce pressure. A restructuring of the team had helped to ease pressures. The apprenticeship scheme had proved a success, with one apprentice now progressing to become a full planning officer. The scheme helped the Council to address capacity gaps from within and reduced pressure on staff, especially regarding enforcement work.

The Portfolio Holder was asked whether the Council was ruling out making use of new shared-ownership options and changes made to the way receipts from Right to Buy sales could be used. The Panel were told that Cabinet had not directed for investment to be made into these options, and that the Portfolio Holder did not consider this the best way to proceed, but that these options were worth considering further. The Portfolio Holder informed the Panel that he was looking at improving the use of almshouses within the Borough and was keen to increase social housing assets by spreading resources, as well as building affordable housing, whether in Council ownership or the ownership of other organisations.

The Panel discussed the challenges facing those needing housing and joining the Housing Register. The Portfolio Holder agreed that it could take time to gain a property via the Register, but emphasised that it was still worthwhile for those in need to join the Register and apply for properties via it. The Portfolio Holder noted that there were currently 3,016 on the waiting list, with 1,067 households in bands A, B and C combined. In answer to questions as to why the waiting list on the Register was so large, the Portfolio Holder explained that this was affected by incoming population, births, and other pressures on the overall housing supply. Affordability of local housing still remained a problem.

The Panel debated progress on neighbourhood plans, with the Portfolio Holder confirming that two plans were going to referendum, in Marks Tey and West Mersea. The plans for West Bergholt and Tiptree were also progressing and the Council continued to encourage communities to develop neighbourhood plans.

Richard Block, Assistant Director – Corporate and Improvement, introduced the proposed targets for 2022-23, which were due to go to Cabinet for consideration on 9 March 2022. Many were static, with some being returned to pre-pandemic levels. Following previous Scrutiny Panel feedback, a new KPI target had been proposed for homelessness. This was easier to understand than the previous target and could be benchmarked against other local authorities' performance. This was welcomed by the

Panel.

The Panel discussed the target relating to 'Average time to re-let council homes' [K1H5] and the Assistant Director was asked if there was a way for this to be split to give a breakdown of re-let times for properties of different levels of dilapidation. The Assistant Director advised that this could be raised with Colchester Borough Homes and with Geoff Beales, Client Services Manager and that any KPI area could be added to the Panel's work programme for a more in-depth consideration in the future.

The Panel noted that the target for 'Residual household waste per household' [K1W1] was proposed to stay static. A member of the Panel suggested that the Council should challenge itself to find opportunities to reduce this. The Assistant Director explained that this was challenging, due to the increase in home working, which was likely to remain to some extent in 2022-23. The target for 'Household waste reused, recycled and composted' [K1W2] was recommended for returning to the pre-pandemic target of 55%, up from 53%. The Panel urged consideration of greater opportunities to promote home recycling options.

The Panel discussed the target for processing housing benefit claims and changes, and Local Council Tax claims and changes. The Assistant Director expanded upon the report to explain that performance here remained strong and well above target. The targets proposed gave a degree of 'slack' but still ensured that performance remained strong and would ensure that the Council continued to perform well in comparison to benchmark performance levels.

A Panel member noted that it would take some time before the effects of the pandemic worked through the system and before long-term changes to targets could be considered without the pandemic affecting them.

RECOMMENDED to CABINET that Cabinet campaigns and pushes to achieve a reduction in household waste produced and an increase in household recycling.

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Colchester Borough Homes Performance Targets 2022/23

Geoff Beales, Client Services Manager, and Karen Loweman, Director of Operations at Colchester Borough Homes, introduced the proposed performance targets for CBH in 2022-23. The targets were set out for five years in the Medium-Term Delivery Plan. The Government's agenda was changing, with a greater emphasis on compliance, safety, and satisfaction of tenants. The Housing regulator was consulting on new key performance indicators [KPIs] for repairs.

The KPI for homelessness had been too complicated and had then been over-simplified, so a new indicator had been proposed for this which could be more easily understood and benchmarked. Reducing homelessness remained a key priority.

The target for gas servicing had been removed and a new suite of compliance indicators would be provided to the Council to ensure safety. Work on sustainable homes was set out in the Asset Management Strategy and the aim was for all stock to receive an EPC [Energy Performance Certificate] rating of at least a Band C by 2030.

The Panel discussed whether benchmark data could be obtained regarding property energy performance and how the Council compared to other local authorities. The Client Services Manager confirmed that benchmarking could be applied to all targets and that this would be shown when the Panel considers CBH's performance in the Summer of 2022.

Compliments were paid by the Panel for the streamlining of targets and the improvements made.

Returning to an earlier question as to whether a breakdown of performance against the target time for reletting Council properties could be given, broken down to show relet times for properties needing different levels of maintenance work, The Director of Operations explained that this would partly depend on what properties the benchmarking group measured and how they were measured. The definition of major works on void [empty] properties was fluid, but had been tightened. This normally referred to works necessitated by a property being ruled as uninhabitable without such works being carried out. There had been a decrease in relet numbers over time, as pressure on the housing stock continued to rise. Where there were fewer relets, it took fewer lengthy relets to skew the figures.

A Panel member asked if there was any indication as to the percentage of applicants on the housing register who had moved to the area to take advantage of potentially less-strict requirements to get on to the register here than elsewhere. The Director of Operations gave assurance that applicants needed to show a local connection to join the register, such as having family locally or having local residency for at least six of the previous twelve months. The Homelessness Reduction Act had changed the criteria for owing a duty to house. The Director of Operations offered to provide the figures to members but confirmed that there were not many who moved to the area and then joined the housing register.

RESOLVED that the Scrutiny Panel had considered the draft performance targets for 2022/23 and had no recommendations that it wished to make at this time.

342 Work Programme 2021-22

The Chairman noted that it would be necessary for him to liaise with One Colchester to provide the Partnership with a steer as to what the Scrutiny Panel wished to cover at its next meeting. The Panel suggested that this should include the NICS [North East Essex Integrated Community Services] contract, One Colchester's approach to health partnership work and lessons learned during the pandemic, especially regarding integrated working. The Chairman urged members to provide any further ideas to their respective lead group members on the Panel.

The Chairman notified the Panel that he would declare the appropriate interest, given his involvement with One Colchester, following consultation with the Council's monitoring officer.

RESOLVED that the Panel has considered and approved the Work Programme for 2021-22.

