

SCRUTINY PANEL

19 March 2019

Present: - Councillor Davies (Chairman), Councillor Bentley,
Councillor Coleman, Councillor Luxford Vaughan,
Councillor Scordis, Councillor Wood

Substitutions Councillor Willetts for Councillor Hayter

Also present:- Councillor King, Councillor Laws, Councillor T. Young

203. Minutes

The Chair noted that the minutes for 11 December 2018 detailed that Councillor King, Portfolio Holder for Resources, had agreed to provide further information to the Panel on a range of topics. Councillor King, being in attendance, affirmed that he would ensure this information is provided to the Panel. The Panel further requested an update from Councillor King on his investigation of potential policies to require charging points on new developments, as noted in the minutes of that meeting.

RESOLVED that the minutes of the meetings held on 11 December 2018, 29 January 2019 and 22 February 2019 be confirmed as a correct record.

204. North Essex Garden Communities Project

The Panel were due to consider an update on the North Essex Garden Communities project and budget.

The Chair informed the Panel that she had been informed that the Chief Executive of North Essex Garden Communities Ltd (Mr Richard Bayley) was not present at this meeting. In light of this, the Chair proposed that this item should be deferred and added to the agenda of the first meeting of the Panel in the coming Municipal Year. This would allow the Panel to invite the Chief Executive to attend that meeting and answer any questions from Panel Members. The member of the public who wished to address the Panel on this item was invited to speak under the general 'Have Your Say' item.

RESOLVED that this item be deferred for consideration at the first substantive meeting of the new municipal year.

205. Have Your Say!

Mr Sunnocks addressed the Panel pursuant to the provisions of Meetings General Procedure Rule 5(1). He detailed his concerns regarding North Essex Garden Communities Ltd. The first was a lack of financial transparency and of publicly-available information to account for the money spent on this company from the restricted reserves of the Council. A breakdown of the 2017-18 expenditure on this project should be requested and scrutinised. Secondly, there was a risk that the company would take money from the Council, but would

not be accountable to it, with only 25 percent of shares being held by this local authority, by one politically-appointed director who may not have the expertise to oversee the spending of millions of pounds. The need for the company was questioned as private companies would be eager to carry out development work themselves. Thirdly, concern was raised that the company would fail to deliver any housing, and the view given that the majority of its budget was being spent on legal advice, public relations and administration. No money was available for infrastructure provision. The Panel was asked to insist that a financial appraisal accompany the business plan, due to be approved by Cabinet on 5 June 2019.

Councillor Bentley (by reason of being an Essex County Council Cabinet Member for Infrastructure, and a Board Member of the South East Local Enterprise Partnership) and Councillor Tim Young (by reason of being a Trustee of Firstsite) declared non-pecuniary interests in the following item pursuant to the provisions of Meetings General Procedure Rule 7(5).

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

The Panel considered a report which detailed the work done by the organisations in receipt of a Strategic Arts Grant from the Council: The Mercury Theatre, Colchester Arts Centre and Firstsite. Members of the Panel were also given presentations by representatives of the three organisations:

- Mercury Theatre: Steve Mannix, Executive Director and Tracey Childs, Executive Producer
- Colchester Arts Centre: Anthony Roberts, Director
- Firstsite: Sally Shaw, Director

In addition the Chair of Trustees of each organisation also attended the meeting: Kathleen Hamilton (Mercury Theatre), (Nigel Hildreth (Colchester Arts Centre) and Rosie Millard OBE (Firstsite) Each organisation presented the highlights of the work that they had undertaken in the past year, and details of the impact made by the Strategic Arts Grants.

Steve Mannix emphasised the contributions made by the Arts Sector to the local area, including direct employment and collective economic impact of £9.9 million, and the placement of Colchester as the eighth most significant centre for artistic activity in the UK.

Anthony Roberts explained to the Panel how the approach of Arts Council England had developed to now focus on the reporting of data and statistics by organisations in receipt of their funding. These figures are also made available to Colchester Borough Council. The Borough Council's grant of £55,950 to the Arts Centre was shown as seven percent of its turnover of £830,000 for 2017-18. It was emphasised that this grant was vital to allow the Arts Centre to successfully apply for funding from Arts Council England, whose grants to the Centre total £190k per year until 2022. Total capital investment in the three organisations from Arts Council England of £500,000 was likewise only obtainable because of the initial Strategic Arts Grants they receive from Colchester Borough Council.

The spending and costs of the Arts Centre were detailed, and Panel received a summary of the Centre's output over the year. This was then followed by statistical analysis to show a breakdown of the demographics of those who use the Arts Centre. The analysis of ticket sales showed that the Centre drew more users from the less well-off parts of the Borough than from its more affluent areas. Almost forty percent of ticket sales were to people in the

two poorest sectors of Colchester's communities. This addressed and challenged the idea that the arts can be elitist and out of reach for people and the Panel was given a summary of the work done by the Arts Centre to draw in residents from across all demographics, including those with limited incomes.

The Panel were briefed on the environmental work done by the venues to minimise their effect on the environment and to help their patrons to do the same. The largest environmental impact caused by the Arts Centre was identified as the estimated carbon footprint from audiences travelling to the venue. Statistics were provided to show the Arts Centre's communications and online engagement with the public, including work done in alternative venues across the UK and beyond. In addition to the statistical analysis given, Panel were reminded that the arts provided numerous intangible benefits to communities and individuals which could not be measured.

Sally Shaw briefed the Panel on the 'Creative Together' approach adopted by Firstsite in its approach to work with individuals, partner organisations and communities. Firstsite celebrates the 'People, Places and Priorities of Essex and East Anglia.' This is embedded into the programme of work ongoing at the gallery and informed the outreach efforts made to engage with communities and bring in new people to visit and use the gallery. Inclusivity is key, and it continues to be a priority for Firstsite to be relevant for people across society and to foster equality and diversity in its appeal. Examples of this approach were provided to the Panel, including opportunities for visitors to participate in the artistic activity at Firstsite, support for artists and some of the highlights from the current and recent artistic programme.

Firstsite is forecasting that they will receive around 130,000 visitors in the coming year, which would be third-highest annual total since the gallery opened. The average age of visitors has reduced following efforts to attract more young people. The use of the gallery by Black and Minority Ethnic members of the community has increased and now over-indexed by two percent in comparison to the local population.

A significant profit was reported for the last financial year, with a small profit being forecast by the end of 2018-19. A positive effect has been experienced by the opening of the Curzon Cinema which has actually been followed by an increase in film ticket sales at Firstsite. The commercial efforts made at Firstsite have shown success and the gallery is exploring the potential for reopening the on-site restaurant. Support is now being provided by a range of partners, including the NHS and BBC Children in Need, in addition to the £500,000 grant to Firstsite by Arts Council England to support additional work on inclusivity and equality and diversity. This grant will help to fund a project to include local groups and communities in the process of deciding content and planning exhibitions. A target has been set to see at least fifty percent of exhibitions being co-curated by groups from outside the organisation. The remaining fifty percent of content will be produced in response to consultations carried out.

Governance at Firstsite has been strengthened, with Rosie Millard OBE now appointed as new Chair of the Board of Trustees, taking over from the interim Chair, Professor Atul Shah who had held the role following the standing down of Dr Noorzaman Rashid.

Panel's attention was particularly drawn to the Holiday Fund Programme run by Firstsite. This programme was developed to encourage use of the gallery by young families, often from lower-income sections of the community. A key element of this was to provide free lunches during school holidays, utilising the on-site restaurant. 1,500 individual meals have

been served and over 12,000 interactions with different individuals carried out. The Programme involves physical activities for children, who are then provided with a meal which is followed by artistic activities at the gallery. Tendring District Council have now requested that this programme be launched in Harwich, with NHS and Arts Council England funding helping to meet the cost of this. Term-time activities are also being planned to help both young children and parents, addressing problems experienced with isolation. Help is being provided for families without a stigma being attached to it.

Tracey Childs presented the strategic objective of the Mercury Theatre, to 'create exceptional shared live experiences, accessible to all.' This is tied in to the Mercury's work to help create a sense of place, operating locally and nationally to serve diverse communities. Highlights of this work were covered, including plans for an 800-seat tent for events and performances on Abbey Field, spanning operatic, theatrical and pantomime performances between September and January.

New income streams, partnerships and operational efficiencies are being developed. The average review rating was 4.7 out of 5 and a breakdown of attendance demographics and touring activities was provided to the Panel.

Detail was given regarding some of the partner organisations with which the Theatre works which involved outreach work with vulnerable and hard to reach groups. Skills and training programmes are in operation and were detailed. 38 paid internships and work placements are in place, a 300 percent increase on the previous year.

Recent awards and nominations were noted, including for stage work, touring productions and pantomime.

The redeveloped theatre will feature more spaces for sessions with community groups. Steve Mannix described the planned new building and its additional capacity and amenities. These plans have been developed in partnership with Colchester Borough Council and Colchester Borough Homes and include a new dance studio on-site, with links to local dance companies already set up. Current problems with a lack of on-site capacity for storage, rehearsals, production offices and meetings have been addressed. £9,150,000 has been raised thus far, of which £8 million comes from outside the Borough. A remaining £662,000 remains to be sourced, with a public campaign planned to raise £500,000. Finances were noted, with an income of £3.5 million in 2017-18, and a forecast outturn income of £3.9 million expected for 2018-19. The vital nature of local authority funding was repeated, it being necessary for the unlocking of further funding streams.

Outcomes from funding received include the attracting of international performers, and the development of home-grown skills and training in Colchester, including backstage and technical skills. Revenue changes have seen grant funding reduce and earned income increase. For every £1 of grant received, the Mercury has generated £3.5 in return. Of those attending events and performances at the theatre, 39 percent come from less-affluent demographic groups. Audience satisfaction levels continue to be high, with data captured to build in-depth profiles of audiences.

The Panel thanked those who had given presentations and underlined the positive nature of the work being undertaken by the three organisations, both for local residents and on the national and international stage. Panel members highlighted the positive impact of outreach services provided, specifically in the savings these entail for social services and, by extension, taxpayers. In response to a question regarding what calculations were being

made to assess this impact, Steve Mannix informed the Panel that the Mercury had run two pilot schemes for calculating and tracking health and wellbeing of participant groups, which are to be compared to national standards and the effect of activities assessed. The Holiday Fund Programme run by Firstsite had received NHS funding as the Health Service recognised the contribution this could make to preventative care.

The importance of reaching as many individuals as possible was emphasised by a member of the Panel, who requested further detail regarding the figures provided, specifically whether a measure could be applied to identify the number of individuals engaging with the three organisations per year, rather than the total number of individual visits. The number of individuals using an organisation's services would have a bearing on the likely success of future applications for grant funding. Tracey Childs and Steve Mannix explained that the Mercury compiles statistics and demographic data relating to first-time users and repeat attendees. These could be provided, should Panel members wish to examine them. Different events at each venue attracted a range of different audiences and participants from across the Borough and beyond. The Panel were informed that all organisations in receipt of Arts Council England grants were required to carry out scoping on audiences and participants. The need to attract a wide range of people necessitated the existence of a wide range of 'entry points' to each organisation. These included a variety of activities, and a range of pricing options to allow individuals across the income spectrum to take part in these activities and enjoy performances.

In response to a question regarding sensitivity testing, and likely effects of reductions or increases to the amount of Strategic Arts Grant funding from the Borough Council, Steve Mannix explained that the 12.5 percent funding received across the organisations in the current year had resulted in the Arts Council awards being capped. This has led to apprehension regarding further investments until agreements have been confirmed. The Arts Council have offered an indicative award spanning four years, but the current actual funding award has been for the span of two years. Councillor T. Young, Portfolio Holder for Business and Culture, described the difficult process which had been undertaken to reduce Borough Council funding over two years in response to budgetary pressures. It was his view that this funding could not be reduced any further without this becoming counter-productive, and that the opportunities for art, education, training and gaining experience needed to be spread throughout communities.

A follow up question was asked by a Panel member who wished to know what evidence could be presented by arts organisations to make the case for additional funding from Colchester Borough Council, especially where outreach work was being planned or carried out to provide additional benefits within communities. The representatives of the arts organisations present praised the continuing willingness of the Borough Council to provide funding to arts organisations and repeated the important role of local authority funding in allowing organisations to then successfully bid for large-scale funding from Arts Council England. An increase in local authority funding would likely raise or remove the cap placed by Arts Council England on the level of funding it then provides. Steve Mannix noted that the organisations could apply for funding from sources which the Borough Council could not themselves access. These include charitable foundations and individual donors. He tied the importance of investment in the arts in to the inclusion of Arts, Culture and Heritage as a key component needed for a local area to bid for a grant from the Government's Future High Streets Fund. This included the footfall generated in the town centre by arts organisations and venues in Colchester.

Councillor King, Portfolio Holder for Resources, praised the work of the organisations represented at the meeting and informed the Panel and its guests that, should he remain Portfolio Holder for Resources following this year's Borough elections, he would enter discussions with the Portfolio Holder for Business and Culture to ascertain whether additional funding would be possible, and to attempt to give long-term certainty as to the level of Strategic Arts Grants in future years. A further member of the Panel requested information as to what commitments could be made for multi-year funding, to give this long-term certainty and provide stability. The representatives of Firstsite and The Mercury Theatre emphasised the impact of having certainty of funding in relieving pressure and allowing organisations to concentrate on pursuing their aims and projects, as well as pursuing additional funding from elsewhere. If local authority funding could move to a three- or four-year cycle, this would mirror Arts Council England and would build confidence in the organisations, making it more likely that applications for funding from other sources to be successful. Councillor T. Young indicated that he would lobby for such certainty to be given, following this year's Borough elections. Councillor King voiced his agreement that, if possible, the provision of Strategic Arts Grants should move to a longer cycle, in line with that of Arts Council England.

A member of the Panel drew the distinction between 'investing in the arts' and 'investing in order to save money', and the difference in approaches and mindsets these engender. The organisations were urged to promote heavily the outreach and community work that they do, and the positive externalities which they create. Emphasising the return which he Borough Council will see for each £1 it invests will help organisations to be successful bidding for funding. Councillor T. Young re-emphasised the intangible benefits which arts organisations are producing within the Borough but gave caution that it was often impossible to quantify these or identify to what extent the work done by these organisations had led to improvements. Statistics would often be difficult to obtain.

A Panel member drew the Panel's attention to the positive effect engagement with the arts often had on wellbeing and mental health, citing the concern regarding high rates of depression being identified in young men.

A question was asked by the Panel as to whether the increase in promotion of events and performances hosted by the Borough Council had had an impact on the existing arts organisations in Colchester. Steve Mannix confirmed that The Mercury Theatre carried out ticketing functions for Charter Hall and most of the events in Castle Park. This leads to larger profits on Borough events, avoiding the need for the Council to set up a stand-alone ticketing service. The consensus view was that the more artistic activities are held, the greater the increase in use of all venues would be.

A Panel member recounted their experience of using Firstsite over the years, and the change in the venue's attitude over the years, praising the current approach to engaging with people and making it welcoming for families and children from across all demographics. This in turn helps increase the footfall in the town centre in general.

In response to questions about aspirations for the future, Steve Mannix identified better venue toilet facilities, parking and other ancillary facilities in the Borough as being areas where improvements could help. Anthony Roberts expanded on this to say that additional income could be used to improve the holistic experience of visiting the venues, improving a multitude of elements

RESOLVED that

- (a) the representatives of Colchester Arts Centre, Firstsite and the Mercury Theatre be thanked for their presentation;
 - (b) the Panel reviewed the range of programmes delivered by each organisation and considered that they effectively and admirably supported the Council's strategic priorities and provided value for money for the funding provided.
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207. Work Programme 2018-19

The Panel considered the draft work programme and noted that this being the final meeting of the Panel in this municipal year, the new Work Programme would be populated and presented to the Panel in the new municipal year. This would include the item on North Essex Garden Communities, which would be scheduled for the first meeting of the new municipal year.

RESOLVED that the work programme 2018-19 be noted.