

Members are reminded that they must declare all relevant pecuniary and non-pecuniary interests relating to any items of business to be discussed at this meeting

BIRMINGHAM CITY COUNCIL

JOINT CABINET MEMBER AND CHIEF OFFICER

THURSDAY, 13 OCTOBER 2016 AT 00:00 HOURS
IN CABINET MEMBERS OFFICE, COUNCIL HOUSE, VICTORIA
SQUARE, BIRMINGHAM, B1 1BB

A G E N D A

3 - 18

1 PROPOSED FUTURE MANAGEMENT OF SUTTON COLDFIELD TOWN HALL - PUBLIC

Report of Acting Strategic Director of Place

P R I V A T E A G E N D A

2 PROPOSED FUTURE MANAGEMENT OF SUTTON COLDFIELD TOWN HALL - PRIVATE

Item Description

Report to:	Joint Cabinet Member and Acting Strategic Director of Place
Report of: Date of Decision:	Assistant Director Sport, Events and Parks 11 October 2016
SUBJECT:	PROPOSED FUTURE MANAGEMENT OF SUTTON COLDFIELD TOWN HALL
Key Decision: No	Relevant Forward Plan Ref: n/a
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member(s):	Councillor Ian Ward - Deputy Leader
Relevant O&S Chairman:	Councillor Mohammed Aikhlaq - Corporate Resources and Governance O&S Committee
Wards affected:	Sutton Four Oaks, Sutton New Hall, Sutton Vesey, Sutton Trinity

1. Purpose of report:
1.1 To progress the transfer of the responsibility for the operation of Sutton Coldfield Town Hall (shown on the plan in Appendix 1) to Sutton Coldfield Arts and Recreational Trust (SCART) on the basis of an interim -operating agreement so that they can continue to operate the current use of the site for community purposes to the benefit of the local community.

2. Decisions recommended:
2.1 To approve Birmingham City Council ceasing direct operation and management of Sutton Town Hall.
2.2 To approve an operating agreement for Sutton Coldfield Town Hall to Sutton Coldfield Arts and Recreational Trust (SCART) on terms set out in the Private report.

Lead Contact Officer(s):	Steve Hollingworth - Assistant Director, Sports, Events and Parks
Telephone No:	0121 464 2023
E-mail address:	steve.hollingworth@birmingham.gov.uk

3. Consultation

3.1 Internal:

The Ward Councillors for the four Sutton Coldfield wards and Executive Member for Sutton Coldfield have been consulted and are supportive of the proposal. Officers in the Place Directorate, Legal Services, Birmingham Property Services and Finance have been involved in the preparation of this report.

3.2 External:

Sutton Coldfield Parish Council have been consulted and are supportive of the proposal.

4. Compliance Issues:

4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

The proposals are in line with the Council Business Plan, Budget 2016+ and Vision, and link into the following strategic outcomes; of a strong economy; a great future for young people; thriving local communities and a healthy, happy population.

4.2 Financial Implications

4.2.1 The financial position relating to the Sutton Town Hall for 2015/16 is set out in the table below (excluding uncontrollable capital financing charges):

	Budget	Actuals	Variation
	£'000	£'000	£'000
Employees	207	174	(33)
Non-employees	181	143	(38)
Gross expenditure	388	317	(71)
Income	(373)	(171)	202
Net Expenditure	15	146	131

4.2.2 This shows that the actual net expenditure was significantly higher than that budgeted. This financial pressure has continued in 2016/17 and will need to be mitigated or funded within the approved budgets for the Place Directorate. No sustainable mitigation of the budget pressure has been identified by continuing operation of the facility within the City Council.

4.2.3 SCART has developed a business plan that makes a modest return after Year 1. This is considered as the best option to avoid the ongoing budget pressure to the city council and to maintain services provided from this facility.

4.2.4 SCART will be acting as principal, and therefore, will be responsible for all running costs and income during the term of the management agreement.

4.3 Legal Implications

4.3.1 Public Sector Equality Duty

A copy of the Equality Act 2010 – Public Sector Duty statement is appended at Appendix 2. An initial screen has been completed and no adverse impacts have been identified. The Deputy Leader is asked to have due regard to the Equality Assessment attached at Appendix 3.

5. Relevant background/chronology of key events:

The Current Position:

- 5.1 Sutton Coldfield Town Hall was constructed in the second part of the 19th Century (originally as a Fire Station) and has been extended at later dates. It directly abuts the Sutton Coldfield Council House that was disposed by the City Council in 2013 and is currently under residential redevelopment. Both buildings are Grade II listed and share many common architectural features including brick and stone pallets.
- 5.2 The Town Hall has operated as a functions and entertainment business run by the Council for many years and incremental investment has been undertaken including restoration of the clock tower. Sutton Coldfield District Committee have had responsibility for the asset and its associated budgets since devolution was implemented from May 2004. The District Committee had a number of savings allocated in 2014/15 as part of the overall budget strategy and were unable to continue to manage the growing budget pressure associated with the operation of Sutton Coldfield Town Hall.
- 5.3 In November 2014 a range of options were considered by the Sutton Coldfield District Committee including: (1) Redevelop the whole site with a restrictive covenant to retain the original Town Hall building; (2) Dispose and/or downsize and redevelop the building; (3) Transfer the running of the business to Birmingham City Council Civic Catering; (4) Ask for Sutton Coldfield Town Hall to be removed from the District's management portfolio and (5) Stop trading and mothball the facility. District Committee resolved to ask for the first two options to be pursued.
- 5.4 SCART approached the Council with an initial expression of interest in January 2015, and is made up of a number of stakeholders who are existing users of the theatre with experience in artistic production together with personnel who had a mix of commercial, legal, marketing and cultural production expertise. In line with the Community Asset Transfer Protocol SCART were given a Priority Interview and it was agreed to continue dialogue with SCART as the Preferred Partner. There has been no other interest or approaches from other organisations to take on the operational management of the building.
- 5.5 However, Sutton Coldfield Town Council was established in May of this year and is keen to ensure there is a sustainable future for the Town Hall. Consideration is being given by the Town Council to establishing a Sutton Coldfield Town Hall Trust, with a view to taking on the building with SCART remaining as the operator. Proposals are being developed on this basis, and therefore any long term relationship with SCART would potentially be with the new Trust should it come to fruition. Therefore as an interim measure it is proposed to grant SCART an operating agreement to operate the Town Hall in the short term, until sustainable proposals come forward from the proposed Town Hall Trust to take on the responsibility for the building.
- 5.6 SCART has now successfully registered as a Charitable Incorporated Organisation and has continued to work on its business plan. It is now considered that the business plan is sufficiently robust to take on the operation of the site and for the council to support SCART with the required working capital in order to facilitate the start of the operation of the site.
- 5.7 In their application SCART confirmed their intension to offer a wide range of arts and cultural performances and educational opportunities as well providing a venue for functions. SCART's proposed activities are linked to the service outcomes for the benefit of local residents and are summarised in the Application Report outlined in appendix 4.

6. Evaluation of alternative options:

- 6.1.1 The City Council could continue operating the site itself. However, operating cost for last financial year was £146k which the city no longer has provision for and is an ongoing pressure on the Place Directorate budget.
- 6.1.2 The City Council could opt to close or mothball the facility. However the facility and its services would be lost to the local community, a number of residual costs would remain and the fabric of the building would deteriorate.
- 6.1.3 The City Council could dispose of the Town Hall and realise a capital receipt. However such action would remove the facility from the Council's ultimate control and the service would be lost to the local community.
- 6.1.4 Granting an agreement to permit operation by a recognised third sector organisation will ensure that people living in the area will benefit from a community resource being retained without an ongoing financial burden on the Council. The proposal is supported by the local Members of Sutton Coldfield.

7. Reason for Decision

To agree the cessation of the City Council directly operating Sutton Coldfield Town Hall and agree to SCART being granted an interim operating agreement until the long term ownership of the building is finalised to, safeguard it as a facility for the community.

Signatures

Date

Cabinet Member

.....
Cllr Ian Ward
Deputy Leader

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Chief Officer

.....
Jacqui Kennedy
Acting Strategic Director of Place

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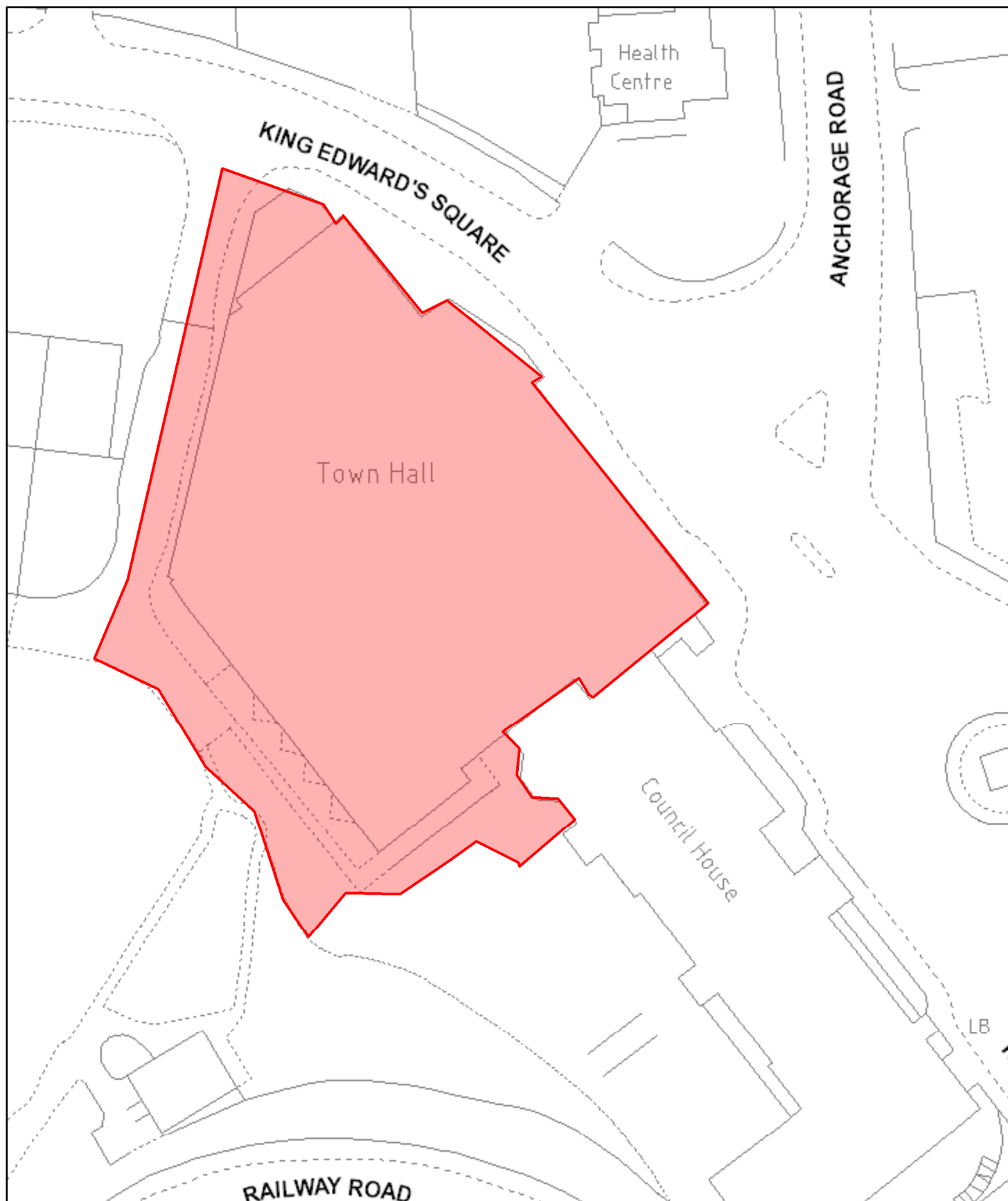
List of Background Documents used to compile this Report:

As per the public report, unless otherwise stated

List of Appendices accompanying this Report (if any):

1. Site Plan
2. Public Sector Equality Duty Statement
3. Equality Assessment
4. Application Report

Sutton Town Hall



Birmingham City Council Map Created By:

Date of Map Creation: 15/03/2016

Notes



Scale:
1:500

Equality Act 2010

The Executive must have due regard to the public sector equality duty when considering Council reports for decision.

The public sector equality duty is as follows:

1	<p>The Council must, in the exercise of its functions, have due regard to the need to:</p> <ul style="list-style-type: none"> (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
2	<p>Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"> (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
3	<p>The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.</p>
4	<p>Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"> (a) tackle prejudice, and (b) promote understanding.
5	<p>The relevant protected characteristics are:</p> <ul style="list-style-type: none"> (a) age (b) disability (c) gender reassignment (d) pregnancy and maternity (e) race (f) religion or belief (g) sex (h) sexual orientation

Equality Analysis

Birmingham City Council Analysis Report

EA Name	Proposed Future Management Of Sutton Coldfield Town Hall
Directorate	Place
Service Area	Sports And Events - Place
Type	New/Proposed Policy
EA Summary	to review the impact of transferring the management of the Town Hall to a charitable trust made up of existing users.
Reference Number	EA001426
Task Group Manager	Steve.Hollingworth@Birmingham.gov.uk
Task Group Member	
Date Approved	2016-09-02 01:00:00 +0100
Senior Officer	Bev.Parris@birmingham.gov.uk
Quality Control Officer	PlaceEAQualityControl@birmingham.gov.uk

Introduction

The report records the information that has been submitted for this equality analysis in the following format.

Overall Purpose

This section identifies the purpose of the Policy and which types of individual it affects. It also identifies which equality strands are affected by either a positive or negative differential impact.

Relevant Protected Characteristics

For each of the identified relevant protected characteristics there are three sections which will have been completed.

- Impact
- Consultation
- Additional Work

If the assessment has raised any issues to be addressed there will also be an action planning section.

The following pages record the answers to the assessment questions with optional comments included by the assessor to clarify or explain any of the answers given or relevant issues.

1 Activity Type

The activity has been identified as a New/Proposed Policy.

2 Overall Purpose

2.1 What the Activity is for

What is the purpose of this Policy and expected outcomes?	To retain a community facility for the residents of Sutton Coldfield and the surrounding area
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For each strategy, please decide whether it is going to be significantly aided by the Function.

Public Service Excellence	No
A Fair City	Yes
A Prosperous City	Yes
<u>Comment</u> it keeps facilities open contributing to affair city. it also will be maintain activity in the area which will ultimately help the local economy through retained visitor numbers.	
A Democratic City	No

2.2 Individuals affected by the policy

Will the policy have an impact on service users/stakeholders?	Yes
Will the policy have an impact on employees?	No
Will the policy have an impact on wider community?	Yes
<u>Comment</u> This proposal will benefit existing users and the wider economy as the proposal will retain the service. There is no impact on staff as those concerned have either opted to take VR or be relocated.	

2.3 Analysis on Initial Assessment

The transfer of the management will mean that this valued community facility will remain open to the benefit of existing users and the wider community.

Consultation has taken place with users and stakeholders and all are supportive of the proposal. Existing users have created a charitable trust in order to take on the operational management of the facility.

3 Concluding Statement on Full Assessment

Users and stakeholders have been fully engaged in the proposals to transfer the management of the Town Hall in order to place it on a sustainable footing for the future. As a result existing users have come together to form their own organisation to operate the site through a charitable trust. The local MP and local Members as well Sutton Coldfield Town Hall have been fully engaged in the process.

The Charitable Trust will honour all existing bookings and wish to open it even more to create greater access from the community.

4 Review Date

31/08/16

5 Action Plan

There are no relevant issues, so no action plans are currently required.

SUTTON COLDFIELD TOWN HALL APPLICATION REPORT

Contents

1. The Site
2. Background
3. The application process
4. Evaluation of bid
5. The preferred applicant's proposal
6. Recommendation

1) The Site

Sutton Coldfield Town Hall was constructed in the second part of the 19th century (originally as a Fire Station) and has been extended at later dates. It directly abuts the Sutton Coldfield Council House that was disposed by the City Council in 2013 and is currently under residential redevelopment. Both buildings are Grade II listed and share many common architectural features including brick and stone.

2) Background

The Town Hall has operated as a functions and entertainment business run by the Council for many years and incremental investment has been undertaken including restoration of the clock tower. Sutton Coldfield District Committee have had responsibility for the asset and its associated budgets since devolution was implemented from May 2004. The District Committee had a number of savings allocated in 2014/15 as part of the overall budget strategy and were unable to continue to manage the growing budget pressure associated with the operation of Sutton Coldfield Town. As a result The District Committee reviewed several options for the site, and asked that a disposal or transfer of the service be pursued.

3) The Application Process

Following the District Committee meeting, users of the Town Hall came together to submit one joint expression of interest (EOI) to take on the operation of the Town Hall under the name of Sutton Coldfield Arts and Recreational Trust (SCART). Under the CAT protocol, existing users can receive a priority interview before advertising the opportunity to the open market. Following the Priority Interview in January 2015, it was agreed that SCART should be given Preferred Partner Status and be asked to work up a business plan to take on the site for further consideration.

In March 2016, the business plan was reviewed by officers, and although it had strengths there were still gaps that needed to be addressed regarding their financial projections and future operating model. SCART accepted these comments and agreed to do further work on the business plan to address the concerns. A revised business plan was submitted by SCART in June 2016 and a further interview was held at Sutton Town Hall on 13 June 2016 to discuss the revised business plan.

4) Evaluation of the Bid

At the interview, SCART went through their income projections and assumptions in great detail, and demonstrated their understanding of the business. They also outlined how they would reduce expenditure by operating a lot more flexibly and by maximising the use of volunteers. They also outline the need for a long term

lease in order to attract external funding from national grants schemes and donations from the local community.

SCART also confirmed that they had successfully registered as a Charitable Incorporated Organisation.

Subsequent due diligence has been undertaken which is difficult given that they are a newly formed company but nothing suggests that they cannot achieve a sustainable solution for the operation of the site going forward.

5) The Preferred Applicant's Proposal

SCART's Expression of Interest and business plan stated the following :-

This proposal is presented by Sutton Coldfield Arts and Recreational Trust (SCART), who seek to take over the management and operation of Sutton Coldfield Town Hall (SCTH) from Birmingham City Council (BCC), and to operate it as a not for profit charitable trust. SCART will continue to provide a range of arts and community facilities for the people of Sutton Coldfield and surrounding areas, as defined in its charitable objects. It is anticipated that this will initially be through an agreement to provide services to the current owners (BCC) with a transition to continuing provision to the new owners of the building – Sutton Coldfield Town Hall Trust - a new charity.

SCART will enable a building of great significance to the Town to continue in community use, as a centre for the arts, education, entertainment and a variety of community and civic uses

SCART recognises the fact that SCTH has run at a significant loss for some time and that a new vision for the facility and its use is necessary in order to bring about a commercially viable operating model. This proposal is therefore not 'business as usual' or merely a 'bail out'; but a fundamentally different approach to what SCTH could be and how it is run.

SCART intends to transform SCTH into a state of the art, contemporary arts and community facility for the North Birmingham area – initially stabilising the operating model and returning it to financial health, and then investing in its further development to improve access, increase flexibility and provide new facilities and opportunities for the community as a whole. The invest in developing the building will be made in conjunction with the new Town Hall Trust, as the proposed new owners.

SCART will work in collaboration with the building owner to maintain and improve an important historic building with a prominent physical position in the town and a strong presence in the hearts and minds of the people of Sutton Coldfield and beyond.

This is an ambitious vision but it is one that will regenerate the Town Hall as a 21st century community and arts venue serving not just Sutton Coldfield and all the communities of North Birmingham.

SCART Mission Statement

SCART's mission is for people to have the ability to develop creative ideas and to partake in arts and recreational activities, by providing the facilities and opportunities to enable performance, education, group work and social events and in so doing preserve and protect an importance historic building at the heart of the Town of Sutton Coldfield.

6) Recommendation

SCART are made up of existing users as the preferred partner and have demonstrated their understanding of the business and how they can make the service sustainable for the future. SCART are considered likely to deliver a holistic development for community into the future. This decision was made by a panel of officers with representatives from Birmingham Property Services, Sport, Events and Parks and Finance. The panel felt that SCART could manage the facility as they have a sound knowledge of the centre and the local area and would offer a wide range of services based on local demand. SCART also has the relevant operational structures in place to deliver service s and activities at the point of handover.