

BIRMINGHAM CITY COUNCIL**PUBLIC REPORT**

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.

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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

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Cllr Ian Ward
Deputy Leader

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Chief Officer

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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