

POLICY AND RESOURCES COMMITTEE

6th September 2022

Present: Councillor Marjory Bisset in the Chair

Councillors Agar, Allcott, Barnes, Cockeram, Gregson, Mrs L. Hodgson, Mackay, Mitchell, Riaz, Roberts, Stafford and Stanley (Vice-Chair)

Officers: David Blake, Managing Director
Shane Flynn, Corporate Director – Finance and Resources
Lloyd Griffiths, Corporate Director – Operations, Homes and Communities
Tom Mountford, Head of Homes and Communities
Sian Stroud, Corporate Director – Planning and Governance

Apologies: Councillors Bayliss, Denham and Stephen

37 Appointment of Substitutes

Councillor Barnes for Councillor Denham, Councillor Cockeram for Councillor Stephen, Councillor Roberts for Councillor Bayliss.

38 Declarations of Interest

The following declaration of interest was made:

Councillor Mrs Lucy Hodgson - Future High Street Fund - Performance Arts Venue (Minute 40) – As a Board Member of Worcester Live.

Councillor Mitchell asked for it to be recorded that the discussion and decision on the Performance Arts Venue would not prejudice future consideration of this matter in his role as Chair of Planning Committee.

39 Public Representations

Mr Mike Astles, President of Worcester Operatic & Dramatic Society, spoke in relation to item 40 (Future High Street Fund - Performance Arts Venue). In summary, he highlighted what he considered to be a number of omissions and limitations in the designs the plans for the Scala, which would make the space unusable for many of the amateur groups who currently perform at the Swan Theatre. The issues were: the omission of an orchestra pit; insufficient wing space; provision of a cross-over corridor; insufficient number of bars or trusses above the stage; dressing room capacity for WODYS shows; access for large vehicles to deliver props and scenery; and adequate front-of-house space. He expressed the hope that these issues will be addressed at the second stakeholder meeting planned for 15 September.

The Chair thanked Mr Astles for his comments. Mr Astles replied to questions from Committee Members.

40 Future High Street Fund - Performance Arts Venue

The Committee considered a report on progress with the development of a new Performance Arts Venue at the former Corn Exchange and Scala Theatre in Angel Street. The Managing Director presented the report and set out the background to the scheme, following the successful award of Future High Street Funding in December 2020. He highlighted the progress made since the award with regard to property acquisition and design, and explained a number of key decisions that were now required in support of the continued development of the project. These include progression of the planning application, the commencement of the procurement process, acquisition of a neighbouring property, future funding options and continuing the dialogue with community arts representatives.

The Managing Director explained the progress which had been made with the proposed building design. There had been a meeting with key stakeholders across the city on 13 July 2022 to discuss the emerging design proposals. The architectural team had received productive comments to the draft plans and these were being considered in the preparation of the final drawings for the planning application.

A briefing note had been circulated to Committee Members prior to the meeting, setting out a number of proposed revisions to the scheme made by the design team as a result of the feedback from the stakeholder consultation. This included:

- Flexible positioning of the stage front and proscenium to provide the facilities requested by the Swan's community theatre groups.
- More dressing room space in the Scala scheme, which can be flexibly to accommodate storage.
- An increased stage size to provide a soft cross-over. Theatreplan are assessing the option for including a fixed cross-over.
- Constructing the pit and forestage from flexible steel deck so that an orchestra pit can be provided.

Dialogue with stakeholders, and in particular those representing the community arts organisations, was continuing with a further event scheduled for 15 September 2022. Once these discussions had concluded, it was proposed to submit the planning application.

The Committee were recommended to grant authority to start the procurement process for a construction contractor as early as possible. The Council's professional advisors proposed a two-stage process under which the Council and its appointed contractor will work together to develop detailed cost proposals, following which the Council will have the option of deciding whether to proceed with the proposals or whether a different approach will need to be taken.

Reference was made to the opportunity to acquire a long leasehold interest in no. 6 Angel Place. The property could provide additional office accommodation to support the future operation of the Arts Venue at first floor level, and a ground floor retail unit which could be utilised for a number of purposes including theatre

storage. Negotiations were underway and the Committee's approval was sought to the principle of acquisition within the FHSF budget.

The report explained that the global rise in material and construction costs was affecting the overall cost budget for the construction of the new venue. The report set out measures being taken to address this. Officers will continue to explore additional sources of funding to further subsidise the development.

Officers responded to questions and comments from Committee Members. In the ensuing discussion, the following main points were made:

- Officers will continue to explore options to bring the former Co-op building back into use and how to access alternative funding streams to support this.
- A further report will be presented to Members with recommendations for the future of the Swan Theatre.
- Members acknowledged that increased material and construction costs are affecting the overall budget and expressed support for continuing to explore additional sources of funding.

In conclusion, Members expressed the view that this scheme remains a key priority for regeneration of the City Centre in accordance with the City Masterplan. Officers and the architectural design team should continue to engage in dialogue with key stakeholders, including local arts organisations, in preparing the final designs for the planning application.

RESOLVED: That the Committee agree to:

- 1. approve the submission of a planning application for the new Performance Arts Venue, comprising the former Corn Exchange and Scala Theatre and the Angel Place public conveniences;**
- 2. authorise officers to commence a procurement process to seek a construction partner to deliver the new Performance Arts Centre;**
- 3. approve the acquisition of a long leasehold interest in 6 Angel Place to support the delivery of the new Performance Arts Centre with terms delegated to the Corporate Director – Finance & Resources in collaboration with the Chair and Vice Chairs of this Committee;**
- 4. authorise officers to explore additional funding routes to meet the costs of the delivery of the new Performance Arts Centre;**
- 5. note that a further report will be brought to Committee for final decisions on the construction contract and funding package early next year; and**
- 6. note the plans for continuing the dialogue with community arts representatives regarding the future of the Swan Theatre.**

41 Minutes

RESOLVED: That the minutes of the meeting held on 26th July 2022 be approved as a correct record and signed by the Chair.

42 Minutes of Income Generation Sub-Committee

RESOLVED: That the minutes of the meeting held on 27th July 2022 be received.

43 Cost of Living Task & Finish Group - Update Report

The Committee considered a proposal to extend the opportunity for eligible households to access the approved summer free school meal provision until 30th September 2022. The Head of Homes and Communities presented the report and explained the background to the proposal.

In summary, the Council had previously agreed to support the extension of the provision of free school meals for the summer school holidays at an estimated cost of £215,000, which was met through the hardship reserve and approved through the Managing Director's Urgency Powers shortly before the end of the summer term. This decision was reported to the Committee at the meeting on 26th July 2022. Due to the tight timescales involved there had not been full take-up of the provision. It was therefore proposed to provide the opportunity to those who have not been able to benefit from the extended scheme provided by the Council to access the vouchers up until 30th September 2022 and reimburse the costs that they may have faced over the summer holidays. Any remaining, unclaimed funds would be returned to reserves at the end of September.

The Cost of Living Task and Finish Group had requested Officers to recommend to this Committee to approve funding up to a value of £107,500, which accounts for 50% of the approximate projected cost to support further provision of free school meals during school holidays, where no such provision is in place. The Corporate Director - Finance and Resources commented that the recommendation was to delegate control of this level of funding to the Corporate Director – Operations, Homes and Communities, so that it would only be used if alternative funding by primary agencies was not made available. It was also proposed that £20,000 be allocated from the Hardship Reserve to enable Citizens Advice Worcester to fund an Advice Quality Supervisor post for an initial period of 12 months.

Officers stated that, since the publication of the agenda, the County Council had received notification of continued funding for the Household Support Scheme. Full details had not yet been confirmed, but it was expected that the allocation would be similar to last time. It was understood that the restrictions that were in place for the last round of funding have been removed.

Officers responded to questions from Committee Members. Support was expressed for the proposals.

RESOLVED: That the Committee agree to:

- 1. note the work undertaken by the Cost of Living Task and Finish Group to date;**

2. **approve the allocation of funding of £20,000 from the Council's Hardship Fund to Citizens Advice Worcester to provide increased staff capacity in order to manage increase in demand associated with the cost of living crisis;**
3. **approve an extension until 30 September 2022 that eligible households can draw down the 4 weeks of free school meals support previously approved via Managing Director Urgency Powers; and**
4. **delegate to the Corporate Director – Operations, Homes and Communities, in consultation with the Chair and Vice Chairs of the Committee, the option to award funding of up to £107,500 from the Hardship Fund to deliver further periods of free school meal provision during school holiday periods up until March 2023, where no such alternative provision is put in place.**

44 Freedom Leisure Contract Update - Rising Cost Pressures

The Committee considered a report on the contract with Freedom Leisure. The Corporate Director – Operations, Homes and Communities explained that Freedom Leisure had asked the Council to consider providing further financial support to cover the increased cost of running the Council's three leisure centres due to economic pressures.

In summary, the latest forecasted position (not including additional energy costs) showed that in a best-case scenario the Council would receive a management fee of £536,284, with the worst-case scenario leading to a management fee being received of £264,321.

Meanwhile, Freedom Leisure's current gas and electricity tariffs were both due to expire shortly, and they had informed the Council that projected tariff increases were likely to give rise to additional costs of £252,036 in the current financial year and potentially an annual increase of around £520,000 from April 2023.

Officers acknowledged that rising inflation and energy costs were significant and had not been built into the bid submission when the contract was let. Without some form of intervention from the Council, the operation of leisure services as currently delivered could therefore be placed at risk.

It was therefore proposed to offer direct financial support up to a maximum value of £255,000, to cover the period 1 October 2022 – 31 March 2023. It was recommended that this is taken from the Council's Business Rates Risk Reserve. For future years, it was proposed to undertake a detailed review of leisure services provision to determine the options for addressing the long-term impact of increasing energy costs.

Furthermore, in June 2022, Freedom Leisure expressed their intention to submit an in-year proposal in respect of their fees and charges. The impact that this would have on customers was discussed and it was agreed to pursue a fees and charges review in line with the normal budget timetable, with reports coming to Communities Committee, Income Generation Sub-Committee and Council as part

of the budget setting for 2023/24, rather than request a specific fee increase outside of the budget cycle.

Rob Tyler, Freedom Leisure Contracts Manager, and Jeremy Rowe, Freedom Leisure Operations Director, were invited to speak and they responded to questions from Members. They explained the measures which Freedom Leisure have taken to address options for energy efficiency measures. Rob Tyler explained that this includes reducing pool temperatures, staff environmental training, a cover on the pool at Perdiswell, upgrading to LED lights, establishing energy action plans and the appointment of a group environmental and sustainability manager. An independent report on solar opportunities has been commissioned. Jeremy Rowe commented on the advice from Freedom Leisure's energy broker to steer decisions on future energy supply.

In the ensuing discussion, Members acknowledged the information provided by Freedom Leisure, which had been helpful in understanding the current pressures and the energy saving measures they had put in place since 2018. Members discussed the alternative options considered, as set out in the report, but concluded that these should be discounted at the current time due to the significant rise in energy costs and inflation, and that the provision of financial support from the Council's Business Rates Risk Reserve was the appropriate way forward.

RESOLVED: That the Committee agree to:

- 1. note the contents of this report and in particular the increased costs faced by Leisure Operators across the UK linked to inflation and energy supply;**
- 2. approve financial support up to a maximum value of £255,000, to be taken from the Business Rates Risk Reserve, to cover additional energy costs for the period 1st October 2022 – 31st March 2023, to be paid monthly in arrears via a fully open-book process; and**
- 3. note that a full options appraisal and recommendations for operations and future funding will be presented to the Committee as part of the budget-setting process.**

45 Process and Timetable for Preparation of Budget 2023/24 and Medium Term Financial Plan 2023/24 -2027/28

The Committee considered a report on the proposed process and timetable for preparing the Budget and Medium Term Financial Plan. The Corporate Director – Finance and Resources presented the report and urged all Members to attend the Budget Briefing on 11 October. He explained that the government's financial settlement for 2023/24 was due to be announced in December, and there may be a need for an additional briefing for Members early in the new year, depending on the outcome of the settlement.

RESOLVED: That the Committee approve the proposed process and timetable for preparing the Budget and Medium Term Financial Plan.

46 Outline Proposals for Annual Survey 2022

The Committee considered proposals for undertaking the Annual Survey 2022. The Corporate Director – Finance and Resources presented the report and explained that, as in previous years, the survey will be primarily online, with the focus being on the services that the Council provides. He advised that there is still an opportunity for Members to suggest additions or amendments to the proposed questions in the consultation document.

In response to questions, the Corporate Director advised that the survey will be publicised at a number of upcoming Council-led events with a view to encouraging public engagement.

RESOLVED: That the Committee approve the proposed annual survey and consultation timetable for 2022.

47 Any Other Business

None.

Duration of the meeting: 7.00p.m. – 9.25p.m.

Chair at the meeting on
15th November 2022