



**Committee:** CABINET

**Date:** TUESDAY, 3 NOVEMBER 2015

**Venue:** MORECAMBE TOWN HALL

**Time:** 6.00 P.M.

## A G E N D A

1. **Apologies**

2. **Minutes**

To receive as a correct record the minutes of Cabinet held on Tuesday, 6<sup>th</sup> October 2015 (previously circulated).

3. **Items of Urgent Business Authorised by the Leader**

To consider any such items authorised by the Leader and to consider where in the agenda the item(s) are to be considered.

4. **Declarations of Interest**

To receive declarations by Members of interests in respect of items on this Agenda.

Members are reminded that, in accordance with the Localism Act 2011, they are required to declare any disclosable pecuniary interests which have not already been declared in the Council's Register of Interests. (It is a criminal offence not to declare a disclosable pecuniary interest either in the Register or at the meeting).

Whilst not a legal requirement, in accordance with Council Procedure Rule 10 and in the interests of clarity and transparency, Members should declare any disclosable pecuniary interests which they have already declared in the Register, at this point in the meeting.

In accordance with Part B Section 2 of the Code Of Conduct, Members are required to declare the existence and nature of any other interests as defined in paragraphs 8(1) or 9(2) of the Code of Conduct.

5. **Public Speaking**

To consider any such requests received in accordance with the approved procedure.

6. **Reports from Overview and Scrutiny**

To consider any Call-in Referral report following the Call-in on the Storey - Tasting Garden decision on 28<sup>th</sup> October 2015.

Reports

7. Management of Arts Investments (Pages 1 - 6)

**(Cabinet Member with Special Responsibility Councillor Clifford)**

Report of Chief Officer (Regeneration & Planning)

8. Corporate Performance and Financial Monitoring 2015/16 - Quarter 2

**(Cabinet Member with Special Responsibility Councillor Newman-Thompson)**

Joint Report of Chief Officer (Governance) & Chief Officer (Resources) - (Report to follow)

9. Urgent Business Report (Pages 7 - 8)

**(Cabinet Member with Special Responsibility Councillor Blamire)**

Report of Chief Officer (Governance)

## **ADMINISTRATIVE ARRANGEMENTS**

### **(i) Membership**

Councillors Eileen Blamire (Chairman), Janice Hanson (Vice-Chairman), Abbott Bryning, Darren Clifford, Karen Leytham, Richard Newman-Thompson, Margaret Pattison and David Smith

### **(ii) Queries regarding this Agenda**

Please contact Liz Bateson, Democratic Services - telephone (01524) 582047 or email [ebateson@lancaster.gov.uk](mailto:ebateson@lancaster.gov.uk).

### **(iii) Apologies**

Please contact Democratic Support, telephone 582170, or alternatively email [democraticsupport@lancaster.gov.uk](mailto:democraticsupport@lancaster.gov.uk).

MARK CULLINAN,  
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Published on Thursday, 22<sup>nd</sup> October 2015.

<b>CABINET</b>
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## Management of Arts Investments 3<sup>rd</sup> November 2015

### Report of Chief Officer (Planning and Regeneration)

<b>PURPOSE OF REPORT</b>			
This report is to provide Cabinet with an up to date position regarding Arts commissioning and to provide options for consideration in terms of support for Arts in the district.			
<b>Key Decision</b>	<b>X</b>	<b>Non-Key Decision</b>	<b>Referral from Cabinet Member</b>
<b>Date of notice of forthcoming key decision</b>	5 <sup>th</sup> October 2015		
<b>This report is public</b>			

#### RECOMMENDATIONS OF Councillor Darren Clifford

It is recommended that:

- (1) **The Council's existing Arts investment framework continues, subject to annual budget processes, until such a time as Cabinet determines that it wishes to take an alternative approach.**
- (2) **To ensure value for money and to provide consistency, the commissioning criteria outlined in the Commissioning Framework and agreed by Cabinet in December 2012, as well as any relevant performance measures, are used as the basis of evaluation for the Council's investment in the Arts.**

#### 1.0 Introduction

In September 2014 Cabinet agreed that Arts commissioning would be implemented by April 2017, subject to budget and resource requirements. It was planned at that time that needs analysis and engagement work would begin in autumn 2015, allowing a long lead time for current Service Level Agreement holders to plan for potential changes.

- 1.1 In the meantime, a number of issues have emerged which affect the advisability and feasibility of undertaking a commissioning process.
- 1.2 The Arts sector is currently affected by a wide range of external factors that are creating both positive and negative challenges. Overall, there is a growing recognition of the importance of the Arts for the local and sub- regional economy but this is taking place in the context of changing and reducing

funding arrangements and a need for much greater business resilience and adaptability as a result of a number of years of economic pressure. These factors create both threats and opportunities, of course, but it is certainly true that the Arts sector in the district is facing considerable change. In this situation, it seems most likely that the introduction of a commissioning process for the Council's investment in the Arts would create further uncertainties at this time.

- 1.3 At the same time, the Council has contracted considerably and it has become clear that officer resources to take Arts commissioning work forward are not in place. To undertake this work, additional resources would be required, either on a temporary or a consultancy basis. Given the challenges the Council faces in terms of delivering its priorities within budget and considering the factors covered in paragraph 1.2, it is appropriate for Cabinet to consider whether undertaking a commissioning process at this time is of sufficient importance that it should displace other activities.

### **2.0 Context**

- 2.1 The Arts and Creative Industries sector is established as a key economic sector for Lancaster district, helping to support over 600 businesses, up to 2430 jobs and adding £50m to £85m economic contribution to the wider sub region (*Lancaster Arts Partners Economic Impact Assessment 2011*). In terms of Quality of Life, the Arts is an important part of the district's offer to those who live and work in the district as well as those who visit. As such, the Arts contributes to the growth of all of the district's economic sectors.

- 2.2 The importance of Arts to the local economy can be linked with key policy objectives in the Corporate Plan and the Local Development Framework Core Strategy. In more detail, the importance of supporting and developing the districts arts and cultural offer is articulated in the Council's adopted Cultural Heritage Strategy and the Lancaster District Arts Framework, a set of objectives agreed with the Lancaster Arts Partnership.

- 2.3 The Council's current investment in the Arts is managed through Service Level Agreements (SLA's) with a number of key arts organisations, as follows:

The Dukes - £150,200 (including £12,500 previously in relation to rent)

More Music - £11,000

Ludus Dance - £22,900 (including £13,000 previously in relation to rent)

Litfest - £9,900

**Total - £194,000**

- 2.4 The Council's investment in the above SLA's currently levers in well over £1m of additional funding from other sources. This includes direct match funding of £493k from ACE (Arts Council England), which is dependent on the Council's contribution and which is just one element of ACE's overall contribution to the Arts in the district. A further £246K from Lancashire County Council and £135k other public funding is also levered in as a result of the Council's investment. The four organisations with SLA's also generate £1.252m in terms of earned income.

- 2.5 The Council has an Arts Development Budget of **£23,000** which for a number of years has provided support for small but important project based investments that deliver benefits for the district but are not supported as part of the mainstream and ongoing investment in SLA's.
- 2.6 It is important to note that commitments from the Arts Development budget for the current financial year have been almost fully allocated against Light Up Lancaster, following changes in delivery arrangements. If Light Up Lancaster continues because the Council decides to continue to engage in the provision of festivals, this budget requirement will be ongoing.
- 2.7 As detailed in the Cabinet report of September 2014 (*Appendix A refers*), performance of the existing SLA's is strong and outcomes are generated that relate to economic impact, financial leverage and health and wellbeing. The Commissioning Framework that was approved by Cabinet in 2012 included a number of core criteria that are considered as part of the evaluation and monitoring of existing Arts investments. These criteria are:
- Links to corporate priorities and other approved strategies
  - Deliverability
  - Quality Assurance
  - Value for Money
  - Added Value/ Additionally
  - Sustainability
  - Collaboration
  - Service specific criteria that relate to the activities being provided

These criteria, alongside relevant performance measures, continue to provide a robust framework to ensure the impact of the Council's current investment is maximised.

### **3.0 Proposal Details**

- 3.1 Given the economic context described in this report, and the additional costs required to undertake Arts commissioning, it is proposed that this work is not undertaken at the present time. The Council's various contributions to the Arts and Festivals will also have to be considered as part of the forthcoming budget process as they are discretionary activities albeit important economically.
- 3.2 The Council's current Arts investment arrangements are well managed, deliver a good return for the Council and clearly support existing corporate priorities. It is therefore also proposed that the existing Arts investment framework continues, subject to annual budget processes and until such a time as Cabinet determines that it wishes to take an alternative approach.
- 3.3 Should Cabinet wish to consider Arts commissioning in the future, this remains an option. Local economic context as well as budget and resource requirements can be re-evaluated at that time.

### **4.0 Details of Consultation**

- 4.1 No formal consultation has been undertaken although, if commissioning is undertaken at any point, engagement with the Arts sector and with audiences would be required.

**5.0 Options and Options Analysis (including risk assessment)**

	<b>Option 1:</b> Arts commissioning is not undertaken at the present time - current arts investment arrangements continue	<b>Option 2:</b> Arts commissioning is undertaken and initial work begins as soon as possible
Advantages	<p>Current arrangements deliver a good return and value for money for the Council</p> <p>Current arrangements are robust and well managed</p> <p>Current arrangements are consistent with criteria agreed as part of the Arts Commissioning Framework</p> <p>Less uncertainty created for Arts organisations with current SLA's</p> <p>No additional costs are incurred to meet resource requirements</p> <p>Allows time for funding and sectoral issues to stabilise</p> <p>No statutory requirement for the Council to introduce commissioning</p>	<p>Provides a refresh of current investments</p> <p>Additional information may be obtained from consultation/engagement with Arts sector and audiences</p> <p>Potentially new initiatives can be supported within the overall budget</p> <p>Provides longer term planning opportunities for successful delivery partners</p> <p>Provides a robust framework in which to secure continuous improvement and VFM, in accordance with statutory requirements</p>
Disadvantages	<p>Flexibility to invest in new initiatives is limited to any other budgets that may be available from time to time.</p> <p>Does not address potential gaps in service provision</p>	<p>Insufficient internal capacity at present, therefore additional costs will be needed to provide the resources required to develop and deliver Arts commissioning (subject to redirection away from other council priorities)</p> <p>The Council's investment may (or may not) be distributed differently creating uncertainty and risks for organisations with existing SLA's</p>
Risks	<p>Risk of underperformance – very low and managed as part of the monitoring and evaluation process</p>	<p>Other priority areas of work may be affected as impact on managerial time is inevitable</p> <p>Risk of underperformance – would be managed as part of the monitoring and evaluation process</p>

**6.0 Officer Preferred Option (and comments)**

6.1 The Officer preferred Option is **Option 1**, which provides a good return on the Council’s investment in the Arts, avoids creating further instability in the Arts sector at a time when many changes are taking place and is manageable within existing staff resources.

**7.0 Conclusion**

7.1 The Council has invested in Arts in the district for many years and as a result of this and additional investment particularly by Lancashire County Council and the Arts Council, the district has a strong and growing arts and creative industries economy. This offer is an important part of the district’s “Place Offer” to those who wish to live and work here, to visitors, both local and from further afield, and it also makes an important contribution to quality of life for local communities.

7.2 The Council’s financial position is however under review as are the positions of other public sector funders to the arts, and it is difficult to justify investing in a commissioning strategy at this time until the future of these arrangements is determined.

**RELATIONSHIP TO POLICY FRAMEWORK**

Investment in the Arts supports delivery of the Council’s Corporate Priority of **Sustainable Economic Growth**, specifically contributing to the delivery of the Corporate Outcome “*The attractiveness and offer of the district, as a place to visit or invest in, will be improved*”.

Relevant Success Measures are “ *Cultural, retail and tourism offer will be improved*” and “*Economic impact of the arts in the district will be measured with the Council moving towards an ensuring role to support a range of delivery partners*”

**CONCLUSION OF IMPACT ASSESSMENT**

**(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)**

None directly as a result of this report.

**LEGAL IMPLICATIONS**

None directly as a result of this report.

**FINANCIAL IMPLICATIONS**

There are no direct financial implications as a result of the recommendations in this report. However, if Cabinet prefers Option 2, costs of additional officer time or consultancy would be necessary to manage the commissioning process and would need to be considered in terms of the value provided against other competing priorities for the council as part of the current budget process or alternatively consider a redirection from other areas of activity so can be contained within existing resources.

**OTHER RESOURCE IMPLICATIONS**

**Human Resources:**

There are no specific HR implications arising from Option 1, the preferred option. However, Option 2 would require additional officer time, over and above that which is already available, or consultancy time to take commissioning arrangements forward.

**Information Services:**

None as a result of this report.

**Property:**

None as a result of this report.

**Open Spaces:**

None as a result of this report.

**SECTION 151 OFFICER'S COMMENTS**

As with all other aspects of council activity, arts investment will be subject to review during the 2016/17 budget and beyond, and as this and VFM is covered within the recommendations, the s151 Officer has no further comments to add at this stage.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Office has been consulted and has no further comments.

**BACKGROUND PAPERS**

none

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<b>CABINET</b>
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## Urgent Business Report 3 November 2015

### Report of Chief Officer (Governance)

<b>PURPOSE OF REPORT</b>				
To advise Members of actions taken by the Chief Executive, in consultation with the relevant Cabinet Members.				
<b>Key Decision</b>	<input type="checkbox"/>	<b>Non-Key Decision</b>	<input type="checkbox"/>	<b>Referral from Officers</b>
				<b>X</b>
<b>Date of notice of forthcoming key decision</b>			n/a	
<b>This report is public</b>				

#### RECOMMENDATION

- (1) That the actions taken by the Chief Executive, in consultation with the relevant Cabinet Members in accordance with the Scheme of Delegation, in respect of the following, be noted:-

#### Coastal Revival Fund – Request for City Council to act as Accountable Body

##### 1.0 Background

The Chief Executive consulted with the Leader and Cabinet Member with Responsibility for Regeneration & Planning to take an item of Urgent Business Decision set out below. The reason for the urgency was that a decision was required by the 18<sup>th</sup> September 2015 in order for the application to be submitted to the DCLG and therefore needed to be taken prior to the Cabinet meeting on 6<sup>th</sup> October 2015. The Chairman of the Overview and Scrutiny Committee was consulted and agreed to waive the five day call-in period in accordance with Overview and Scrutiny Procedure Rule 17(a).

##### 2.0 Decision Details

The decision is set out below:-

- (1) *That the City Council agrees to act as the Accountable Body for the Venus and Cupid Arts Trust Coastal Revival Fund application.*
- (2) *That a letter from the Chief Executive agreeing to act as the accountable body for the funding is written and sent to the Venus and Cupid Arts Trust at the earliest opportunity.*
- (3) *That consultation is undertaken with a view to waiving call-in, in accordance with Overview and Scrutiny procedure rule 17, to enable the decision to be*

*implemented immediately.*

**3.0 Conclusion**

Approval was given to the above action, which is reported to this meeting in accordance with the City Council's Constitution, Part 4, Section 4, Cabinet Procedure Rule 1.10(b).

<b>RELATIONSHIP TO POLICY FRAMEWORK</b> Comments were contained in the original report.	
<b>CONCLUSION OF IMPACT ASSESSMENT (including Health &amp; Safety, Equality &amp; Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)</b> Comments were contained in the original report.	
<b>LEGAL IMPLICATIONS</b> Comments were contained in the original report.	
<b>FINANCIAL IMPLICATIONS</b> Comments were contained in the original report.	
<b>OTHER RESOURCE IMPLICATIONS</b> Comments were contained in the original report.	
<b>SECTION 151 OFFICER'S COMMENTS</b> Comments were contained in the original report.	
<b>MONITORING OFFICER'S COMMENTS</b> Comments were contained in the original report.	
<b>BACKGROUND PAPERS</b> None	<b>Contact Officer:</b> Liz Bateson <b>Telephone:</b> 01524 582047 <b>E-mail:</b> ebateson@lancaster.gov.uk <b>Ref:</b> UB96