

CABINET

Service Level Agreement Storey Gallery 2012 – 2013 9th October 2012

Report of Head of Community Engagement

| PURPOSE OF REPORT | | | |
|---|--------------------------|------------------|--|
| To seek members views as to future arrangements regarding the Council's Service Level Agreement with the Storey Gallery | | | |
| Key Decision | <input type="checkbox"/> | Non-Key Decision | <input checked="" type="checkbox"/> Referral from Cabinet Member |
| Date Included in Forward Plan | n/a | | |
| This report is public | | | |

RECOMMENDATIONS OF HEAD OF COMMUNITY ENGAGEMENT

That following consideration of the findings of the consultant appointed by the Storey Gallery company to develop an alternative business model for the company, Cabinet consider whether it wishes to continue its Service Level Agreement (SLA) with the Gallery company.

1.0 Introduction

1.1 Responsibility for the management of the Storey Gallery (SG) is vested in its Board of Trustees, the membership and operation of which is laid down by a constitution of the Storey Gallery.

1.2 Lancaster City Council has an annual Service Level Agreement (SLA) with the Storey Gallery.

1.3 The Council has made provision within its revenue budget for the payment of the grant to the SG for the financial year 2012/13 subject to:-

- An agreed and signed SLA.
- Payment of the grant will be given every quarter in advance, based on submission of an invoice or a claim. A formal activity report is required on a quarterly basis.
- LCC expects the gallery to seek external funding

1.4 The SLA for this year has not yet been signed.

- 1.5 For the financial year beginning April 2012, the Council has made provision within its revenue budget for a grant of £10,700 to be paid to the Storey Gallery (£2,675 per quarter), for such items as staffing, equipment, materials, marketing and promotion and programming
- 1.6 The Council has also made provision for a ring fenced grant (to the Storey Gallery) to the value of £27,100 for the purpose of rent paid directly to the SCIC. This has, to date, been paid on a quarterly basis to the Storey Gallery, following the submission of an invoice from the Gallery.

2.0 Report

- 2.1 On the 29 June 2012 cabinet members were sent a briefing note concerning the gallery's SLA and advice that that an announcement had been placed on the gallery's website advising that the "*Storey Gallery is currently closed while we undertake a period of research and development. We are re-thinking the way the Gallery operates, and the programme it delivers.*"
- 2.2 Following this announcement the briefing note sought members support to 'suspend' the SLA pending clarification of the gallery's position. Members were advised that the suspension was to be effective from the 1 July.
- 2.3 Notwithstanding the SLA suspension, the City Council has paid for the gallery's rent and service charges for the earlier period from 01 April to June 2012.
- 2.4 At a meeting held on the 6 July, the company was advised of the Council's decision regarding the suspension and they took the opportunity to update the Council on their current position. They advised that James Rebank Consulting had been appointed to research and develop an alternative business model for the gallery going forward. It was agreed that when available it would be presented to Cabinet to assist in consideration as to whether the current SLA should be reinstated in some form.
- 2.5 That report has been circulated to Cabinet members prior to the meeting.

3.0 Details of Consultation

There has been no consultation on this matter.

4.0 Options and Options Analysis (including risk assessment)

The options are to:

- 1 No longer have an SLA with the Storey Gallery.
- 2 Reinstated the SLA in full or in part. It is likely that the findings of the consultant would lead to a complete redrafting of the existing agreement if either of these options were selected.

In the light of the findings of the consultants report the officer recommendation is Option 1.

5.0 Conclusion

The City Council has had in place a long standing SLA with the Storey Gallery company. The current financial and operational difficulty the company is facing has led to the closure of the gallery space and a review of its current operational and financial arrangements.

RELATIONSHIP TO POLICY FRAMEWORK

Corporate Plan Economic Growth priority: Support arts in the district working with the Arts Partnership.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

Will all be taken into consideration during the development of any new arrangements

LEGAL IMPLICATIONS

There are no legal implications arising as a result of this report

FINANCIAL IMPLICATIONS

The Council has made provision within its revenue budget for a grant of £10,700 and a ring fenced grant to the value of £27,100 for the purpose of rent paid.

OTHER RESOURCE IMPLICATIONS

Human Resources: None

Information Services: None

Property:

The Storey Gallery and company are housed within the Storey Creative Industries Centre; a building owned by the City Council

Open Spaces: None

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has been consulted and has nothing further to add

MONITORING OFFICER'S COMMENTS

The Deputy Monitoring Officer has been consulted and has no comments to add to this report.

BACKGROUND PAPERS

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