

**MINUTES of the meeting of Social & Economic Development Scrutiny Committee held at Council Chamber, Brockington, 35 Hafod Road, Hereford on Monday, 31st January, 2005 at 2.00 p.m.**

|                 |                         |   |
|-----------------|-------------------------|---|
| <b>Present:</b> | <b>Councillor</b>       | <b>A.C.R. Chappell (Chairman)</b>   |
|                 | <b>Councillor</b>       | <b>J. Stone (Vice Chairman)</b>   |
|                 | <b>Councillors</b>      | <b>H. Bramer, M.R. Cunningham, Mrs. S.P.A. Daniels, J.G.S. Guthrie, D.C. Taylor and P.G. Turpin</b> |
|                 | <b>Co-opted Members</b> | <b>Mrs. E. Newman (HALC), Ms. B. Heavens (Tourism)</b>  |

**In attendance:** Councillors W.L.S. Bowen, Mrs. J.P. French (Cabinet Member – Human Resources and Corporate Support Services), T.J. James, R.V. Stockton (Cabinet Member – Community and Social Development), R.M. Wilson (Cabinet Member – Highways and Transportation).

**40. NAMED SUBSTITUTES (IF ANY)**

Ms. B. Heavens substituted for Mr. G. Jones (Tourism Sector).

**41. APOLOGIES FOR ABSENCE**

Apologies were received from Councillors G.V. Hyde, Councillor A.L. Williams, Mr. P. Collins, Mr. A. Curless, Ms. C. Jones and Mr. G. Jones.

**42. DECLARATIONS OF INTEREST**

Councillor A.C.R. Chappell declared a personal interest in item 5 as a Friend of the Courtyard and in item 7 as a Director of Community First. Councillors Mrs. J.P. French and R.V. Stockton declared personal interests in item 5 as Trustees of the Courtyard appointed by the Council. Councillor R.M. Wilson declared a personal interest as a Friend of the Courtyard. Mrs. E. Newman declared a prejudicial interest in item 7 as Vice-Chairman of Herefordshire Association of Local Councils and left the meeting during discussion on that item.

**43. MINUTES**

In relation to minute number 32 – Youth Service Key Performance Indicators – the Director of Policy and Community clarified that the Government Green Paper concerning the Youth Service and arrangements for Connexions centres, including their future development, was now expected to be published on 12th February 2005.

**RESOLVED: THAT the minutes for the meeting held on 3rd December 2004, be approved as a correct record and signed by the Chairman.**

**44. THE COURTYARD REVIEW**

The Committee considered the findings of the Courtyard Review Group following their review of The Courtyard Centre for the Arts.

The Chairman reminded Members that the Review Group had been established, and its Scoping Statement including terms of reference, had been approved at the Committee's meeting on 24th September 2004. He thanked the Review Group and its lead officer Gareth Jones, Principal Economic Investment and Development Officer for undertaking the Review.

The Chairman explained to Members that after the Review Group presented its report and its recommendations, if approved, the report would then be passed onto Cabinet for consideration.

Councillor J. Stone, Chairman of the Courtyard Review Group, began by thanking all Members and officers involved in the review. Councillor Stone also thanked all the people who had provided comments, completed questionnaires and attended the Review Group's public meeting. Finally, he thanked Mr. Martyn Green, Chief Executive of The Courtyard, and his staff for the hospitality and openness provided to the Review Group during the course of the review.

Councillor Stone opened his presentation of the Review Group's report by informing the Committee that the review's recommendations were to be seen as a useful step in the development of the Courtyard. He commented that the general public perception was that the Courtyard was solely a theatre when in fact it fulfilled a much broader role as a centre for the arts.

Councillor Stone informed the Committee that there had been a significant improvement in the financial situation at the Courtyard since the new board had been appointed circa 2003. The Review Group applauded this achievement and their final report suggested several ways in which it could generate additional income. He highlighted the commitment the Courtyard had made in engaging young and older people to take part in activities which in turn contributed to the Council's Lifelong Learning objectives.

Councillor Stone referred to the Commissioning Agreement. The Review Group welcomed the proposal for a new agreement which would incorporate specific targets and monitoring provisions.

Mr. Jones took the Committee through the Review Groups report. The following principle points were raised during his presentation:

1. Mr. Jones thanked Dorothy Wilson, Chair of Arts Council West Midlands (ACWM) and Chief Executive of the Midlands Arts Centre, for acting as the Review Groups expert advisor.
2. Part 2, The Committee were informed that the Review Group had visited the Ludlow Assembly Rooms (LAR) to see how another arts centre functioned in a rural area. Whilst appreciating that the LAR was not a true benchmark for the Courtyard the Group had considered it desirable to visit another arts centre to provide some basis for comparison.
3. Part 2, Public consultation had been highly successful with 70% of invited consultees responding. Most of the comments received were positive comments on the benefits the Courtyard provided. Examples of comments received had been included at Annex 3 to the report.
4. Part 2, Members were told of the highly successful interview day. Seven interviews had taken place at a well-attended public meeting. This was in

addition to interviewing key witnesses.

5. Part 3, The Committee were informed about how the Courtyard had been built in partnership by the former Hereford City Council, the Arts Council and the National Lottery. Mr. Jones explained that a number of features had been trimmed from the initial design to keep the project within its intended budget.
6. Part 4, The location of the Courtyard had been dictated by the availability of the land (the site of the former Nell Gwynne Theatre). The Review Group considered that its linkages with the City centre should improve if the proposed Edgar Street grid redevelopment went ahead. There was also scope to improve signage to the Courtyard from Edgar Street.
7. Part 6, The Courtyard undertook a lot of education and outreach work throughout the County and hosted training events for teachers. The Education Directorate had a Service Level Agreement (SLA) with the Courtyard to fund an Education and Outreach Officer. The Review Group also noted the extensive use of the arts centre by students and the high number of young people taking part in weekly dance classes.
8. Part 7, Members were informed that the Courtyard was recognised regionally and increasingly nationally and regularly attracted performers with a national reputation.
9. Part 8, The Courtyard is a non-profit making organisation with a turnover of approximately £1.5m per annum.
  - o Herefordshire City Council had negotiated a 7-year funding agreement with The Courtyard Trust which had been inherited by Herefordshire Council. The Council is the highest grant-funding source for The Courtyard. A breakdown of Herefordshire Council's funding was provided at Annex 6 to the report. The Council's grant provided confidence to other organisations, such as the Arts Council, to invest in the Courtyard.
  - o ACWM is the other major grant contributor to the Courtyard. The Arts Council currently had a two-year funding agreement with the Courtyard and provided it with approximately £160,000 per annum. Since April 2003 the Courtyard has been a designated a Regularly Funded Organisation (RFO) by ACWM and received funding in excess of other similar size arts centre in the Country.
10. Part 9, The Courtyard currently had a deficit of £277,000, which had accumulated for a number of reasons. This included the repayment, to the Council, of £100,000 to cover the cost of essential equipment omitted from the original build due to the initial overspend. The Review Group had noted that in the past the Courtyard management had been more focused on the arts than business and financial management.

Budget monitoring had significantly improved in recent years and measures had been put in place to address its budget deficit. The organisation made a small surplus in 2003/04.

11. Part 10, The Review Group acknowledged that the Board of the Courtyard was relatively new and that relations with staff were improving.

The Review Group noted that staff numbers and costs had risen over the last five years and suggested that they be closely monitored in any new agreement between the Council and the Courtyard. The Review Group also noted the appointment of a Business Development Manager, funded by Arts & Business, to develop existing revenue streams and create new ones such as advertising, sponsorship and corporate membership. Improvements suggested in the report should be capable of being investigated from within the current staffing levels.

12. Part 11, The Review Group acknowledged that significant improvements had

been made and acknowledged that this had been due to the current board. However, it was vital for the Courtyard to continue to maximise its opportunities for income generation, therefore the Review Group suggested that the Courtyard management investigate the following options:

- Retail Shop – in-house or franchised.
- Franchise out catering to a private company.
- Converting the studio theatre into a dedicated cinema.
- Hosting one-day conferences.
- Hosting live music events.
- Expanding its sale of art.
- The Trust to maximise fundraising opportunities via The Friends of the Courtyard.

13. Part 12, Space at the Courtyard is limited particularly office and dressing room space. The Review Group suggested that footfall and usage data should be analysed to maximise efficiency and that consideration be given to redesigning the main entrance to create more space for new initiatives. In the long term consideration should be given to extending the Courtyard, however the Review Group acknowledged that, additional funding would need to be secured to finance such projects.
14. Part 13, The Review Group were pleased that ticket sales were significantly higher in the current financial year as a result of improvements in marketing.
15. Part 14, signposting to the venue and the location of the gallery needed to be reviewed.
16. Part 15, The Review Group suggested that the Courtyard undertake an Economic Impact study using the formula devised by Prof. Dominic Shellard that would enable it to assess its impact and contribution to the local economy.
17. Part 16, The Review Group wish to commend the hard work of the Friends of the Courtyard in raising money to support the Courtyard and for all the voluntary work they contributed which was crucial to the everyday operation of the Courtyard.
18. Part 17, Members were informed of the long-standing problems of water ingress and lift malfunctions which were currently being resolved.
19. Part 18 i), The Review Group had concluded that the Courtyard was central to cultural provision in Herefordshire. As Herefordshire was a rural County it was particularly important that there was a recognised centre for the arts catering for a broad range of activity that would otherwise not exist. The Courtyard acted as a catalyst for the arts in the County.
20. Part 18 ii), The Review Group concluded that as Council budgets remained under considerable strain the Courtyard needed to demonstrate that it represented value for money. The Review Group recognised a reduction in the level of Council funding could impact on the level of funding provided by the Arts Council. However, the Review Group concluded that the Courtyard's funding should not be exempt from the Council's need for efficiency savings.
21. Part 18 iii), The Review Group concluded that the Courtyard had made substantial progress in improving its financial position and bringing about positive change in the operation of the facility. It was in a position to develop further and show increased value of return on the Council's investment. The earlier recommendations for additional income generation were suggestions for how the Courtyard could improve its own viability.
22. Part 18 iv), The Review Group welcomed the new Commissioning Agreement and the monitoring procedures it would put in place and concluded that the Courtyard should be encouraged to consider and implement proposals for additional income generation before a 5-year Commissioning Agreement was finalised.
23. Part 20, Members were informed of the Review Group's recommendations as outlined in page 15 of their final report.

The Chairman thanked Mr. Jones for presenting the Review Group's final report and invited questions from the Committee. The following principle points were raised:

- A. Councillor Stone acknowledged that the Review Group had not specifically investigated the problems associated with evening travel to and from the Courtyard for people in rural areas. He felt that this could be dealt with as part of the consideration of the wider transport issues currently facing the County. It was suggested that the Courtyard may wish to discuss with bus operators the provision of transport to the Market Towns on specified nights to coincide with major performances. He commented that £10,000 had been made available to assist with the transportation of school children to and from the Courtyard and understood that this was already having an impact on the number of visits to the Courtyard from school children.
- B. The Head of Culture, Leisure and Education for Life, informed the Committee that a contractor was currently in the process of installing a new lift and that a date was being finalised to address the water ingress problems. He acknowledged that this work was only taking place after extensive legal work and financial contributions from the Courtyard.
- C. Councillor Stone recognised that there could be some cost to the Courtyard in establishing a retail shop and dedicated cinema, however, if managed correctly, it was thought this could well provide the Courtyard with a significant proportion of additional income.
- D. Whilst debating the possible provision of a retail shop and franchising out of the catering facility the Committee expressed an opinion in these matters that the Courtyard may benefit from the regular income generated from a franchise agreement. This would then enable the Courtyard to concentrate on its core arts provision strengths.
- E. Members believed that a dedicated cinema had the potential to make a significant contribution to the Courtyard's annual turnover.
- F. Members recognised the hard work undertaken by the Board of the Courtyard in addressing its financial problems and the efforts currently being made to address its budget deficit.
- G. Some Members were concerned about recommending a one-year funding agreement due to the impact this could have on Arts Council funding, especially as the Arts Council itself was facing future problems with funding.

Mr. Martyn Green, Chief Executive of the Courtyard, thanked the Review Group for their report and its positive content. Mr. Green requested that he be able to present a formal response to the report after the board had had a chance to consider it. He informed the Committee that the formula created by Prof. Shellard, as referred to in the Review Group's report, to calculate the economic impact of an arts centre on the local economy was to be applied to the Courtyard by the Arts Council in the near future. He commented that he would have liked the Review Group to have benchmarked the Courtyard against a more comparable range of arts centres.

**RESOLVED:**

**THAT the Recommendations outlined at page 23 of the report by the Courtyard Review Group (and contained at Appendix 1 of these minutes) be endorsed and the report be submitted to Cabinet for consideration.**

**45. POSSIBLE PEDESTRIANISATION OF WIDEMARSH STREET - UPDATE**

The Committee were informed of the successful open meeting held on 26th January 2005 to hear the views of key organisations and individuals about the possible pedestrianisation of Widemarsh Street.

The Director of Policy and Community informed Members that a report of the meeting plus recommendations would be produced and presented to the Committee and the Environment Scrutiny Committee in due course. The meeting had been well attended by members of the public and a full and frank discussion of the issues involved in and the implications of pedestrianisation had taken place. She highlighted the following principle points had been raised at the public meeting:

- There had been support for some form of pedestrianisation along Widemarsh Street into Eign Gate. However, there were concerns about how this would impact on traders and traffic in Broad Street, King Street and Berrington Street.
- Pedestrianisation would be good for shoppers visiting Hereford especially those with small children.
- Taxi drivers were concerned about disadvantaged shoppers not being able to access shops and the location of a new rank should be in close proximity to the city centre.
- There were concerns about the impact of pedestrianisation on the overall road network in Hereford.
- Disability Access Groups were supportive of pedestrianisation but were concerned about the installation of inappropriate street furniture.
- Proposals that provision for cyclists should be incorporated into the wider plans.
- Pay-on-exit meters were discussed and the cost implications noted.
- Park and Ride schemes were discussed.

The Committee voiced their concerns about the impact of pedestrianisation on the overall road network around Hereford and suggested that improvements should be made to the existing road network before pedestrianisation went ahead. This would avoid exacerbating the already congested network.

Councillor R.M. Wilson (Cabinet Member – Highways and Transportation) commented that as the expected problems with congestion during the Transco works had not materialised the Council was proposing to experiment with a pedestrianised scheme during the redevelopment of Eign Gate during the summer. This would ensure that relevant data was collected and analysed to inform any decision on the proposal to implement a permanent pedestrianised scheme.

**RESOLVED: THAT the report on the open meeting concerning the possible pedestrianisation of Widemarsh Street be noted.**

**46. REVIEW OF SUPPORT TO THE VOLUNTARY SECTOR - POSITION REPORT**

The Committee were informed of the recommendations of the Strategic Monitoring Committee, on 12th January 2005, after the review of support to the voluntary sector, details of which can be found in Appendix 1 to the report.

**RESOLVED: THAT the position be noted.**

The meeting ended at 3.38 p.m.

**CHAIRMAN**

## Appendix 1

**Recommendations of the Courtyard Review Group****20. Recommendations**

20.1 The Review has highlighted the wide variety and high standard of work undertaken by The Courtyard and the valuable contribution it makes to the local community and to arts provision within the County. The organisation has made significant improvements over recent years and now has the potential to move forward on a more secure commercial footing. Since opening, The Courtyard has made substantial progress and the venue has tremendous opportunity for the future. The following recommendations are made by the Review Group:

**20.2 The Council's financial contribution to The Courtyard should not be exempt from any efficiency savings being made within the Policy & Community Directorate.**

**20.3 The Education Directorate are invited to assess the benefits provided by The Courtyard to their service area and consider contributing a higher level of funding which is more representative of the value of service received in order to reduce the current onus on the Policy & Community Directorate.**

**20.4 The suggestions for additional income generation measures and improving financial viability contained in this report are considered and actioned by The Courtyard where they are considered financially prudent.**

**20.5 The Courtyard is offered an interim 1-year funding agreement from March 2005, while proposals for additional income generation and improved financial viability are progressed.**

**20.6 The Courtyard be invited to report back to the Social and Economic Development Scrutiny Committee in November 2005 to provide an update on the organisation's financial position and progress on addressing the suggestions and recommendations raised in this report.**

**20.7 On receipt of a satisfactory report, The Courtyard is offered a 5-year commissioning agreement in April 2006.**

**20.8 At the end of the 1-year agreement if the recommendations have not been satisfactorily addressed, then a further 1-year period should be considered, to give The Courtyard further time to demonstrate its proposals for improved financial viability.**

