

Economy and Business Improvement Overview and Scrutiny Committee

**Monday, 29th November, 2010
6.00 - 7.50 pm**

Attendees	
Councillors:	Malcolm Stennett (Chairman), Nigel Britter, Garth Barnes, Tim Cooper, Peter Jeffries, Paul Massey (Deputy Chair), Paul McLain, Lloyd Surgenor, John Walklett and Andrew Wall
Co-optees:	
Also in attendance:	Councillor Colin Hay, Councillor Steve Jordan and Councillor John Webster
Apologies:	Councillor Pat Thornton

Extract from the Draft Minutes

1. APOLOGIES

Apologies were received from Councillor Pat Thornton and the committee wished her well following her recent operation.

2. CHELTENHAM FESTIVALS SCRUTINY WORKING GROUP

The chair welcomed Councillor Duncan Smith to the meeting, and invited him to introduce the report as chairman of the working group.

Councillor Smith explained that the Cheltenham Festivals Joint Working Group (CFJWG) had been formed 18 months prior and members had included Councillors Smith and Hay (previously Rawson) from Social and Community and Councillors Barnes and Surgenor (previously Hutton) from Economy and Business Improvement, Overview and Scrutiny Committees.

He stressed the importance of Cheltenham Festivals to the town and that they are a valuable partner for the Council. The Festivals aim was to become a sustainable independent organisation which was less reliant on public funding.

The initial meetings of the group had focussed on the tender exercise for a new Box Office system at the Town Hall. Despite considerable efforts from everybody involved, the Festivals had decided to purchase their own box office system with a potential financial loss to the council of £70,000 largely due to lost commission on ticket sales. The Festivals had opted for a system which would provide a platform for their expansion in future years but was too expensive and offered far more facilities than the council needed.

Members had examined the three year business plan for the festivals and challenged various assumptions. They had concluded that the issues raised were answered satisfactorily and the plan was sustainable. Cheltenham Festivals were confident that their projections were realistic.

A number of key issues were identified that needed to be resolved urgently in order to allow progress (item 3.7 of the report).

The Chairman referred members to the six recommendations of the CFJWG, noting that recommendation 5 was put forward as a request from Cheltenham Festivals rather than a recommendation of the Working Group. In response to a question about the likely impact on the business plan if the council funding was reduced earlier, he advised that the business plan was structured on the assumption that the Festivals would be in a position to access Arts Council funding and funding from other agencies in 2012. For this to be achieved the Festivals would need to demonstrate a credible balance sheet and this is why the Festivals considered that the renewal of the council funding was critical at this stage.

Several members raised concerns that it was not acceptable to bind Cabinet to agreeing the funding outside of the budget debate. In response the chairman of the working group advised that section 5.6 of the report circulated had since been amended to give clarity to this matter and would now read as follows:

“Consequently the Review Group ask that Cabinet consider delaying any reduction to the grant until 2012 as part of the budget setting process, following a request by Cheltenham Festivals.”

A member asked for clarification on the legal status of Cheltenham Festivals. He also questioned why the Festivals were requesting an extension of their grant if the business plan was sustainable. Regarding the risk assessment he questioned why there was any risk for the council if the Festivals were an independent organisation.

In response the chairman of the working group advised that Cheltenham Festivals was a company limited by guarantee with charitable status. It had no legal connection with the council but the council had a Service Level Agreement in respect of the funding provided.

With regards to the risk assessment, the chairman of the working group suggested that the public may view Cheltenham Festivals as part of the council and certainly if the festivals failed then there would be public demand for the council to step in. The working group had felt it was important to minimise the risk to the council but not to underestimate them. The working group were satisfied that the business plan was sustainable and aimed for a break even point in 2011. Continuation of the council funding was important to the Festivals in 2011 as this would be a critical year. They had also been assured by the Festivals that any part of the Festival programme which was not sustainable would cease.

A member raised the issue of the use of Imperial Gardens and Montpelier Gardens and asked for an explanation of the working groups thinking behind this recommendation. Other members raised concerns on behalf of local residents and visitors coming to the towns to use the parks. Cheltenham in Bloom also needed clarification on future plans.

In response, the chairman of the working group, said that some festival events were selling out in hours and there was potential for some events to attract more than 3000 people if a suitable venue was available. The Festivals had

tried the racecourse and considered Pittville Park but were now looking for a marquee in Montpelier Gardens to hold these larger events. There was a risk that the Festivals would look outside Cheltenham for alternative bigger venues with a consequent impact on the economy of Cheltenham. Officers were currently in discussions with local residents and friends groups to develop a strategy on the use of the gardens.

In response to a question about the scrutiny of the Service Level Agreement, Councillor Walklett advised that he had been a member of the small working group responsible for this. They had talked with Cheltenham Festivals and examined the paperwork in some detail and were satisfied that the Festivals had fulfilled their objectives and indeed commended them for the progress they had made. They did have some reservations about some of their future plans and these were noted.

The Chairman moved to consider the recommendations. He suggested that although the committee were happy to endorse the recommendations, there was the opportunity to ask Cabinet to take note of the comments from this meeting particularly with regard to the need for sensitivity and public consultation regarding the future use of the Gardens.

RESOLVED THAT the recommendations of the Joint Overview and Scrutiny Festivals Working Group as set out in the report be endorsed and they be recommended to Cabinet (subject to the amendment of paragraph 5.6 in the report) and that Cabinet note the comments made at this meeting when considering the recommendations.