

Nottingham City Council

Communities and Environment Scrutiny Committee

Minutes of the meeting held at Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 24 July 2024 from 2.03 pm - 4.36 pm

Membership

Present

Councillor Samuel Gardiner (Vice Chair)
Councillor Patience Uloma Ifediora
Councillor Imran Jalil (Chair)
Councillor David Mellen
Councillor Shuguftah Quddoos
Councillor Andrew Rule

Absent

Councillor Faith Gakanje-Ajala
Councillor AJ Matsiko

Colleagues, partners and others in attendance:

Rob Curran - External Advisor
Councillor Corall - Executive Member for Communities, Waste and Equality
Councillor Sam Lux - Executive Member for Carbon Reduction, Leisure and Culture
Shaun Miles - Head of Communities
Kate Morris - Scrutiny and Audit Support Officer
Damon Stanton - Scrutiny and Audit Support Officer
Colin Wilderspin - Interim Director of Communities

9 Apologies

Councillor AJ Matsiko – work commitments
Councillor Faith Gakanje-Ajala – personal

10 Declarations of Interests

In the interests of transparency in relation to item 6 – Community Centre Review, Councillor David Mellon highlighted that he was Chair of the management group at Bakersfield Community Centre. This did not preclude him from speaking on any item.

In the interests of transparency in relation to item 6 – Community Centre Review, Councillor Andrew Rule highlighted that he was a Committee Member of Clifton Community Centre and Park Gate Community Centre. This did not preclude him from speaking on any item.

11 Minutes

The Minutes of the meeting held on 05 June 2024 were confirmed as a correct record and they were signed by the Chair.

12 Terms of Reference

The Chair presented a report on the Committee's Terms of Reference to provide clarity on the Committee's purpose, objectives, and terms of operation.

The Committee noted the report.

13 Museum Services Review

Councillor Sam Lux, Executive Member for Carbon Reduction, Leisure and Culture, Colin Wilderspin, Strategic Director of Communities, Nigel Hawkins, Head of Communities and Libraries, and Rob Curran, Independent Advisor supporting the Museums and Galleries Service Review were present at the meeting to present a report on the outcomes of the Museums and Galleries Service Delivery Model Review. The following information was highlighted:

- a) The Executive Member introduced the item and explained that following the return of Nottingham Castle back into Council control in early 2023, the Council committed to undertake a Delivery Model Assessment (DMA) of the whole museum and galleries service to understand the most cost effective and sustainable way of delivering those to the public in the coming years. The DMA methodology followed was developed by the Cabinet Office to support strategic sourcing decisions for critical projects and services, and the Council was guided by representatives from the Cabinet Office, experts and stakeholders. A solid strategic assessment has been completed encompassing a number of potential future management options for the service in which a number of recommendations have been made to help shape the future of the service. A business plan is in development which will be completed later in the year and will allow Councillors to make a formal decision. No formal decision has been taken of yet.
- b) The review was across the entirety of the integrated service across all of the assets and not just the headline assets such as the Castle or Wollaton Hall.
- c) The DMA evaluates the strategic fit for any future model of service delivery and considers this against a series of financial and non-financial criteria.
- d) 9 potential options were shortlisted, however there are 23 forms of organisation that could be used to deliver the service. The 9 options shortlisted were done so because they are predominantly used in the cultural and heritage sector and used by other authorities in the UK. The options ranged from models that fundamentally rely on Council ownership, to models that have increasing degrees of non-public ownership such as commercial outsourcing, and then to ultimately cessation of the service. A RAG dashboard has been created to demonstrate the relative merits of each model.
- e) There are a number of financial considerations as part of the DMA, but ultimately leaving the service as is, despite savings projected into the Medium Term Financial Plan, is not going to assist the Council sufficiently and thus the need for a new delivery model is required. Other considerations include that

reducing revenue funding pressures also require the Council to relinquish oversight and control of day-to-day operations, and in addition requirements of the Council as a landlord.

- f) Alongside the DMA, an independent market appraisal was commissioned to look at the local, regional and national landscape. They engaged over 60 stakeholders and looked case studies as to how other local authorities are delivering their services particularly in core cities.
- g) The current service operates with only 24% of its operating costs funded by the Council which is the fifth lowest level subsidy in England, the lowest of all core cities, and the lowest in the East Midlands Combined Authority.
- h) The Market Appraisal assisted the Council in narrowing down some options. The DMA ultimately concluded that models which are most likely to provide the best opportunity to safeguard the cultural, economic and strategic outcomes for the City, whilst reducing reliance on Council funding, are those which maintain a level of in-house provision with the establishment of associated charitable entities to sit alongside it. The aim of these preferred models is to increase opportunities for income and external funding, such as through tax savings available to the sector and fundraising, in order to reduce the need for Council subsidies and to seek contributions towards capital liabilities for maintenance of assets as well as protecting current service delivery.
- i) A Business Plan is currently in the process of being produced which will compile the DMA recommendations alongside other aspects such as service optimisation, transformation, further opportunities for income growth, and cost reduction. This Plan is being produced in consultation with the Council's Commissioners.

The following points were raised in discussion:

- j) There was a wide range of options available to the Council when establishing charitable trusts to sit alongside it, and the scope of those trusts varied. There will be further decisions to be made on the extent and functions of those trusts which will determine the proportionality of any governance arrangements and these options will be outlined in the Business Plan.
- k) There was no intent on replicating the Nottingham Castle Trust model.
- l) Other Local Authorities have been struggling to run their own museums as standalone trusts, and there have been moves to bring these back as collective portfolios to ensure there is an overall sustainable service.
- m) The DMA was being provided to Councillors at Scrutiny to inform them of the breadth of options assessed. The DMA will help inform the Business Plan which was in the process of being produced and will outline in more detail the relevant costs and opportunities.

- n) The current 24% subsidy for the service equated to a cost of just below £2 million. As part of the Business Plan the Council would be looking at how it can reduce that subsidy further regardless of the DMA recommendations.
- o) It was clarified that the DMA recommendations proposed the establishment of two specific charitable entities that are owned and governed by the Council, which sit alongside the existing service. If outlined in the Business Plan, it would be prudent to keep these entities as lightweight as possible to maximise the benefits, and would not involve any transfer of assets or staff but would supplement existing arrangements and be a slow, controlled process.
- p) The Council has met with 12 Chief Executives of different trusts to ascertain what has worked well and this has formed part of the evidence base.
- q) The market for external organisations to run museum and gallery assets is becoming more condensed due to the costs and small profits involved and often rely on subsidy. The models proposed by the DMA are more supported in the sector as they are the most sustainable and discussions with external organisations were appreciative of the approach and supported the proposals. The biggest concern was uncertainty. It was clarified that it would not harm any funding opportunities.
- r) At the Chair's discretion, a number of questions were asked by the Public:
 - 1) Mr Hewitt queried whether the DMA methodology provided by the Cabinet Office was subject to change due to the recent change of Government. It was clarified that the advice has come from the commercial function of the Cabinet Office and therefore was unlikely to change.
 - 2) Ms Kemp queried the loss of income to the Council if it was to dispose of any sites. It was clarified that there were no proposals within the DMA recommendations to dispose of any site.
 - 3) Mr Hashby queried when the next stage of the process will commence and when the financial implications will be made available. It was clarified that these will be outlined in the Business Plan.
- s) There was a consensus that there was a number of complex funding needs for the service, and that the Council needed to ascertain a model which would give the service sustainability given the Council's current financial crisis.

Resolved to recommend to the Executive member that Ensure that full consideration is given at an early stage of the business plan development to include robust measures that safeguard assets from disposal

14 Community Centres Review

Councillor Corall Jenkins, Executive Member for Communities, Waste and Environment, Colin Wilderspin, Strategic Director of Communities, and Shaun Miles, Head of Communities, were present at the meeting to update Committee on the work undertaken by the Council to review the Community Centre provision. The following information was highlighted:

- a) The Executive Member introduced the item, reminding the Committee that they had previously considered the impact of the 2024/25 budget proposals, and as part of those proposals a Review on the support available for community centres would be undertaken. The Committee requested that they be kept updated on the Review and its progress. The update at today's meeting was to outline the work done so far, and that this was the first stage of a long process.
- b) The objective of the Review was to assess how the Council's decision to remove subsidies of c£600,000 for community centres as part of savings proposed within the Medium Term Financial Plan (MTFP) could be implemented. It was hoped that the Council could still maintain a network of self-sustaining community centres.
- c) The Review would map out community provision within the City (beyond the 36 building within the scope of the Review), and involve Councillors, associations, communities and the public. An options paper will be developed for consideration. No formal decision has been made of yet.
- d) A working group will be developed with Councillors to understand the impacts and mitigate the risks of any decision. The Council would also need to clarify engagement with associations on any new lease proposals. A service and staffing review also needs to be conducted.
- e) The Council recognised the importance of volunteers in the community centres, but it also recognised the scale of the financial challenges that the Council faced. They provide a wide range of activities and space across the city for hire including support, mentoring, participation, advice, referral, social, educational and recreational opportunities.
- f) There are 36 buildings managed by the team, all of which have different leases and require different considerations.
- g) To date the service has achieved the waste and water budget savings and the grant savings.
- h) The rationale for the approach was explained which included aligning with the views of Councillors; allowing adequate time to map out the City's community assets; adequate time for the Centres to deliberate lease options; explore the options of relocating groups where a lease offer is declined and another group is interested in taking it on; and ultimately declaring a building surplus if lease proposals are not agreed in which it can be sold for capital receipts.
- i) There are a number of risks associated with the Review including the loss of control for the Council to help shape what is provided in the community if further funding is reduced. There is also a risk of buildings remaining empty and the Council being unable to dispose of them, and the risk of anti-social behaviour in vacant buildings whilst the Council is still responsible for maintenance costs.

- j) The indicative timescales proposed include mapping out the current and future provision by August/September 2024, an options paper completed by September/November 2024, and then a number of stakeholder consultations up to the aim of ceasing subsidies by April 2025. The Committee noted, however, that the project has been flagged as high risk and this may result in a slippage to the indicative timeline.

The following points were raised in discussion:

- a) It was clarified that the c£600k savings agreed within the MTFP would need to be found by April 2025.
- b) The Executive Member stressed that no decisions have been made and that the Review was very much in its early stages. As community representatives, Ward Members would be consulted as soon as possible to ascertain community views.
- c) Committee Members highlighted casework in which community centres had allegedly been informed that they were being closed by April 2025. It was stressed that no decisions have been made as of yet and that there were a number of options available to the Council to make those required savings. Officers agreed to investigate the matter.
- d) It was acknowledged that communications surrounding the water and waste budget savings could have been better.
- e) There was a consensus that community centres were vital for the health and wellbeing of Nottingham's communities. As such, a community value matrix should be established as part of the Review, particularly when leasing options were being outlined to centres and the value that they have in the community should be reflected in the costs.
- f) The Committee agreed that dialogue needed to take place across Council departments to ensure that should community centres close, the Council would not be passing costs over to statutory services from the voluntary sector as many of those centres provided services for vulnerable children and the elderly. It was explained that these considerations will form the initial stages of the Review to understand the offering.
- g) The Committee queried the accuracy and requested further clarification on the number of community centres listed and the achieved grant savings.
- h) At the discretion of the Chair, a number of questions were asked by members of the public present:
 - 1) Ms Kemp queried what consultation would be done with community centres, as in her experience, previous consultation from the Council had been poor and centres had been given little notice when previous grant funding had been reduced. The Committee agreed to note these comments and would consider making a recommendation to the Executive Member on timely consultation.

- 2) Ms Kemp asked a supplementary question to the Committee and queried reports that posts within the Community Centre Team will be made redundant. The Committee put this question to the Executive Member who reiterated that no decisions have been made but that as outlined in the indicative timescales there will be a review of staff with consultation for potential redundancy or redeployment options.
 - 3) Hyacinth highlighted specific issues with leases. Anyone with specific casework concerns were encouraged to contact the Executive Member directly.
 - 4) Mr Hewitt queried whether Health Impact Assessments have been or will be completed as part of the Review. The Committee agreed to note these comments and would consider making a recommendation to the Executive Member on timely consultation.
 - 5) Sarita sought clarification on reports in the press that there were plans to close community centres. It was reiterated that no decision had been made of yet.
 - 6) Paul commented that many members of the public were unaware of the Review and its potential implications due to poor consultation, and that it would impact the poorest in society and lead to worse health outcomes for residents. He asked for clarification on the precise figure which needed to be saved and the exact number of community centres affected. He is also encouraged for any equality and health impact assessments to be done as soon as possible before the Review commenced. It was clarified that the exact saving was £613,000 and that the suggestions would be forming part of the Review as outlined.
 - 7) Mr Hasby commented that by his calculations the proposed savings amounted to 0.2% of the Council's budget and queried whether the Council had explored every avenue to avoid the proposed cuts. It was explained that the Council was in an extremely difficult financial situation and needed to find savings in the region of £172 million over the MTFP period.
 - 8) Hyacinth reiterated that the consultation needed to be done in a timely fashion for it to be meaningful and so community groups could plan ahead.
- i) The Committee sought clarification on the indicative timescale and how likely it was for the Review to be completed on time. It was explained that it had been raised as a risk due to the interdependencies associated with the Review. There are 36 community centres all with different leases and therefore a one size fits all approach is not appropriate. If community centres are struggling, they were encouraged to contact the Community Centre Team to see how they could be best supported. The Council appreciates the Review is creating uncertainty but at the same time it is important that the Review is not rushed.
 - j) It was clarified that the 36 buildings outlined in the Review are overseen by the Community Centre Team, and specifically set against the £613,000 saving, but there are others that are overseen by other services or by corporate landlord. That is why a mapping exercise is being carried out across the Council.
 - k) A Policy is being developed within Corporate Landlord that will assess leases overall and provide a consistent approach to measuring social value and how that is reflected in lease agreements.

Resolved:

- 1) To recommend to the Executive Member:**
 - **To provide clarity to the Committee, on the timeframe within which the approved budget savings need be made, and review what steps have already been taken by officers to progress savings and that these are only taken in line with agreed council policy.**
 - **To consider how Lead Organisations within the different areas can be involved with facilitating public consultation.**
 - **To ensure that communication with Ward Councillors is timely and that public consultation is timely, accessible and meaningful.**
 - **To carry out Health Impact Assessments for all proposals alongside the Equality Impact assessments**
 - **Ensure and evidence that cross council working takes place to liaise with other services (eg children's services, adult social care etc) to make sure that the cost impact of these to statutory services is mitigated**
 - **Finalise the Social Value Matrix and ensure that it is used within the upcoming mapping process**

- 2) To ask officers to confirm the queried figures around savings already achieved through Water, Waste and Grant funding.**

15 Work Programme

The Work Programme was noted.