

## SCRUTINY COMMITTEE - ECONOMY

5 March 2015

### Present:

Councillor Henson (Chair)

Councillors Brock, Brimble, Bull, Holland, Lyons, Robson, Wardle and Williams

### Apologies:

Councillors Branston, Crew and Foggin

### Also present:

Assistant Director Economy, Service Manager, Business & Commercial Operations, Museums Manager, Events, Facilities and Markets Manager, Principal Accountant Service (PM) and Democratic Services Officer (Committees) (SLS)

### In attendance:

Councillor Rachel Sutton - Portfolio Holder City Development

## 18 **Minutes**

The minutes of the meeting held on 22 January 2015 were taken as read and signed by the Chair as correct.

## 19 **Declarations of Interest**

Councillor Williams declared an 'other interest' as the Matford Centre is the place of business of an immediate member of her partner's family, and withdrew from the meeting whilst Minute 29 was discussed.

## 20 **Waterways Review - Towards a Waterways Strategy**

The Service Manager, Business & Commercial Operations presented the report which considered the creation of a strategic framework for the development of Exeter's river and canal and associated assets. The report recommended the formation of a Partnership to develop and deliver a Strategy for the future of the waterways and that the Canal and River Trust be engaged in the discussions on the future strategic direction. The Council had agreed last year to undertake a review of the options in respect of the future operation and management of the Exe Estuary, Quay, Basin and Canal. It was anticipated that the Strategy would be developed, together with the stakeholders, who in partnership with the Council, would enable its delivery.

Responding to questions from a Member submitted prior to the meeting, the Service Manager, Business & Commercial Operations confirmed that:-

- the City Council had been exploring alternative joint funding and management opportunities to ensure the future of the river and canal. However, the Canal and River Trust were most likely to offer the most viable option for collective funding opportunities. Contact had been made with the owners of local waterways such as the Grand Western Canal, with a view to holding further discussions with them and others over the coming months to help form the basis of the review.

- the Canal and River Trust had also recently been successful in securing funding from the Heritage Lottery Funding, and although this did not include Exeter, the Trust had indicated it would be willing to work with the City Council, to best suit individual needs.

A Member also referred to the scope of the consultation. The Service Manager, Business & Commercial Operations welcomed any contribution to the consultation process. He added that the results would also help inform the strategic partnership.

Scrutiny Committee - Economy noted the proposed scope and timetable for the Waterways Review report and recommended Executive approve:-

- (1) establishing a partnership of key stakeholders for Exeter's river and canal to develop and deliver a Waterways Strategy for Exeter; and
- (2) the exploration with the Canal and River Trust of the engagement in the development of Exeter's waterways and its future delivery.

## 21 **Management of Capital Spending on the Waterways**

The Service Manager, Business & Commercial Operations presented the report and sought Member's approval for the reassignment of approved capital budgets, relating to repairs on the canal and waterways in order to respond to urgent maintenance and repair priorities. The dynamics of the waterways and its susceptibility to weather and seasonal influences could result in the need for a rapid civil engineering response, particularly in relation to the canal. Recent inspections had identified an estimated £55,000 of urgent, but currently unbudgeted works where collective large scale shoring and re-engineering works were required.

Scrutiny Committee – Economy noted the report and requested Executive approval:-

- (1) that any funds remaining from the capital allocation of £150,000 for the repair to the Turf Lock gates be reassigned to other necessary and urgent repairs on the canal and waterway; and
- (2) that the Assistant Director Public Realm in consultation with the Portfolio Holder for Economy and Culture and the Assistant Director Finance, be given delegated authority to reassign any residue from future capital funding for the waterways in order to effect immediate and or significant repairs elsewhere in the canal or quays. Local Councillors would be advised and variations would be reported in the regular Capital Budget update reports made to Scrutiny Committee.

## 22 **Proposal to Establish a Museum Shop at RAMM**

The Museums Manager presented the report, which outlined a proposal to set up a shop at the Royal Albert Memorial Museum and through its operation, generate additional income to increase the sustainability of the Museum. Independently commissioned visitor research suggested that half of the RAMM's visitors would be quite or very likely to purchase from a specialist RAMM shop, supporting the view that this visitor 'secondary spend' could be an important source of income for a Museum. It would also be following a successful operating model used by the local authority regional museums service in Leeds, as they run a number of very profitable shops and have created a unique brand of merchandise that is only sold from the Museum. A Member welcomed this proposal, and hoped that the RAMM would follow such an example and include items that were pertinent to Exeter. The

Museums Manager confirmed that they would seek to include a range of items unique to the RAMM.

Scrutiny Committee - Economy recommended approval of the following to Executive and Council:-

- (1) to set up a shop within the Royal Albert Memorial Museum;
- (2) the five year forecast Profit & Loss figures and the payback period for the investment requested; and
- (3) a supplementary request for an additional sum of £68,000 to the Capital Programme to enable the fit out and set up of the new shop.

## 23 **Budget Monitoring Report to 31 December 2014 (3rd Quarter)**

The Principal Accountant advised Members of any major differences by management unit to the outturn forecast of the Economy Services revenue and capital budgets for the first nine months of the financial year up to 31 December 2014. The current forecast suggested that net expenditure would increase from the approved budget by a total of £127,540 after transfers from reserves and revenue contributions to capital. This represented a variation of 77.14% from the approved budget and included supplementary budgets of £299,560. Potential areas of budgetary risk were also highlighted in this report.

The Principal Accountant highlighted the areas which significant variances were anticipated including the expected shortfall of rental income from South Street, and parking income, which was expected to be 2% lower than the annual budget of £5.5 million. He also responded to a Member's question relating to the reduced income from South Street and whether there was a specific or more general downturn in parking revenue, confirming that he could supply the figures for the individual car parks. The Member said that as a member of the Car Parking Review Group, such information would be useful to inform any future discussion to identify any underlying reasons. The current Community Capital Programme showed a total spend of £3,974,611 in 2014/15 with a further £686,270 of the programme potentially deferred to 2015/16.

Responding to a question from a Member submitted prior to the meeting, the Principal Accountant confirmed that a sum of £740 being spent in Well Oak Park, was in respect of a sum of money that had been due as a retention payment. The work had been completed and this was the final payment.

Scrutiny Committee – Economy noted the report.

## 24 **RAMM's Market Research and Data Capture Programme Update**

The Museums Manager presented the report which informed Members of the visitor research and data capture programme and also to note the forthcoming plans. This research had helped to provide a better understanding of who used the Museums Service (and consequently who did not); views of the visitor experience and their preferences, information that helped the RAMM team monitor satisfaction rates; identifying trends; shaping forward planning, informing RAMM's audience development activities and income generation initiatives. Such research also provided the user context for RAMM and its services and was therefore important background data for Members' information. The key findings were set out in the report and included a satisfaction rate of 98%, with a good pattern of repeat visits.

A Member congratulated the staff on the visitor numbers, but enquired if the figures had changed since the Museum's reopening. The Museums Manager stated that staff had worked hard to maintain the visitor numbers and had expected a dip after the initial period, but she was pleased to report that there were still 295,000 visitors a year. She also responded to a Member's enquiry about the nature of the advertising, stating that the RAMM had a well developed web site. A growing trend had been noted in which visitors first researched their proposed trip to RAMM on-line, as the website provided more convenient, accurate and up to date information. So far, this had not replaced visitors' expectations for a printed brochure of events, but this was expected to gradually change in coming years.

Members noted the report.

## 25 **Major Partner Museums Funding Update**

The Museums Manager provided a verbal report and referred to the Arts Council England funding currently received by RAMM 2012 – 2015, as part of the Major Partner Museum Programme (MPM). The funding was awarded to a core group of sixteen larger regional museums. A re-submission had recently been made by RAMM to the Arts Council's Major Partner Museum Grants Programme for 2015/18. This was an open application process and she was pleased to inform Members that after an 'in principle' decision last year and further work to produce the mandatory documents required by ACE, the funder had announced the names of the institutions that would be part of the MPM programme 2015-18. RAMM had successfully been included as part of this group, and had received its formal offer of funding.

Members noted the update and congratulated the Museums Manager and her staff.

## 26 **European Grand Prix Rugby 7's Series Tournament Update - Sandy Park, Exeter, July 2015**

The Assistant Director Economy advised that the third leg of the Rugby Europe's 2015, Grand Prix 7's series would take place at Sandy Park on the 11 and 12 July. The first and second leg games were being held in Lyons and Moscow. This event was another opportunity to showcase Sandy Park, and Exeter to a wider audience. It was hoped that this will be the first of three years of programming for the city and will provide a great opportunity to raise the profile of the city, creating some repeat business for all. The event was currently advertised on the Exeter Chief's web site, with the opportunity to buy day or weekend tickets. The Assistant Director Economy responded to a Member's comment on participation from schools, stating that community events were being held in Duckes Meadow, where 20 schools had been invited to take part in a number of sporting activities on Saturday.

A Member referred to the positive rewards for the excellent delivery of the Rugby World Cup programme, such as the Rugby 7's as part of the run up to the next Olympic Games and whether this would be a prelude to something bigger. The Assistant Director Economy replied that this event may be seen as a reward and the City Council, the RFU and Sandy Park have been working on achieving a legacy from the city's involvement in these tournaments. It was noted that this event could provide an opportunity for the England team to gain Olympic qualification for Rio 2016.

In response to a Member's question, the Assistant Director Economy stated that the emphasis for dressing the city would still be for the Rugby World Cup 2015 event, but the Rugby 7's would be well advertised in and around Sandy Park. This event would also help kick-start the celebrations for the Rugby World Cup 2015. Adverts in

brochures had been taken out at forthcoming matches at Twickenham, as well as being advertised widely on local radio in other areas.

Members noted the update and congratulated those officers for bringing the Rugby 7's event together.

**27 Parkwood Leisure Working Group**

The minutes of the Parkwood Leisure Working Group meeting held on 10 February 2015 were received.

**28 Local Government (Access to Information) Act 1985 - Exclusion of Press and Public**

**RESOLVED** that, under Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the consideration of the following items on the grounds that they involved the likely disclosure of exempt information as defined in paragraph 3 of Part I, Schedule 12A of the Act.

**29 The Matford Centre - Performance Review**

Councillor Williams declared an 'other interest' as the Matford Centre is the place of business of an immediate member of her partner's family, and withdrew from the meeting whilst Minute 29 was discussed.

The Events, Facilities and Markets Manager presented the report and updated Members on the performance of the Matford Centre, which incorporates the Exeter Livestock Centre, a vehicle and plant auctioneers, business units, an events concourse, cafe, meeting rooms and extensive outside areas. The report contained details of the financial performance for the last five financial years. He responded to a comment on the future possibility of installing solar panels on the roof.

A Member congratulated staff on the improved financial results for the facility.

Scrutiny Committee – Economy noted the report.

**30 The Corn Exchange - Performance Review**

The Events, Facilities and Markets Manager presented the report and updated Members on the performance of the Corn Exchange over the last year, the directly managed facility, which hosts a programme of arts and entertainment events, as well as a number of business and community events. The report included detail on the events and their financial performance over the last ten years, together with an event analysis of the arts and entertainments programme for 2014.

A Member referred to the proposed change in the box office system and if the facility could be shared with venues. The Events, Facilities and Markets Manager advised that due to data protection issues, they would be unable to share the new system with others.

Scrutiny Committee – Economy noted the report.

The meeting commenced at 5.30 pm and closed at 6.25 pm

Chair