



Cabinet

23 October 2013

Report Title	Reduction in funding to Creative Industries - 3rd sector managed venues	
Classification	Open	
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1.0 Description of Savings Proposal

This service has already been significantly cut, and a further £138,000 of cuts are already planned. It should also be noted that previous Grand Theatre cuts (will come into play in 2016/17) were negotiated on the basis of a one off capital investment. In this new proposal, further cuts to the Grand Theatre are proposed.

What will be cut: The Newhampton Arts Centre grant would be terminated in 2015/16 on the basis the buildings will be used for other purposes i.e. the Adult Education Centre, sold/moth-balled, or the Newhampton Arts Centre manages to secure external funding from other sources. In addition further cuts to the Grand Theatre will be made of £100,000. The Queen's Square building will be expected to secure a further £20,000 either through its current arrangements, or alternative arrangements for the Shop in the Square.

Service Impact: The main risk is that the Grand Theatre and Newhampton are unable to attract alternative funding or income cease to operate, leaving the Council with two expensive/high profile buildings to dispose of. If this happens - over 300 jobs in the wider local economy could be affected. Closure of the Grand Theatre could weaken the case for a BID "YES VOTE" for the City Centre, putting at risk leverage of significant new funding to support city centre improvements. There would also be a further impact on the Council's own business rates income.

2.0 Table Setting out Financial Proposal

2.1 Total base budget savings

	Year 2014-2015 £000	Year 2015-2016 £000	Year 2016-2017 £000	Year 2017-2018 £000	Year 2018-2019 £000	5 year total £000's
Total base budget savings	10	98	20	25	25	178

2.2 Staffing Implication

	Year 2014-2015 £000	Year 2015-2016 £000	Year 2016-2017 £000	Year 2017-2018 £000	Year 2018-2019 £000	5 year total £000's
Full Time Equivalent (FTE)	0	0	0	0	0	0

3.0 Communications Strategy Implications

3.1 The Communications strategy Implications of this proposal represent some risk. In case of closure communications would need careful handling in terms of city reputation

4.0 Corporate Landlord Implication

4.1 The Corporate Landlord implications of this proposal represent some risk as detailed below. The buildings that the entertainments team manage are large, old and complex. Some buildings have been maintained well like the Grand Theatre and some poorly like the Civic Hall. As staff numbers contract so the supervision and management of maintenance contracts will be impacted. The budgets for maintaining the buildings are low, and the service is based on a 5 day offer. With a weak economy income levels are affected and cuts to maintenance become a likely cut. The inevitable impact on customers is clear as is the impact on corporate reputation. The Corporate Landlord strategic pathway will assist in managing this impact especially with the co-ordinated delivery of annual maintenance programmes.

5.0 Customer Implications

5.1 The implications for customers of this proposal represent some risk as detailed below. Closure of the Grand Theatre would have an extremely negative effect. As well as attracting visitors from wider afield, many local people, particularly the elderly, are regular users of the Theatre.

6.0 Economic Implications

6.1 The last report from consultants (BOP consulting this summer) suggest that the Civic and Wulfrun have a GVA for the local economy of £4.2 million, the Grand £3.3 million. If we suggest a 5% impact then the figure would be £350,000 lost to the local economy.

7.0 Environmental Implications

7.1 The Environmental Implications of this proposal represent a considerable risk as detailed below. The risk of closure in respect of the Grand Theatre and Newhampton Centre, could present major liabilities for the Council (both buildings are council owned), and both are prominent buildings with listed building status (which bring added responsibilities and liabilities). Failure to suitably dispose of the buildings could also have a wider detrimental effect on the economy and the physical environment contributing the overall impression of dereliction and neglect.

8.0 Equality Implications

8.1 An equalities analysis screening has been completed, some equality implications have been identified, a full equality analysis has begun

9.0 Financial Implications

9.1 The Financial Implications in terms of savings and investments are as described in the proposal above.

10.0 Health Implications

10.1 The Health Implications of this proposal are minimal. The potential loss of 300 jobs does have health impacts which are not minimal but this impact has been acknowledged in the proposal.

11.0 Legal Implications

11.1 The Legal Implications of this proposal represent a considerable risk as detailed below. There are complex legal agreements regarding ownership and management of all three venues, which would require considerable time and resource to resolve prior to any disposal, if the buildings were to be closed, or be moth balled. The legal agreements are particularly complex at the Newhampton Centre because both the College and the Council own different parts of the site, including some that is possibly in co-ownership.

12.0 Policy Implications

12.1 The Policy Implications on agreed Council policy represents a considerable risk as detailed below. The Grand Theatre, Newhampton Centre and Queen's Square buildings are high profile cultural venues in, or near, the city centre. The main risk is that external funding and earned income does not plug the gap, which leaves the current operations unviable. In turn this will have a very significant impact on corporate priorities i.e. the Grand Theatre is known to attract considerable footfall to the city – and has been proven to support over 300 jobs in the wider economy. There are therefore considerable risks to the delivery of the corporate priority 'Encouraging Enterprise and Business' and 'Reinvigorating the City'.

13.0 Procurement Implications

13.1 The procurement Implications of this proposal represent some risk as detailed below. Because of the long lead in times for bookings of shows, if the Grand Theatre was to cease to trade then there could be significant issues around debtors that the council might be drawn into because the Council is the owner of the venue. A more detailed risk analysis is required.

14.0 Staffing Implications

14.1 The HR Implications of this proposal represent some risk as detailed below. In the case of closure of the Grand Theatre – and if the Council Entertainment and Events team took over the operation - TUPE could apply and due process would need to be followed. If Queens' Square was to be disposed of, then alternative accommodation would need to be provided for the Council's Entertainment and Events team and partner organisation WV One.

15.0 Trade Union Implications

15.1 **No Implications Recorded.**