

## **Scrutiny & Overview Committee**

**Meeting held on Wednesday 26 April 2017 at 6.30 p.m. in Room F9, the Town Hall, Katharine Street, Croydon CR0 1NX**

### **DRAFT MINUTES - PART A**

**Present:** Councillor C Bonner, Councillor J Buttinger, Councillor M Creatura, Councillor S Fitzsimons, Councillor B Khan, Councillor J Prince, Councillor T Godfrey(Also In attendance), Councillor S Hall(Also In attendance), Councillor H Pollard(Also In attendance)

**Also present:** Jacqueline Harris-Baker (Director of Law and Monitoring Officer), Paula Murray (Creative Director), Sarah Ireland (Director of Commissioning and Improvement)

### **MINUTES - PART A**

#### **A1 Disclosure of Interest**

There were no disclosures made.

#### **A2 Urgent Business (if any)**

There was no urgent business, however the Chair stated that the Part B decision report was circulated to Committee Members prior to the meeting.

#### **A3 Exempt Items**

The Chair stated that as far as possible the meeting would be kept within the public domain. However, it was requested that any commercially sensitive questions or statements were to be held for the end of the meeting where, if necessary, the resolution to exclude the press and public would be moved.

#### **A4 Call-In: Fairfield Halls Operator**

Councillor Pollard introduced the reasons for the call-in. It was stated the main concern was a lack of openness and transparency for a major contract, and that there had been no chance for questions by residents or Councillors. Further information was needed to consider the operator's proposed business model and how it would deliver for the local community.

Councillor Bashford added that the decision report in the public

domain did not provide enough information for proper scrutiny, despite it being an issue that would affect almost everyone in the borough. The purpose of the call-in would be to understand the full consequences of the decision made.

After considering the reasons for the call-in, Councillor Fitzsimons moved, and Councillor Bonner seconded, that the Committee review the decision.

The Committee **RESOLVED** to accept the call-in and review the decision “Fairfield Halls’ Operator” taken by the Leader of the Council.

### **Procurement Process**

At the request of the Chair, the Director of Commissioning and Improvement set out the standard procurement process that officers followed with the tendering of large contracts such as the one pertaining to the call-in. The process was informed by the regulations contained in the Council Constitution and best practice in the sector. The chronology of events leading up to the decision made by the Leader were also set out for the Committee which included a number of discussions had at the Scrutiny and Overview Committee throughout the process.

In response to questions from the Committee, the following information was provided:

The Director of Commissioning and Improvement stated:

- The procurement process followed was part of the “strong leader model” that Croydon had adopted and had been part of the Council’s Constitution since the year 2000.
- There was no legal right for the public to be involved in the procurement process. However public involvement was important to ensure the right decision was made. To this end, the Council had undertaken a number of consultations with residents, which had included bringing the strategy to the Scrutiny and Overview Committee.
- The name of the successful bidder had not been immediately announced as procurement rules required a “cooling off” period to allow for the bidder to consider the offer and for unsuccessful bidders to be informed of the decision.

Councillor Hall stated that a paper was considered at the Cabinet meeting in September 2016 which set out the scope of the concession, and that this had also be considered at the Scrutiny and Overview Committee soon afterwards. In addition, soft market testing had been undertaken. There were therefore a number of avenues and opportunities that provided for Councillors, residents and

stakeholders to shape the tender that went out. After this, the formal procurement process itself was led by officers.

The Creative Director stated that there had been a significant amount of discussions with a broad range of stakeholders over the Fairfield Halls development. In the first three months there had been meetings with over 50 organisations and many more thereafter. A number of other examples of the consultations undertaken were proffered:

- The findings from the Fairness and Equality Commission fed into the strategy, as did the Croydon Youth Arts Collective.
- Soft market testing had been undertaken during the summer of 2016 with current operators.
- The Theatre Trust had undertaken a peer review of the development.
- The Audience Agency were consulted to provide data analysis of box office trends in London and audience preferences in recent years.
- Public participation was encouraged as part of the competitive dialogue and questioning of potential bidders.

The operator tender process placed significant weighting on diverse programmes with a significant community element. Bidders were requested to provide a method statement and an audience engagement and marketing strategy. Officers were also looking for allocations to this strategy in their finance proposals so as to evidence a genuine commitment.

The proposed bidder were a social enterprise and their bid contained strong evidence of good partnership work in their other operations. The bid illustrated an understanding of Fairfield Halls being more than a venue, and the wider community impact of the site. A considered pricing policy was provided – for both tickets and hire. In addition there was compelling evidence of resident satisfaction in the other venues it operated. A detailed community engagement strategy was provided which catered for older and younger residents and partnerships with schools and FE colleges. Creative ideas were provided around business and hospitality plans, as well as an understanding of the impact to the wider Croydon economy.

The Monitoring Officer informed the Committee that there was no constitutional requirement for the Leader to have named the successful bidder at the time of making the decision. The procurement processes were governed by statute.

### **Fairfield Halls' Operator**

The Chair invited Councillor Godfrey to deliver the presentation which can be found on the Council website here:

<https://secure.croydon.gov.uk/akscroydon/users/public/admin/kab14.pl?operation=SUBMIT&meet=36&cmte=SOC&grpId=public&arc=1>

Councillor Godfrey guided the Committee through the history of the Fairfield Halls venue up to the processes engaged from September 2014 to redevelop the site. The wider scope of the development was also discussed, with the development encompassing a new campus for Croydon College and associated housing blocks. The timelines for the future of the venue were also stated, encompassing much of the key elements of the successful bid. Councillor Godfrey concluded that BH Live would be an important partner to Croydon and welcomed their appointment as the operator.

The Committee were then given an opportunity to watch the BH Live annual review video, which can be accessed here:

<https://youtu.be/p5x5tVMU994>

In answer to questions from the Committee, the following was stated:

### *Performance Monitoring*

The Creative Director stated that key performance indicators (KPIs) for performance were difficult to measure due to no baseline. A commercial consultant provided support in setting benchmarks of good practice. The competitive dialogue process included inviting bidders to submit their own catalogue of KPIs. Ultimately, performance monitoring would be best achieved by a strong partnership.

Councillor Godfrey added that Fairfield Halls had never had a monitoring agreement. The fresh start provided by the selection of a new operator would correct this.

Councillor Hall noted that there would be an annual plan to ensure that all parties were regularly reviewing the progress of the venue, and provide the flexibility to adapt to changing circumstances. A version of the annual plan would be published in the public domain.

The Creative Director stated that there were tolerance levels around meeting KPIs however there were situations where sanctions could be utilised. The key was to ensure regular performance monitoring.

### *Venue Maintenance*

Councillor Godfrey said that the operator would receive no public subsidy, with the exception of maintenance of the building which would still be the responsibility of the Council. This included the exterior of the building and roof and major maintenance works, defined as anything costing over £20,000. This followed a similar model used for secondary schools in the borough.

### *Operator Selection*

The Creative Director stated the importance of the timely selection of the operator was to allow for their input on the refurbishment of the venue; this was a key recommendation from the Theatre Trust. It also allowed for progress updates on the development to be released as soon as possible, as there had been understandable pressure from residents to publish updates on the development's progress.

The Director of Commissioning and Improvement stated that the fine tuning of the contract would be undertaken by officers but no major deviations from the decision would be made. This was a normal process for most major contracts.

Councillor Godfrey noted that BH Live provided an important balance between business acumen and strong community engagement. The social objective could not be met without the venue also being financially viable.

### *Community Engagement*

The Chair invited Mr Hylton, a member of the public, to ask a question. Mr Hylton highlighted the extensive community engagement with young people that the previous operator had delivered on. Mr Hylton sought reassurance that the new operator would continue to build on this legacy.

The Creative Director responded that the tender process emphasised the importance of community work as part of the venue's operation. The historical importance of orchestral schemes at Fairfield Halls was also recognised, and discussions would be had with the operator for joint projects such as fundraising to ensure orchestras are a regular part of the venue's offer.

Councillor Godfrey added that interest had been received from the Royal Philharmonic Orchestra, which was founded in Croydon and that the venue's relationship with orchestras was important.

Mr Hylton also asked for details on maintaining the organ at the venue. The Creative Director responded that the organ would continue to be serviced as it had been in previous years.

Councillor Godfrey added that theatre consultants had advised the Council that organ raised the value of the venue and attracted different cultural offers. However, the refurbishment would cost approximately £250,000 so community fundraising would be considered to help meet the costs.

After considering the item under Part B, Councillor Creatura proposed, and Councillor Bonner seconded, that the Committee propose no further action on the decision made by the Leader.

The Committee **RESOLVED** that no further action was necessary in respect of the decision taken by the Leader in relation to the Fairfield Halls Operator and confirmed that the decisions could now be implemented.

**A5**

**[The following motion is to be moved and seconded as the “camera resolution” where it is proposed to move into part B of a meeting]**

Councillor Creatura proposed, and Councillor Buttinger seconded, that the remainder of the meeting be moved into Part B and thus exclude the press and public.

The Committee **RESOLVED** to move the remainder of the meeting into Part B and thereby exclude the press and public.

The meeting ended at 8.58pm.