

**OVERVIEW AND SCRUTINY COMMITTEE FOR RESOURCES
23 JANUARY 2007**

Present: Councillors Bing (in the Chair), Cooke, Sabetian, Springthorpe, Stevens, Tucker and Webb (as the duly appointed substitute for Councillor Silverson)

Apologies for absence were received from Councillor Silverson.

20. DECLARATIONS OF INTEREST

Councillors made no declarations of interest at this meeting.

21. ST MARY IN THE CASTLE - ITEM CALLED IN FROM CABINET OF 8 JANUARY 2007

The Borough Solicitor presented a report on St Mary in the Castle (SMIC) that had been called in by two members of the Resources Overview and Scrutiny Committee (Councillors Sabetian and Stevens) after the Cabinet meeting of 8 January 2007. The reasons for the call-in were as follows:

- Prior to the decision to lease St Mary-in-the-Castle to Sonrise Church, there had not been an open and transparent process requesting expressions of interest by commercial or voluntary groups. An open and transparent process had taken place in 2001 involving the White Rock and St Mary-in-the-Castle in 2004.
- The decision taken by Cabinet on 8 January 2007 was made despite doubts on the viability of Sonrise Church as a commercial enterprise and the fact that no business plan was requested or provided.
- The Cabinet decision seems contrary to the 2002 Hastings and St Leonards Cultural Strategy. In particular, the decision appears contradictory to the aim of growing the cultural economy of Hastings and St Leonards.

Mike Marsh, Executive Director, Leisure and Cultural Development answered the queries raised in the call-in letter stating that there had been a widespread process in 2004 to obtain expressions of interest for SMIC, this had resulted in no viable proposals. A business plan had also been submitted by Sonrise Church as part of their commercial proposal to lease SMIC. Mike Marsh also stated that there was nothing in the Sonrise Church proposal that contradicted the Cultural Strategy and this was an opportunity for the arts community and the wider community to work with Sonrise Church to develop those aspirations contained within the Cultural Strategy.

Members were concerned that the process whereby expressions of interest were gathered had not been open and transparent and had not allowed other interested parties to put forward a proposal. The Executive Director explained

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the widespread process in 2004 and the fact that no viable expressions of interest for leasing SMIC had come forward since then. He also said that council officers had responded to a commercial and viable proposal from Sonrise Church. There had been no challenge over the process when the Council invited the South Coasts Artists (SoCo) to set up a Gallery in St Mary in the Castle approximately two years previously.

Members were also concerned that the St Mary in the Castle Friends (SMIC-F) had not had an opportunity to put forward an alternative proposal following a meeting with the Executive Director in October 2006. The Executive Director explained that a meeting did take place with the Chair of SMIC-F, but no proposal came forward following that meeting, although a timescale was not discussed.

Members asked why specifications and timetables were not available to see, as this was common practice with most council projects? The Executive Director explained that the Sonrise Church proposal matched many of the aspirations set out in the original consultants report regarding SMIC that went to Cabinet in 2005.

Members asked if a process for expressions of interest could be introduced for a reasonable period. This way the Council would achieve Best Value, as a more cost-effective proposal could be submitted. The Executive Director replied that commercial proposals contained confidential matters. Due to this information having been subsequently uploaded on to a local website, the ability to introduce a fair process had been compromised.

Members raised concerns on a potential conflict of the proposal to the Cultural Strategy. They suggested that the Cultural Strategy laid down the foundations of cultural regeneration and growth. The Executive Director repeated that there was no conflict with the Cultural Strategy and this was an opportunity for the arts and wider community to develop aspirations.

There were also concerns regarding the amount of risk being taken on by the Sonrise Church as they would have a major increase in revenue spending with SMIC. Councillor Beaver, Lead Member for Deputy Chief Executive's Directorate replied that there was always a risk in business, this was one of the reasons why the five year lease had an 18 month break clause within it. The Deputy Chief Executive stated he was satisfied the financial history of the Church.

The Executive Director and the Leader of the Council both re-iterated that the Sonrise Church had already offered an invitation to organisations to make bookings for the use of SMIC.

Councillor Webb moved a recommendation to refer the decision back to Full Council. This was seconded by Councillor Sabetian. The recommendation was lost by 4 votes to 3 with 1 abstention and the Chair using his casting vote.

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(Councillors Sabetian, Stevens and Webb asked that their votes for the recommendation be recorded).

Councillor Stevens moved a recommendation to refer the decision back to Cabinet. This was seconded by Councillor Webb. The recommendation was lost by 4 votes to 3 with 1 abstention and the Chair using his casting vote. (Councillors Sabetian, Stevens and Webb asked that their votes for the recommendation be recorded).

RESOLVED (by 4 votes to 3) that the original decision be proceeded with.

(Councillors Sabetian, Stevens and Webb asked that their votes against be recorded.)

22. REVIEW OF SENIOR MANAGEMENT STRUCTURE

This item, with the approval of the Chair, was taken as an additional urgent item for discussion. The report was considered urgent to enable members of the committee to put their comments forward prior to the special Cabinet meeting on 8 February.

Roy Mawford, Chief Executive presented a report on the review of the Senior Management Structure. The review was being undertaken as a result of the current financial climate the Council was facing and the fact that the political leadership had changed after the local elections in May 2006. The Chief Executive described how the restructure would result in fewer, but more empowered, Directors and Senior Managers and would enable the authority to continue to be 'fit for purpose'.

Members raised several points on the report and asked that when the re-structure was complete, members of the public had a clear idea of reporting lines of departments. They also raised the question of how elected members fitted in to the structure and asked that this be considered. Members also raised the issue of staff morale and were assured by the Chief Executive that members of staff would be consulted and informed at every stage of the re-structure.

To conclude, Members asked that Overview and Scrutiny be kept informed of the re-structure's progression.

RESOLVED that the framework, process and timetable of the Senior Management Structure be noted and comments submitted.

(The Chair declared the meeting closed at 7.02pm)