



STROUD DISTRICT COUNCIL

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Agenda Item 4 Strategy and Resources Committee Public Questions

SDC Ref only	Questions (including name of questioner and location if provided)	Answer
B&R	Peter Cluer, Horsley and Eva Ward Stroud have both asked:	
B&R1	Where in the bid form submitted by Ecotricity Group Ltd does it state, as claimed in Paragraphs 5.3 and 5.5a of the Task and Finish Group Report, that the Ecotricity Group Ltd bid recognises that TUPE applies and accepts the associated financial liabilities?	Please see paragraph 4.4 of the published bid. The application of TUPE is a matter of law not negotiation.
B&R2	Will the Council publish any written communication from Ecotricity Group Ltd which confirms the claim made in Paragraphs 5.3 and 5.5a of the Task and Finish Group Report regards TUPE?	
B&R3	If Ecotricity Group Ltd has been engaged in post submission dialogue, have other bidders been invited to engage in post submission dialogue?	Both external bidders were contacted after the bids were submitted, although not to negotiate elements of their bids but rather to acknowledge receipt and clarify some details. For example, given the Trust bid set out its view on TUPE, as indicated in the Ecotricity bid at para 4.4, it was confirmed that that bid did not exclude potential TUPE liabilities.

C	Julie Wickham, Secretary, Subs Community Association	
C1	If the review process is paused, will the Sub Rooms opening be extended to match because if it closes we will lose it by default? The people who regularly book the Sub Rooms will start to make alternative arrangements due to the uncertainty.	The comments are noted and acknowledged. It will be appreciated that no decision on the future of the Sub Rooms has been made to date, although the intention is to resolve the matter this evening. In reaching any decision the Committee will be aware of the results of the consultations undertaken at a local and district level. The review undertaken has sought to promote the retention of the Sub Rooms as a public arts and culture facility and to encourage interested parties to work together to achieve such.
C2	Will Council consider a community wide consultation, to seek consensus on the way forward for the Sub Rooms and be able to resource that, or support other organisations to organise it?	
C3	The bidding process for the Sub Rooms has been competitive and has divided the community. Will Council consider facilitating a collaborative process to ensure a cooperative way forward.	
D	Emily Cluer, Nailsworth	
D1	Have other bidders been invited to participate in post submission dialogue as Ecotricity Ltd has?	Please see answer to B&R3 above.
D2	In order to inform, and enable the bidders to address, workforce matters (as sought in the motion before the Committee) will the Council commit to following ACAS guidance for the handling transfers of staff?	The Council will act in accordance with the law and appropriate guidance.
D3	If the nature of the disposal, as set out in the motion to this Committee, becomes a building only lease, which differs significantly from the previous bid information, will the Council publish a fresh notice of its intention to dispose in accordance with the Localism Act 2011?	The requirement to serve a fresh notice will depend upon whether or not the protected period has expired.
E	Richard House, Ph.D. "Keep Our Subs Public" Campaign, Stroud	
E1	Is not the Task and Finish Group report applying tests inequitably, and making assessments based on a demonstrably uneven playing field, when it states, first, that the Stroud Trust's operating model "clearly represents a significant financial risk" (Paragraph 4.8f), whilst also commenting that "The [Ecotricity] bid does not provide detailed cash-flow forecast or details of the operating model that would be followed. Therefore it is not possible to provide any analysis of the financial risk posed by the bid" (Paragraph 5.5 b)?	No

E2	As the Task and Finish Group has clearly given significant weight to workforce matters and the implications of TUPE, why were this criterion and its weighting not stated in the information that was supplied to bidders?	Such employment issues are governed by law.
F	Seb Bacon, Stroud	
F1	I see that "the substance of the Group's findings and recommendations ... remain the same". Considering the (i) subsidy figure supplied for the most recent year changed considerably from £276,000 to £194,000, (ii) no corrected figures have been supplied for previous years, who made this decision, and why?	As a matter of fact as evidenced from the relevant reports, the findings and recommendations of the Task and Finish Group have not materially changed.
F2	Will the committee define the legal restrictions on the building's use before starting negotiations with any preferred bidder? And if the process is reopened, will they define the legal restrictions as part of the bid pack? If not, why not?	The Committee does not define the existing legal restrictions. They are set out in the title details registered with the land registry which are publicly available. If a bid is accepted and additional restrictions are offered as part of that bid, covenants will be drafted according as indeed is indicated in the recommendations of the Task and Finish Group.
F3	Does the committee consider legal covenants would be sufficient to protect the building and services? If so, what legal advice has been sought on this?	This is a matter for the committee to consider depending upon what it wishes to protect or secure.
G	Jacqui Stearn, Stroud	
G1	Given the decision of Strategy and Resources Committee in January 2017 to seek proposals that would "retain its availability for cultural use" why has no account been taken of the nature and proportion of time that it would be available for cultural use were that to be a secondary use compared to its dedicated purpose being an arts and cultural centre?	The report and the bid submission refer to the extent of the cultural use on offer.

	<p>Why is the position of Stroud Town Council as a body with a sound financial track record and a successful record of managing assets being disregarded with regards to the future ownership and management of the Subscription Rooms?</p>	<p>The Town Council did not submit a bid to manage the Subscription Rooms. Two external bids were received, one by the Stroud Trust and the other by Ecotricity. As part of the former bid, the Town Council offered to buy the Subscription Rooms for £1 and grant a full repairing lease to the Trust.</p>
H	Rosalinde Scott-Hodgetts, Stroud	
H1	<p>Paragraph 2.1 under this heading states that: “The errors are largely reflected in the Financial Implications which were comprised in the covering standard summary box for committee reports.” As the provider of the correct financial information, I would point out that whilst correcting the original problems that we highlighted, the finance team has, without explanation, now introduced a new inconsistency with the audited figures - an addition of £23,931 within the Supplies and Services category. The original table - whilst entirely inappropriate (it was an aggregation of figures from two separate sets of accounts) - did have a figure in THIS particular category that was consistent with those accounts (It was only the Income category total that was inaccurate in the previous table, to the tune of £56,853). Why has this adjustment of £23,931 been made - and where in the SDC audited accounts for 2016/2017 did that figure originally appear, as it can certainly not be accounted for in the spreadsheet of Subscription Room audited figures? (Update, on 29th Nov, the SDC Accountancy Manager, on the instruction of the Leader of the Council, has contacted me, having been asked to address my concerns. Whilst the Accountancy Manager is now claiming that the figures that we were using were not the audited figures (despite being labeled as such), they were clearly the figures that were used to compile the original inappropriate/inaccurate table in the original T&F Report and absolutely NO explanation has been given as to why the extra £23,931 has been added, or what it relates to, or where it suddenly appeared from!).</p>	<p>QUESTION HAS BEEN WITHDRAWN</p>

H2	Whilst we would agree that most of the figures for 2016/2017 are now numerically accurate, with the exception of that mentioned in question 1, we would like an answer to the following question: Why was a completely inappropriate table included in the original report and why had that table been re-labelled in a way that suggested that it WAS the correct table?	The original table was included to give an overview of the current financial position and the revised table includes corrections to those figures.
H3	Is the Committee aware that each of the 'headline figures' for previous years inappropriately contains an amount for 'Depreciation' (clearly not an actual cost - as well as being questionably high in recent years), and that each also contains an arbitrarily assigned (and totally unrealistic) 'Support Service Charge'?	QUESTION HAS BEEN WITHDRAWN
I	Anthony Scott-Hodgetts, Stroud	
I1	The criteria for assessing submissions made no reference to any "additional criterion of the capital expenditure/capital receipt". It is not featured in the minutes of either of the S&R Committee Meetings in October 2016 or January 2017. In light of this: At what stage in the process was this additional criterion introduced and on whose authority – and when, and in what form, was this criterion disclosed to potential bidders?	Consistent with all decisions made by the Council, consideration is required to be given to the relevant legal and financial implications of the proposed decision.
I2	The discrepancies already identified and acknowledged quite obviously change the balance of viability' between the three bids (particularly in relation to the in-house bid). Also, it is impossible to consider the finances in isolation, as they impact on various other aspects that have not been altered (for example ALL of the consultation was done on the basis of the false financial information published (even on 18 th November after the officers knew that there were inaccuracies!). That being so, how can the statement in Paragraph 2.2 that, "It will be noted that the substance of the Group's findings and recommendations in respect to the bids received, remain the same" possible be justified?	Please see F1 above.
I3	Given that multiple irregularities have now been established in financial reporting throughout this process, why is a binding decision even being considered before the full extent of that misreporting - and the implications of that for the decision-making process - is independently reviewed? In considering answers related to some of the above questions, Councillors might also like to be aware of an analysis into the historical financial reporting at SDC, produced by a team completely independent of my own group of mathematicians: http://stroudinvestigates.co.uk/subrooms/2017/11/21/financial-discrepancies-at-the-subrooms.html	QUESTION HAS BEEN WITHDRAWN

J	David Lambert, Stroud	
J1	Why were there no detailed bid criteria produced, within the information pack supplied to bidders, which would have informed the process and enabled bids to be submitted which better met the Council's requirements?	The asset was advertised for disposal in line with the options identified; bids received were to purchase the building not to provide services for the Council.
J2	Is it reasonable for the authority to have failed to state its detailed bid criteria, and their weightings, either to bidders or when consulting the public?	In view of the previous answer, it will be appreciated that the question misplaced. The objectives set by the Committee in January 2017 were highlighted to those who expressed an interest in the Subscription Rooms. The bids received were considered by the Task and Finish Group in line with such taking account of the relevant law and financial implications as anyone would reasonably expect.
J3	Is it reasonable for the Task and Finish Group's recommendations to be brought forward, without further consideration by the Group of the material change in the financial information made available to its Members when they arrived at their recommendations?	The questioner assumes that there was a material impact on the Task and Finish Group's findings and recommendation, which is not apparent from the reports before the committee. In any event the corrected information is available to the committee.
K	Mark Nurse	
K1	Thank you for all your hard work you are doing. My question is Due to the problems in the first process, why can't we take out the trouble of the bidding process which was so decisive. Have no bidding process, and get the community to work together to answer your problems.	Thank you for your comments. The Council has advertised a potential disposal of the asset and invited bodies in view of the financial difficulties the Council will face if it continues to subsidise the Subscription Rooms. In doing so, interested parties were encouraged to work together.

L	Garry Strudwick, Stroud	
L1	Given the lack of detailed bidding guidance, and the limited nature of the separate question and answer sessions offered with the Project Manager, why did the Task and Finish Group reject the options of renegotiating the terms of the bids and encouraging a joint bid (as stated in Paragraph 6.1 of the Task and Finish Group Report)	Setting aside the views expressed by the questioner in the preliminary part of the question which indicate a tender for a service as opposed to the potential disposal of an asset, in response to the question, the answer is set out in the said paragraph 6.1.
L2	Why does the Task and Finish Group report state (Paragraph 6.1) that the possibility of joint working was <i>only</i> referenced in the bid from Ecotricity when it can be seen that there are a series of references in the Trust bid document to working in partnership with other groups, including the Subs Community Association?	The commentary in the report refers to joint working between the two external bidders.
L3	What steps has SDC taken to confirm the statement (which it reiterates in Paragraph 6.1 of the Task and Finish Group Report) that Ecotricity would look to work with Stroud Trust and has it compared this to communications between Ecotricity and the Trust and elsewhere on the matter?	If a decision is made to accept either of the bids, the transfer will be conditional upon covenants to enforce all parts of the particular bid offer.
M	Jackie Garner, local resident and Sub Rooms enthusiast	
M1	Given that this whole process was based on incorrect figures, when will the correct figures be published? The public have been convinced by the council that the subsidy is approximately £400,000 p.a. - what measures will the council employ to raise public awareness of the true cost?	Setting aside the views expressed by the bidder in the preliminary part of the question, in response to the subsequent question, the relevant figures have been published and are included in the Committee's papers.
M2	To secure a vibrant and sustained future for the Subscription Rooms, there needs to be an independent public consultation. Will the council give their assurances that they will employ an independent person or body to facilitate a wide-ranging and robust consultation, the resulting report to be made available to all stakeholders?	Details of the consultation undertaken including the annual district wide budget consultation are detailed in the reports before the committee.
M3	The current bidding process sets bidders and sections of the community against each other. Will the council please change the process of competitive bids, to that of a single vision (produced in consultation with all stakeholders), that everyone can support?	Unfortunately, in cases where there are competing interests, it is often not possible to secure everyone's support. The current case is proving to be no exception.

N	Brian Oosthuysen, County Councillor (Stroud, Rodborough Division)	
N1	As the Task and Finish Group has given weight to the financial track record and assets of the bidders, why was this criteria and its weighting not stated in the information supplied to bidders?	As previously noted, the asset was advertised for disposal in line with the options identified; bids received were to purchase the building not to provide services for the Council. The objectives set by the Committee in January 2017 were highlighted to those who expressed an interest in the Subscription Rooms. The bids received were considered by the Task and Finish Group in line with such taking account of the relevant law and financial implications as should be reasonably expected.
N2	Why did the guidance supplied to bidders state that the Council wished to minimise any barriers to entry for bidders and encourage creativity and innovation, whilst giving preference in its recommendation based to pre-existing financial performance and to the assets of the bidders?	
N3	Why is the expertise and experience of the Trust bid in running arts and cultural venues, festivals and managing listed buildings not seen as more relevant than experience of running conference/catering and public facilities at a football club?	
O	Sym Roe	
O1	There is no privacy policy on the current website or guidance as to how personal data is used or how it is held in accordance with the GDPR. Regardless of the winning bid, what will happen to the personal data currently held by the Sub Rooms, namely the contact information of previous customers and the records of the events they attended. Can the council explain what the plan is please, and if the data is included in the sale.	The GDPR is due to come into effect in / around May 2018 and the Council is preparing for the new legislation. Prior to that personal data will continued to be processed and destroyed in line with existing legislation.

P	Anna Powell-Smith, Stroud	
P1	The Consultation Plan published in January 2017 (Appendix F, Item 8) stated that following the initial 6 week registration of interest period on 12 April 2017, SDC would “issue press releases to update on... future opportunities to consult”. Please could SDC confirm the dates and titles of the press releases it issued after 12 April 2017 with details of opportunities to consult?	Press releases included that of the 2 and 14 February and 13 November 2017 which were entitled: “ <i>Have your say on the Sub Rooms Options</i> ”; “ <i>Get involved! Open day on the Sub Rooms review this weekend</i> ” and “ <i>Leader’s Statement</i> ” respectively. In addition, the Leader’s Diary columns publicised the two public events and appeared in the Stroud News and Journal, Stroud Lift and / or Citizen in print and online. The Council’s website also published the consultation events.
P2	The Consultation Plan also stated that following the initial 6 week registration of interest period, SDC “would open drop-in sessions at Sub Rooms to explain options coming forward... to gather feedback for assessing in the options appraisal”, before the subsequent step “Options appraisal of all options and bids returns to S&R committee”. Please could SDC confirm the dates of the drop-in sessions (plural) that gathered feedback on the options and whether feedback from these sessions was considered by the T&F Group before it wrote its appraisal, or after?	Drop in sessions were held for the potential bidders from June to August; and public feedback on the options was considered by the Task & Finish Group.
P3	Section 4.1 of Ecotricity’s bid offers £300,000 for the freehold of the building, half the listing price, then immediately states: “We are willing to negotiate on any aspect of our bid”. Please could the T&F Group explain how it reached the decision to accept Ecotricity’s initial offer without negotiating, and how this achieves best value for the taxpayer?	Bids submitted were considered by the Task and Finish Group. The Group has not entered into negotiations with bidders. It will be for the committee to determine how it wishes to proceed and whether further negotiations are appropriate.
Q	Robin Phillips, Stroud	
Q1	Is it possible not to have another bidding process but have a round the table consultation process with all interested parties, stakeholders and staff with an independent adjudicator that can facilitate a successful outcome to this process for the Subscription Rooms to have a viable future?	Suggested noted – thank you. Please see answer to K1 above.

Q2	We need the artificial block on the calendar to be removed so that the promoters can now book their events with the beginning of 2019 in mind. Events take a lot of forward planning and you need to book a long time ahead to secure the bookings, if this does not happen it will close by default I do not think that the public would be very happy with this situation. Please can this be done as a matter of urgency?	Potential future bookings will be considered as soon as a decision is made on the future of the Sub Rooms
Q3	We do need to know the true costs of the finances verified by an independent body away from SDC given the recent revelations in the press about the finances is this possible.	The updated costs are shown in the Financial Implications of the report to Agenda Item 6(c).
S	Alix Boon	
S1	I am a member of a community organisation that puts on regular events at the Subscription Rooms. I am concerned that the Subscription rooms is in danger of losing business and being closed by stealth due to the uncertainty about our and other organisations ability to book and plan future events at the venue. Unless there is some certainty re future bookings we and I suspect others will unhappily be forced to look for alternative venues. Can councillors ensure that the Subscription Rooms is able to accept future bookings to put on events for at least the next 12 months in order to protect its future as a viable community arts venue?	Potential future bookings will be considered as soon as a decision is made on the future of the Sub Rooms.
T	Sarah Phaedre-Watson	
T1	Financial discrepancies - the figures on the report have been updated, but the annual 'cost' of the building is still incorrect - as fixed costs will need to be transferred to an alternative budget line. Can the council please explain why this is and when the results of the audit into the financial discrepancies, with a full explanation will be released to the public? Shouldn't the council be updating and removing all reference to incorrect figures as they are misleading, and issuing a full correction to engage and inform the public? https://www.stroud.gov.uk/news-archive/have-your-say-on-sub-rooms-options Councillor Cornell added: <i>"Cuts in government funding are affecting councils across the country, not just us, so we really need to make sure that we provide services as efficiently as possible. It is clear that the Subs is close to many people's hearts, but when you're talking about a building that costs over £400,000 a year to run, we really need to ensure that taxpayers' money is being spent wisely and see if there is a better way to run things than at present. The next few months will see us assess any proposals and ideas put to us and we expect to come to a decision or shortlist towards the end of the year."</i>	The various comments are noted. Dealing with the three questions raised, first, an investigation into the discrepancies is being undertaken and relevant information will be made available as soon as possible although a specific date is not currently available.

T2	<p>Public engagement and transparency - the council announced that the public would be given two opportunities to be involved in the decision making process for the Sub Rooms, then:</p> <ul style="list-style-type: none"> - changed the procedures - initially there were two consultations scheduled (see attached SDC flyer) but it has now been amended to 1 'consultation' and 1 'event' - displayed incorrect and misleading financial information - which has not been corrected - refused to answer questions from the press or public, relating to specific concerns with procedures and finances for the Subs (copies of emails can be supplied, dates of meetings and minutes can be provided). <p>In light of the above what steps have been taken to investigate and resolve these issues, and how will they be addressed moving forward?</p>	<p>The Task and Finish Group agreed the process around the two public engagement events; the accountancy errors have been corrected; and relevant enquiries have been responded to.</p>
T3	<p>Costs of the process to date - can the council confirm the cost of the process to date, and what the full amount is projected to be at the end of the project:</p> <ul style="list-style-type: none"> - costs for contact staff or resources - costs for legal processes (such as removing the Subs from the Community Assets register) - anything else that has been included in the budget line. 	<p>To date the full costs of dealing with the review including responding to various comments in recent weeks, have not been assessed.</p>
U	Paul Halas, Stroud	
U1	<p>Is it not the case that there are continuing discussions with the Stroud Town Council about proposals it has made to enable a future Tourist Information Service to be provided elsewhere than the Sub Rooms?</p>	<p>In response to questions 1 and 2, the future of the TIC will be determined after a decision has been made on the Sub Rooms. All options</p>
U2	<p>Given that the Task and Finish Group has not reviewed the future of the Tourist Information Centre, and there is no Stroud District Council commitment to its continuance in any case, how could weight be given to this by the Task and Finish Group in forming its recommendations?</p>	<p>(including the possibility that the Town Council might wish to take over the service), will be considered.</p>

U3	Will the Stroud District Council not now act in a strategic and proactive manner by initiating round table discussions to explore the scope for a collaborative solution for the Sub Rooms?	The objectives set out by the Council via its Strategy and Resources Committee, as well as the bidding process for the Sub Rooms and the pending debate on the matter by the Committee are all consistent with the Council promoting a strategic, proactive and collaborative approach to resolving the future of the Sub Rooms.
V	Sheila Munnoch, Stroud	
V1	Why did the Council not undertake public consultation on the bids received before the Task and Finish Group arrived at its recommendations, as had been promised at the public consultation event held by SDC in February 2017?	Details of the public consultation undertaken prior to the Task and Finish Group's report are detailed in Section 2 of the report. Please also see the answer P1 above.
V2	Why did the Council not invite all bidders to meet with Elected Members in order to receive and respond to their questions, and give a presentation of their proposals, before arriving at a recommendation and placing that before this Committee?	
V3	Why was there no direct dialogue between dialogue with the Task and Finish Group and the bidders after submissions were made and before the Task and Finish Group agreed its recommendation?	There was no requirement to do so.

W	Kate Kay, Horsley	
W1	What due diligence has the Council undertaken to confirm that the body referred as Gloucestershire Arts Council (Paragraph 6.1 of the Task and Finish Group report) is a constituted, accredited and representative body?	All relevant information to the review is contained within the Task and Finish Group's report.
W2	How can a transfer to Ecotricity Group Ltd have been recommended subject to restrictive covenants and " <i>in accordance with its bid submission</i> "(Point 1 in the Decision Box) when the Ecotricity Submission Form (Section 6) states that completion is subject to "no restrictive covenants or obligations"?	The questioner presumes that the Task and Finish Group's recommendations will be resolved. If they are, as per the Group's recommendations, the transfer will be subject to the existing legal restrictions and covenants consistent with the obligations and uses etc. which are consistent with the objectives set by the Committee and offered in the bid. As per the Task and Finish Group's recommendations, if it is not possible to complete the transfer as required, the matter will be referred back to the Committee.
W3	Why does the report fail to make clear that disposal of an asset for less than can be reasonably obtained requires a determination that the purpose will contribute to the achievement of the <i>promotion or improvement</i> of the social, economic or environmental well being of the community. Given the lack of detail in the Ecotricity bid, how could the Task and Finish Group make any determination of the value of social and economic benefits, when considering disposal at undervalue, if it did not take account of the <i>extent</i> of public access as between that which would be offered by a full time arts and community centre compared to part time and limited public access subject to, and at the discretion of, business use? On what basis does the T&F group consider that the Ecotricity bid is compliant with s 123 LGA1972 and Circular 6.03?	Thank you for highlighting this in your question. On reading the report, it should be appreciated that such has been considered.