



Frequently Asked Questions

We've tried to think of a wide range of questions that you might have about the proposals and supply you with the answers you need below.

But if you have any that are not covered here, you can email haveyoursay@stoke.gov.uk or fill in a Feedback Form. This can be found at the back of the Feedback Factsheet or online at stoke.gov.uk/haveyoursay.

This list of questions and answers will be updated regularly online stoke.gov.uk/haveyoursay so keep checking regularly for more information.

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Q. Why are you making these proposals?

A. What has been clear from continued deep spending cuts imposed on the city council by Government is that we can no longer continue to provide services in the same way. We have saved more than £100m in the last four years, are forced to cut budgets heavily again this year, and are faced with further significant savings in the future.

We are having to fundamentally look at all of the services that the council provides and ask tough questions on whether or not we can continue to deliver them.

Alternative ways of delivering leisure and culture services could save taxpayers £600,000 while protecting services and safeguarding jobs. Doing nothing is not an option.

We need to reduce our financial exposure but continue to play a lead role in the provision of services so that our communities can still benefit from a leisure and cultural offer across the city.

Q. What is the involvement of PwC in these proposals? Why is the city council working with PwC?

The city council has been working with the support of PwC since November 2014 as part of our 2015-16 budget proposals to set up an alternative delivery model for leisure and culture services. This is part of transformational work being undertaken right across the authority to look at innovative ways of delivering services while making the council more efficient.

The proposals form one of six business cases being developed by the council, working alongside PwC, and are designed to protect services, as well as enable wider expertise and investment to be brought in to deliver services for the future. Professional experts from PwC have given us the specialist support to quickly bring these proposals forward in a short period of time.

PwC is a global organisation with proven expertise to help bring capacity and additional resource to the work that we are doing. They also bring with them experience from working with other authorities who have successfully delivered similar changes. They are working with us on a payment-by-results basis, allowing us to make sure taxpayers get maximum value for money and see maximum benefits in how we deliver services in the city.

Q. How will customers be affected?

A. The main principle of this programme is putting the customer first. New ways of working will deliver a better return on taxpayers' money and make us a more responsive, modern local authority. These changes are being made to ensure the authority can continue to run the services that residents rely on, while also ensuring what we offer is fit for the 21st century. Our vision for the future is to work more efficiently and improve both the delivery of services and the customer experience for the benefit of residents in the city. Customers should not really see any changes, apart from noticing new branding, as the transfer should be seamless. In fact, services and facilities are likely to improve with increased investment.

Q. Isn't this just privatisation and selling off public services?

A. Setting up a new model such as CiC or Charity is quite common place with local authorities across the country. Neither of these options involve 'privatising' or 'selling off' public services - the city council would still own the assets and would have an input into how services are run, in the interests of local residents. The council would retain ownership and responsibility for land and buildings, but they would be leased to the new organisation for a period of 30 years, reducing the risk and liability for taxpayers. Museum's artefacts and collections will remain under the ownership of the council. However, it will be specified in a collection management agreement that these assets will be displayed by the organisation.

Q. What services are included in the proposals?

A.

- Council-run sports and leisure services - leisure centres, sports development and management of sports grounds lettings
- Council-run museums and cultural services - Potteries Museum & Art Gallery, Gladstone Pottery Museum, cultural development and events
- Council-owned theatres - Victoria Hall and Regent Theatre; both of these are managed by the Ambassador Theatre Group (ATG) and this arrangement would not change within the transfer.

This equates to a total of £15m of public services and around 160 full-time equivalent jobs.

Q. What services are NOT included in the proposals?

A.

- Stoke-on-Trent Gymnastics Centre
- Ford Green Hall
- Etruria Industrial Museum
- Mitchell Memorial Theatre
- Tourism marketing

Q. Where would the £600,000 savings come from if a CiC or Charity is formed?

A. VAT will raise a large part of this money as the new company would be able to take advantage of Leisure and Cultural exemptions, as well as Business Rate benefits. Currently, the services pay Stoke-on-Trent City Council their business rates (approx. £750,000) with half being passed on to Central Government. Under the new structure, the CiC or Charity will be entitled to a 100% exemption and will not pay any Business Rates. The council will then be able to claim 50% of what they would charge, back from Government, which will create a net saving.

Q. How will the general election and potential change in local governance affect the planned transformation?

A. Whatever the political make-up of the council, savings will still need to be made. As such, there is no scope at all for changing the 2015/16 budget currently in place, so overall the election in May is not expected to change the outcome.

Q. What would be the organisational structure of the new CiC or Charity?

A. The new structure will take one of the following forms: One entity that is either a CiC or a Charity; two entities which individually can either be a CiC or a Charity. Other options, such as a Local Authority Trading Company have been considered at earlier stages of the process, but have been disregarded for further consideration as it would not offer the same amount of benefits as the other options.

Q. Who would control / govern the new organisation?

A. It is likely that a CiC could be 100% owned by the city council and a shareholder board would be established with key 'reserve powers,' such as the removal of directors. This board would however not become involved in the day-to-day or general strategic direction of the CiC. This role would be fulfilled by a company board for each CiC, made up of a mixture of senior officers, council representatives and external stakeholders.

The city council's 151 Officer would also act as financial controller for the CiC and act to ensure that decisions made by the board were legal and unlikely to present a risk to the city council as shareholder. Developing and maintaining a strong and effective working relationship with the city council will be a key success factor for the CiC.

Under the Charity model, the council would have far less direct control as its membership of the charities board would be limited to 20%. A shareholder board would not exist under this model.

The make-up of any board is yet to be confirmed. Under the CiC model it is possible should the council wish to, offer shares to other third parties based on the concept of mutualisation.

Q. Where would revenue for the CiC or Charity come from?

A. This is an area of opportunity for the services as money can now come from three areas. It will come from a contract free from the city council, work conducted for other organisations, and any new opportunities. This will be a real opportunity for entrepreneurialism helped by reduced bureaucracy.

Q. What would happen to any profits?

A. The purpose of a CiC and Charity is to act as a social enterprise, and as such any profits generated by either set up would have to be invested back into the service directly.

In the case of a CiC, it would be legally required to reinvest any profits made for the benefit of the local community. This could take a number of forms and would be determined by the Board. Should a Charity be developed similar principals apply, although traded activity can be more challenging to undertake. The way in which any profits are directed within a Charity model is determined by the Charity's stated purpose and objectives.

At the moment though, the services do not make any profit and are significantly subsidised by the council so in the short term it's likely that any surplus generated over and above targets would be invested in improving the quality of the service and maintenance of the facilities.

Q. What are the future plans for the business?

A. The city council could, as has been seen elsewhere, choose not to tender the service to the new company in the future should the relationship between the two parties become untenable, however, this is not expected and such cases are rare. It is unlikely that a CiC would be taken over by a private entity, as to keep the exemptions that allow it to be competitive; it would have to maintain that it was for community benefit. A charity could not be taken over by a private entity due to the asset lock which applies. From speaking with other councils that have set up these models, significant growth and expansion has been seen. This is because of the increased freedom of the business to expand their service both geographically and by activities offered.

Q. Why is Gift Aid an issue?

A. Gift Aid is one of the main factors between choosing to set up the new business as a CiC or as a Charity. As a Charity, the businesses would be able to directly access Gift Aid which would allow them to potentially increase the value of donations by 25%. As a CiC, the business would need to work with a partner Charity in order to access Gift Aid. This could be either an existing or new organisation.

Q. What will happen to the Tourist Information Centre under the proposals?

A. The Tourist Information Centre (TIC) is now tightly integrated into front of house at the Potteries Museum & Art Gallery. As a result this would transfer with the Museums Service, however other parts of the Tourism Service focused on the visitor economy would remain within the council and not transfer.

Q. What do the proposals mean for the theatres?

A. The city council owns both the Victoria Hall and Regent Theatre and are managed by the Ambassador Theatre Group (ATG). This is expected to continue to operate under the existing

arrangements. The new organisation will not directly manage the theatres but instead manage the contracts with the theatres' operator on the council's behalf.

Q. Why are you consulting with the public on this?

A. At this stage the proposals to establish a new model for Leisure, Culture and Museums Services are still in draft form and no decision has been made. The results of the consultation will be included in a report to the Cabinet and Full Council, which is expected to be presented for consideration in the summer, when they will make a final decision.

Q. What are the next steps?

A. The public consultation will run from 30 March to 31 May 2015. The feedback and results of this consultation will be presented to the Cabinet and Full Council for a final decision to be made, which is expected to be in the summer. We will also now be progressing initial discussions with third parties to identify potential shadow board members for any new body and to enable the drawing up of key legal documents and agreements.

It is vital that we make the savings that need to be made as soon as possible, and from the options available, we believe a solution can be reached which will mean important services can continue and develop for the future. The current timeframe in place predicts the business will be able to go live from July 2015.

Q. How can I have my say?

A. We need your views to help us shape the future of these services; no decision has been made so this is your chance to have your say and get involved.

- Fill in the Feedback Form online at stoke.gov.uk/haveyoursay or
- Complete the Feedback Form found at the back of the Feedback Factsheet and then;
 - hand it in to staff at any council building
 - email it to haveyoursay@stoke.gov.uk
 - post it to FREEPOST Our City
- Come along to a public consultation event in May (details to be confirmed)