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# *Bury Council* Review of Civic Halls

10 September 2012

## Report

Version 2.6



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## ***Executive summary***

Bury Council (“the Council”) operates four Civic Halls within the Bury Council borough, being the Elizabethan Suite, Longfield Suite, Radcliffe Civic Hall and Ramsbottom Civic Hall. The Civic function currently generates a loss for the Council. The objective of the project is set to provide advice to the Council on actions to turn the service around in both the short and long term by performing both primary research and a financial review.

The review performed considered the current usage, the current management structure and the role of Bury Venues in the operation of the four Civic Halls. The review of the utilisation of the halls across the period of 2008 to 2011 identified that three of the Civic Halls had a fall in demand across the period, with only the Longfield Suite showing an increase in utilisation. The fall in demand supports comments made by the interviewees regarding the role that Bury Venues performs in marketing each of the Civic Halls across the borough.

From the interviews performed two key themes were identified as being the biggest factors for increasing the use of the Civic Halls. Firstly, the current levels of marketing and publicity were considered to be insufficient in promoting each of the Civic Halls. Though awareness and marketing was found to be high across the Council. There is a clear need for further advertising within the Borough required. Secondly, it was perceived that for the Civic Halls the Council operates a complex pricing structure for hall hire, including the provision of catering or self catering within each of the Halls. The recommendation to simplify the pricing structure whilst making this more competitive within the market was seen as key for improving the utilisation of each of the Halls.

Other key areas for improving the usage of the halls were identified around the costs associated with bringing external caterers into the Civic Halls. Whilst it was acknowledged that costs exist for the Council in caterers using Council facilities these charges were identified as another influencing factor when determining whether to utilise the hall. The current pricing structure charges the hirer for bringing in their own caterers, with this having a impact on demand from ethnic minority communities.

In FY11, the Halls generated an operating deficit of £415k, and a total deficit of £798k. This represents operating and net margins of -43% and -83% respectively. Because the size of this deficit, and the fact that there is little scope for immediate cost-base reductions, if the existing portfolio of Halls is to be maintained the key focus for deficit reduction should be to increase revenue through increased utilisation of the Halls. The Council faces three strategic options for the Halls to improve the financial position of the service, these being; Retain control and take action to correct the deficit; Outsource or sell one or more of the Halls; or Closure of all or some of the Halls.

The review has considered some short term actions that the Council could take to control expenditure, with changes made to cost authorisation and a review of the basis for the budget set for each Civic Hall and to consider a different approach to grants to voluntary organisations.

The longer term consideration for the Civic Halls could be through the delivery of the service through an alternative service delivery options, including the introduction of development partners. VAT and NNDR benefits exist for transferring the service to some form of public or social enterprise. The full range of options identified include a Framework (or Development) Agreement, Outsourcing, a Trust of Social Enterprise or collaborative models, with each having benefits to the Council.

The review has confirmed that the Council needs to take both short and long term actions to address the Civic Hall service. The Council has the option to take a number of short term actions to address the recurring deficit within the service, whilst considering the long term options to improve the service offer including making alternative use of one or more of the current facilities and a clear strategy to invest and market the remaining facilities.

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# ***I. Introduction***

## ***Background***

PwC was commissioned in November 2011 to carry out a review of the four Civic Halls within the Bury Council area. The four Civic Halls are as follows:

- Elizabethan Suite (annex to Bury Town Hall);
- Longfield Suite;
- Radcliffe Civic Hall; and
- Ramsbottom Civic Hall.

The requirement was to undertake a review of the current operation in order to consider options for reducing the risk of future financial losses. The objective of the project was to provide advice to the Council on actions to turn the service around in both the short and long term. An integral part of the project involved primary research with a number of user and non user groups, as well as the Civic Hall managers and in addition, some small scale secondary research. The findings from the primary research are contained in this report and will be used to inform the overall report to Bury Council.

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# Survey analysis

## *Approach to the primary research*

The primary research involved 11 meetings during January 2012 in the form of three focus groups and eight depth interviews (mix of face-to-face and telephone) with user and non user groups. Eighteen individuals contributed to the primary research.

Focus groups were held with the following:

- Representatives from management of the four Civic Halls
- Friends of Ramsbottom Hall (FORCH)
- Longfield SOS Lobby Group.

Depth interviews were carried out with one or more representatives from event organisers, neighbourhood policing team, group representative of the voluntary and community sector, black minority ethnic community, local politician and the lesbian and gay community<sup>1</sup>.

Eight of the 11 meetings involved individuals who had used the Longfield Suite, five had used the Elizabethan Suite and four had used either the Ramsbottom or Radcliffe Civic Hall. The primary research was carried out with assistance from staff in Bury Council. Figure 1.1 outlines the respective roles of the PwC research team and Bury Council in the research.

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<sup>1</sup> Interviews were carried out with representatives from Best of Bury, Bury East Neighbourhood Policing Team, Black Minority Ethnic (BME) Community Forum, BME Employee Group within Bury Council, Bury Link, a local political party, event organiser for Prestwich Carnival, Lesbian Gay Foundation and the Lesbian, Gay, Bisexual and Transsexual (LGBT) Employee Group within Bury Council.

**Figure 1.1: Role of PwC and Bury Council in the research**

Role of PwC Research Team	Role of Bury Council
<ul style="list-style-type: none"> <li>• Briefly review the two previous survey/ consultation exercises.</li> <li>• Agree with the Council the list of interviewees.</li> <li>• Prepare an email to be issued to all interviewees in advance.</li> <li>• Design of topic guides for the interviews.</li> <li>• Facilitate all interviews.</li> <li>• Write up notes from the interviews and analyse all the findings.</li> </ul>	<ul style="list-style-type: none"> <li>• Compile a list of interviewee contact details (e.g. contact details for non user community groups, business groups).</li> <li>• Schedule the interviews and follow-up such with an email setting out the purpose and importance of the meeting.</li> <li>• Carry out reminder phone calls the day before each interview / focus group.</li> <li>• Provide a room in the Council facilities to host the interviews.</li> </ul>

## **Output**

This document sets out the findings from the focus groups and depth interviews and will be integrated into a main report being compiled for this project.

Please note the findings in this report are from a small sample of users and non users and therefore care should be taken when interpreting the findings.

## II. Current usage of the four Civic Halls

### Introduction

This chapter is based on information from the Civic Hall managers, depth interviews and focus groups with users and non users, information available on the Bury Council website and a review of financial and utilisation data provided by the Council.

### Facilities available at the four Civic Halls

Figure 2.1 presents the number of rooms for hire within each of the Civic Halls and the capacity of each. The maximum capacity numbers presented are based on theatre style seating (for most rooms, other seating styles are available, for example, boardroom or cabaret).

**Figure 2.1: Facilities available at each Civic Hall**

Name of Civic Hall	Rooms for hire		Other facilities / information	Types of customers / users
	Large Room(s)	Small Room(s)		
Elizabethan Suite	<ul style="list-style-type: none"> <li>1 large hall including bar area (Max 350)</li> </ul>	<ul style="list-style-type: none"> <li>2 small function rooms - Lancaster and Peel Rooms (Max 50-75). Lancaster Room includes small bar area</li> </ul>	<ul style="list-style-type: none"> <li>Balcony / lobby area</li> <li>Wedding license</li> <li>Near tram station</li> <li>Pay and display car parking nearby</li> </ul>	<ul style="list-style-type: none"> <li>Council meetings</li> <li>Private functions (e.g. weddings and christenings)</li> <li>Council run fitness and recreational classes, (e.g. Zumba and line dancing)</li> </ul>
Longfield Suite	<ul style="list-style-type: none"> <li>1 large dance hall with supported floor, stage, bar area (Max 400)</li> </ul>	<ul style="list-style-type: none"> <li>1 memorial hall (Max 80)</li> </ul>	<ul style="list-style-type: none"> <li>Near tram station</li> <li>Public Car Park onsite</li> </ul>	<ul style="list-style-type: none"> <li>A lot of regular bookings (e.g. Friday, Saturday and Sunday)</li> <li>Busy for weddings, christenings and craft fairs</li> <li>Regular dance classes and competitions, music concerts, disco's</li> <li>No demand from business / corporate</li> </ul>
Radcliffe Civic SUITE	<ul style="list-style-type: none"> <li>1 large hall - Manor Hall (Max 400)</li> </ul>	<ul style="list-style-type: none"> <li>1 small hall (Max 60)</li> <li>1 meeting room - the Charter Room (Max 60)</li> </ul>	<ul style="list-style-type: none"> <li>1 bar / lounge area - The Tower Lounge Bar</li> <li>Weddings</li> <li>Close to public tram service</li> <li>Free public car park</li> </ul>	<ul style="list-style-type: none"> <li>No regular bookings</li> <li>No demand from business / corporate</li> <li>No state of art school in vicinity, disadvantaged community, if we close the Hall, leaves community with nothing</li> </ul>
Ramsbottom Civic Hall	<ul style="list-style-type: none"> <li>1 large hall with stage (Max 200 seated)</li> </ul>	<ul style="list-style-type: none"> <li>1 meeting room - Halcombe Room (Max 50)</li> </ul>	<ul style="list-style-type: none"> <li>1 kitchen</li> <li>1 bar / lounge</li> <li>Wedding license</li> <li>Onsite car parking</li> <li>Recently partly refurbished</li> </ul>	<ul style="list-style-type: none"> <li>Significant regular users (e.g. Heritage Society, fashion shows, youth clubs, health club for OAPs, Mother and toddler groups, farmers markets, craft fairs).</li> <li>Weekends tends to be used more by younger people</li> </ul>

Figure 2.2 presents the current operating costs for each Civic Hall. This shows that each of the Civic Halls are operating at a loss, both before and after exceptional charges and allocation of fixed overheads. This is further considered within the financial review section. The data also presents the utilisation rates and this shows that Ramsbottom Civic Hall and Radcliffe Civic Hall are significantly underutilised. The anecdotal evidence from the 11 meetings shows that the main days and times of under utilisation are Friday evenings, though the analysis of revenue per day suggests that Tuesday's are the lowest income generating day, with just 7% of the revenue across the four halls. It was recognised that there is a need to increase the corporate demand across all the Civic Halls. This shows there is potential for rationalisation of the Civic Halls unless the demand for each can be increased and hence the purpose of this research.

**Figure 2.2: Current costs and utilisation of each Civic Hall**

Civic Hall	Operating costs 2010/11 £000	Utilisation Rates <sup>2</sup>			Anecdotal evidence on utilisation
		2008/ 2009	2009/ 2010	2010/ 2011	
Elizabethan Suite	£400	64%	66%	55%	<ul style="list-style-type: none"> <li>• Mid week day time very busy</li> <li>• March to October busy for Weddings, around December busy for Christmas functions</li> </ul>
Longfield Suite	£429	73%	73%	83%	<ul style="list-style-type: none"> <li>• Mon-Wed busy</li> <li>• Thur – Fri quiet</li> <li>• Sat – Sun evening busy</li> </ul>
Radcliffe Civic Hall	£296	40%	33%	30%	<ul style="list-style-type: none"> <li>• Busy with bookings for meetings during the week</li> <li>• No regular business</li> </ul>
Ramsbottom Civic Hall	£248	38%	37%	36%	<ul style="list-style-type: none"> <li>• Popular locally but still lacks demand</li> </ul>

## Management structure

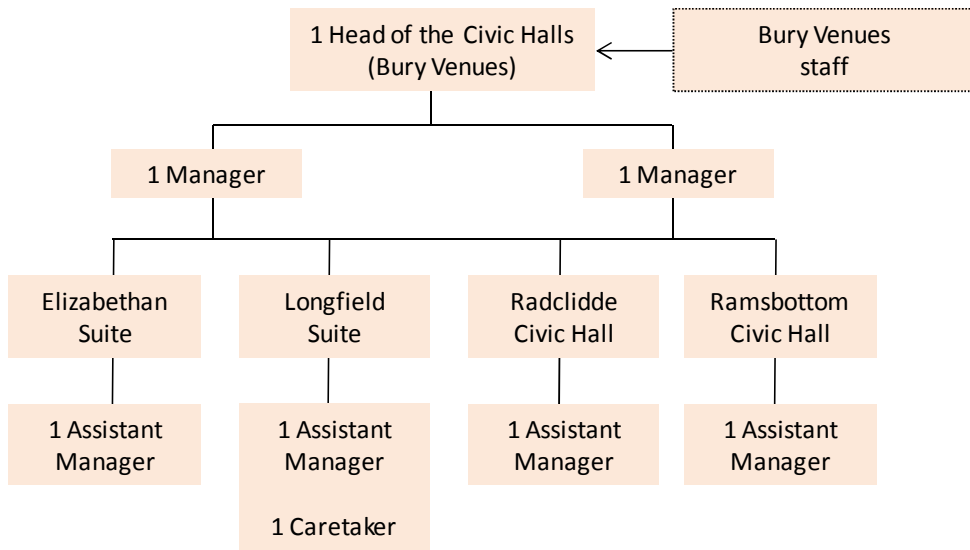
There are two Civic Hall Managers who each work across two Civic Halls. One Manager is responsible for both the Elizabethan Suite and Ramsbottom Civic Hall whilst the other is responsible for the Longfield Suite and the Radcliffe Civic Hall. In addition, in each Civic Hall there is an Assistant Manager as shown in Figure 2.3.

Over and above this there is a Head of the Civic Halls who sits within Bury Venues in the Council. The anecdotal evidence gathered during the meetings shows that Bury Venues take commission from all bookings in the Civic Halls. The value for money offered by the venues staff was questioned by a number of interviewees. Furthermore, a small number of interviewees questioned the role of the venues staff, in particular, in respect of marketing and publicising the Halls for hire and advertising the activities and events available in each.

<sup>2</sup> Bury Council (2011) Internal Scrutiny, 20 July 2011 – The Longfield Suite Business Plan Update



**Figure 2.3: Management structure for the four Civic Halls**



## ***Conclusions***

The evidence in this section shows that:

- The Halls are currently under utilised (in particular at weekends)
- The Halls are not currently financial sustainable
- The role of Bury Venues in terms of the management structure needs clarified.

### III. Key findings from the focus groups and depth interviews

#### Introduction

This chapter is based on information from the 11 meetings and information available in the previous reports. As noted earlier, the findings in this report are from a small sample of users and non users and therefore care should be taken when interpreting the findings.

#### Level of awareness

During the meetings it became apparent that the most well known venues are the Elizabethan Suite and the Longfield Suite. The Radcliffe and Ramsbottom Civic Halls appear to be better known amongst residents in the immediate vicinity. The other findings presented in Figure 3.1 show that a small majority of interviewees stated that they were likely to hire any of the Halls in the near future based on the status quo. From the small number of interviews conducted demand was highest for the Elizabethan Suite (due to its central location and history) and the Longfield Suite (pending availability).

Some of the reasons for interviewees stating they would not use the Halls is because of the quality of catering offered. It should be noted that catering requirements are provided by the Council, for all the Halls, except Ramsbottom Civic Hall, though users have the option to self cater at each venue though this attracts an additional charge per hour. This is discussed further below.

Figure 3.1: Perceived awareness of four Civic Halls<sup>3</sup>

Civic Hall	Gauge level of awareness	Current usage by individual/ organisation	Likelihood of hiring the venue (in its current state) in the future
<b>Elizabethan Suite</b>	High – 9 Medium - 2 Low – 0	Frequently – 0 Sometimes - 4 Rarely - 6 Never - 0	Likely / very likely - 4 Neither / Nor - 0 Unlikely / very unlikely – 3
<b>Longfield Suite</b>	High – 5 Medium - 3 Low – 3	Frequently – 0 Sometimes - 1 Rarely - 4 Never - 5	Likely / very likely - 4 Neither / Nor - 0 Unlikely / very unlikely - 5
<b>Radcliffe Civic Hall</b>	High – 5 Medium - 3 Low – 3	Frequently – 0 Sometimes - 2 Rarely - 2 Never - 5	Likely / very likely - 1 Neither / Nor - 0 Unlikely / very unlikely - 8
<b>Ramsbottom Civic Hall</b>	High – 4 Medium - 4 Low – 3	Frequently – 0 Sometimes - 1 Rarely - 1 Never - 8	Likely / very likely - 1 Neither / Nor Unlikely / very unlikely - 7

<sup>3</sup> The data in this table shows the number of meetings where views on each of the Halls were discussed. Figures do not add up to 11 as these issues weren't discussed at every meeting.

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Quotations from some of those involved in the meetings are outlined with Appendix A to substantiate the findings summarised above.

## ***Views on marketing and publicity***

The majority of those interviewed stated that the publicity and marketing is seen as insufficient and ineffective. The venues and the activities are well publicised across Council offices, however, they do not appear to be widely publicised outside of Council offices. There is a need for wider publicity on two accounts, firstly, to promote the classes and activities being held in the Halls (whether Council or commercially run activities) and to promote the venues and facilities (to potential event organisers).

Some interviewees stated that the press team within Bury Council are responsible for aspects of marketing. There does not appear to be a clear distinction between the role of this Team and Bury Venues in relation to marketing the four Civic Halls. This needs to be resolved in any proposed solution going forward.

The Council has a marketing brochure to promote the Halls (e.g. hire costs). The Council outsourced the supply of these marketing brochures two or three years ago. They are designed in such a way that the 'pricing' and 'menu' inserts for these marketing brochures can be changed internally by the Council as required. About half of those interviewed had seen the publicity brochures and most stated they were very difficult to understand, especially the hire costs and catering options (discussed later).

There was a view amongst a small number of those interviewed that there is a need for customer segmentation research to assess the demand by different customer groups. This would allow the marketing campaign to be tailored accordingly. Customer segmentation could be split into private parties (e.g. weddings, christenings, birthdays), commercial (e.g. exhibitions), in-house events (e.g. Council meetings) and community events (e.g. mother and toddler groups).

Finally the majority of interviewees stated that the Council website needs substantial updating and revamping. They stated that it is not overly informative. For example, they stated that other Councils have photos of the rooms available for hire with 360 degree tours. Details of comments in relation to marketing are detailed within Appendix A.

## ***Views on booking system and purchasing tickets for events***

The Council manages bookings through a Computer Aided Booking System. This shows at a glance what rooms are available and when. However, this website is not customer facing and customers must make an online enquiry, telephone the Civic Hall or visit in person to find out which venues are free and when. There is potential to make use of an online channel for dealing with enquiries and bookings, however, the Civic Hall Managers stated that often those seeking to hire the venue benefit from visiting the facility in advance to talk through their requirements. For regular bookings, however, this should be considered.

The venues are not currently searchable via commercial venue search websites (e.g. Venue Finder). The Council has considered this in the past but deemed that it would be too costly.

Rooms can only be booked for minimum 4 hours for meeting and this is discouraging some event organisers (e.g. those customers who want to book a boardroom style meeting for 20 people for two hours (Civic Hall Managers have informed us that there is flexibility with all their offerings but this is not clearly stated in the publicity brochures). There appeared through the interviews to be a small demand for booking meeting rooms for one or two hour slots.

In terms of the pricing structure it is not clear if the Council includes 'set up' costs within price quotations, in particular, where room configuration is required in advance. To improve the utilisation of the Halls, an interviewee stated that there was a need for a quicker changeover of rooms between functions.

Event organisers must complete a detailed booking form to make a formal booking. As most bookings take place in person this form is often completed by a Civic Hall Manager / Assistant Manager on behalf of the event organiser. The Civic Hall staff recognise that the form is very lengthy and could be simplified (e.g. for small birthday party bookings).

Customers can purchase tickets for events within the Civic Halls via private companies such as Ticket Line however the introduction of a development partner (e.g. The Met) could help enhance the current booking

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system. In particular the need of a fit for purpose website that allows customers to check availability, make reservations and make payment for bookings should be seen as a priority. Any such investment would need to be on a cost benefit basis, but as a minimum the Council should look to improve the content of the current website.

## ***Views on pricing structure and value for money offered***

It appears that in most cases the sports classes offered in the Elizabethan Suite and the Longfield Suite are run by Council-paid staff and all takings are directed back into the Council. However, many commercial events (e.g. DJs) are run by the organiser paying the venue hire costs and then pocketing all proceeds from entrance fees.

The Pricing model needs to be simplified and reviewed to ensure that all venues are achieving the break even objective. For example, the Council could take commission from entrance fees raised during commercial events.

The Council has introduced new pricing packages for weddings and quiet periods during winter / spring. However, the managers admit that *'it is difficult to increase utilisation rates during certain periods, such as Friday and Sunday evenings, and also without some form of investment in the facility'*. Before any changes are made to the pricing structure a full risk assessment should be undertaken to ensure the changes are realistic and the benefits can be realised.

There were mixed views on the value for money offered by the venues. Around half those interviewed felt the prices were in line with hire costs for other local venues and one half of those interviewed felt they were more expensive. No interviewees stated that the hire costs were lower than similar local venues. It appears that prices are on a par with other, more modernised, local venues such as The Met (new theatre) and local hotels (The Village etc). The majority of interviewees felt that value for money would be increased if the quality of the food was improved. It seems that prioritise food quality was more important than decor when it comes to offering value for money.

Most interviewees were not aware that there was a possibility to negotiate on the venue hire rates.

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## *Views on catering*

Whilst the majority of activities do not require catering, those events that do, customers are required to avail to onsite catering in three of the four venues (Elizabethan, Longfield and Radcliffe). This catering is subject to a procurement exercise run every few years by the Council.

The majority of those interviewed felt that the quality of the onsite catering could be improved. The requirement to avail of on-site caterers was discouraging organisers who want to use their own outside caterers or bring their own food / drink. For example, one interviewee was hosting a business exhibition and wanted some food and drink companies in attendance to provide the catering but they were unable to do this.

There is a clear view amongst those interviewed that the menu options in the marketing brochure were overly complicated.

Given the above, the Council should consider whether to rationalise the catering offer to the Elizabethan Suite only, and then rather than offer a full catering service at the remaining sites, to simply provide access to make use of the kitchen facilities as part of the service offer.

By concentrating the catering on the Elizabethan Suite the Council could also consider inviting a third party or 'celebrity chef' to help address some of the quality concerns and improve marketing.

Comments received from the surveys performed are included within Appendix A.

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## Views on on-site facilities

Across all four Halls interviewees were very positive about:

- The **helpfulness of on-site staff**. The vast majority of interviewees stated the staff's helpfulness could be rated as either average, very good or excellent with the exception of two interviewee who gave a poor rating for staff in the Longfield Suite and Ramsbottom Civic Hall. When probed this was mainly in relation to the responsiveness of Civic Hall staff to requests for updates on room availability for the former and the unavailability of staff onsite during quieter periods of the day, for example, 4-6pm.
- The **cleanliness of the facilities**. All interviewees stated that the facilities were either average, very good or excellent in terms of cleanliness.

Interviewees were less positive about:

- The **decor** which most felt was below average, however, most non users agreed that if prices were more competitive then the decor could be overlooked. Some referred to the decor as "*old fashioned*" and "*dated*". The only Hall to have a recent upgrade was the ground floor of Ramsbottom Civic Hall which recently had a £0.5 million refurbishment. One interviewee stated that this has resulted in more interest from the business community - e.g. Sanmini Indian Restaurant interested in running cookery courses and the Vineyard interested in wine tasting courses. Views on the decor of each of the Halls were as follows:-
  - Elizabethan Suite - "*Needs updating.*"
  - Longfield Suite - "*Very tired decor*", "*Simply needs a lick of paint.*"
  - Radcliffe Civic Hall - "*Needs upgraded.*"
  - Ramsbottom Civic Hall - "*Outdated.*"
- Interviewees stated that some Halls have poor **car parking** facilities. For example, user of the Elizabethan Suite must park in local car parks including the Leisure Centre, however, unlike users of the Council run leisure centres such users are not entitled to discounted car park charges (unlike leisure centre customers). The majority of interviewees rated the car parking across Elizabethan Suite and Longfield Suite as good :-
  - Elizabethan Suite - "*No parking is not good*", "*Restricted parking*", "*Good tram nearby.*"
  - Longfield Suite - "*Good public transport links*", "*Only pay & display parking*", "*Tram nearby is excellent.*"
  - Radcliffe Civic Hall - "*Pay and display only.*"
  - Ramsbottom Civic Hall - "*There are some car park spaces – but never enough. Day time is difficult as non-users park their car in the car park.*"
- The majority of interviewees stated that the **IT equipment** was average or below average, however, very few had an issue with this. It seems that the Elizabethan Suite has the most requests for IT facilities (e.g. Audio Visual equipment, white boards).
- There appears to be **no flexibility in room sizes**. For example, there are no room dividers as they are generally older facilities.
  - Elizabethan Suite – "*would like more room flexibility*", "*large hall is too big and there is no flexibility to split it into two smaller functions.*"
  - Longfield Suite - "*Main hall can be too large for some events*", "*It's never available when you need it.*"
  - Radcliffe Civic Hall - "*No flexibility.*"
  - Ramsbottom Civic Hall - "*Demand for 1 and 2 hour slots*", "*no flexibility.*"

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## *Views on local competition*

The Longfield Suite has a ballroom sprung dance floor and according to those interviewed there is no local similar venues.

There appears to be increasing competition, according to those interviewed, from the following:

- **Local hotels** - The Village Hotel (facilities are more updated, onsite car parking, good food), The Bolholt, Redhall<sup>4</sup>, Old Mill Ramsbottom.
- **Local leisure / tourism facilities** - The Met Venue (a newly built modern theatre), Fusilier Museum / Culture 24 (new complex suitable for weddings, licensed bar, meeting room facilities), Ramsbottom Cricket Club, Buchanon Social Club, Pubs, Art Gallery / Police facilities (offered for free).
- **Voluntary / charity organisation venues** - Rotarian Club, Church halls, Oddfellows House, Jinnah Day Care Centre (rooms suitable for up to 60 people), Project 29 Adult Care Centre (some rooms suitable for 20-30 people) .
- **Cultural centres** - Adab Centre.
- **Restaurants along Manchester's Golden Mile** - they go to banqueting suites on the Golden Mile, Manchester such as Eastern Pearl Banqueting, Al-Manzil, Na Wabb, Al Maidah Banquet Hall & Restaurant.

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## *Views on what would increase demand*

Interviewees what were the factors that they feel would improve the levels of demand for the four Civic Halls. The most important factors were:

- More competitive and simplified pricing structure;
- Higher charges for use of external caterers is reducing demand from ethnic minority communities;
- Improved marketing and publicity;
- Improved booking and enquiry system;
- More modern decor and aesthetics; and
- Improved room flexibility.

Secondary factors were listed as follows:

- Better links to deals with local car parks;
- Better lighting, audio visual and staging facilities; and
- Greater availability of staff to meet and greet customers.

Interviewees where probed further to ascertain which is the single biggest factor that would increase their demand and this was split between:

- **More competitive and simplified pricing structure.**
- **Improved marketing and publicity.**

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<sup>4</sup> Recently underwent a circa £1million refurbishment

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# Financial review

## Summary

In FY11, the Halls generated an operating deficit of £415k, and a total deficit of £798k. This represents operating and net margins of -43% and -83% respectively. Because the size of this deficit, and that fact that there is little scope for immediate cost-base reductions, if the existing portfolio of Halls is to be maintained the key focus for deficit reduction should be to increase revenue through increased utilisation of the Halls.

We have considered the Council's options for the Halls, and have grouped these into three categories. First, retaining control and correcting the deficit in-house through strategies aimed at increasing utilisation. Second, outsourcing the management of the Halls or selling or leasing one or more of the Halls. And third, closing some or all of the Halls and ceasing the Council's operation of this type of leisure facility.

To retain Council control and correct the deficit in-house, we recommend considering the following options:

- Review of the catering model with the aim of improving margins and the quality of the offering;
- Rebasing the budgeting process to provide a base against which performance can be measured;
- Reviewing the pricing strategy and the way that the price model is communicated in order to differentiate from competitors and substitutes;
- Adopting a more focused and cost effective marketing approach with an incentivised marketing team; and
- Investment in the furnishings of the facilities to increase their attraction as venues.

Consideration should be given as to whether the Halls could be sold, leased or operations outsourced to a private profit focused entity, an interested local community group, or an entity established on an "arms-length" basis by the Council. Consideration should also be given as to whether a conversion of use would generate improved returns to the Council.

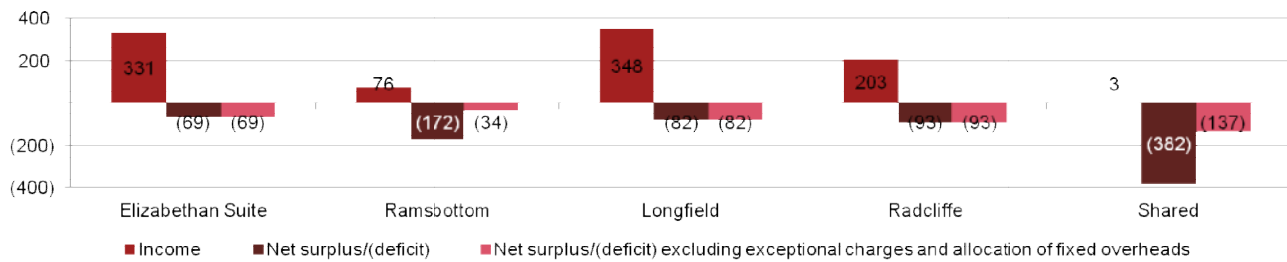
Finally, all long term options should be considered against a baseline of the financial and wider community costs of closing down the Halls as a Council-provided function.

In the short term, the Halls' management have established good controls around spending, and are operating with a lean staffing base. We have made some recommendations around further improvements to these controls but these will not significantly reduce the financial deficit. It is therefore important that the longer term strategies to eliminate the deficit are assessed quickly as deficits will continue to grow.



## Data - Financial Performance Summary – FY11

FY11 - Financial Performance



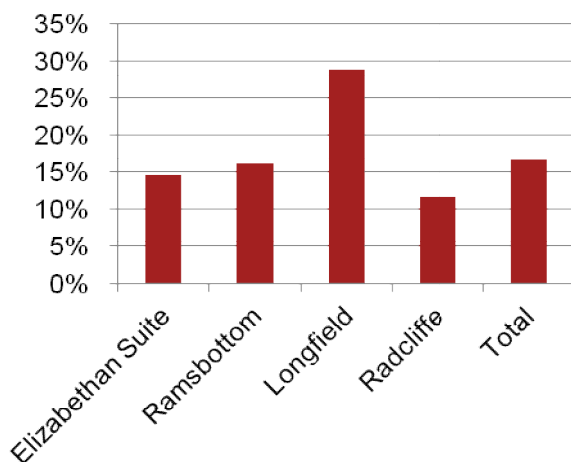
Overall the Halls delivered a deficit of £798k in FY11. After adjusting for allocation of fixed Council overheads and exceptional items, the Halls returned a combined operating deficit of £415k.

None of the Halls delivered an operating surplus (before shared costs and exceptional items) in FY11. Longfield generated the most income, but the Elizabethan Suite delivered the best net margin (-21%).

Ramsbottom and Radcliffe, the two smaller venues, have the lowest operating margins (-44% and -46%, respectively). This suggests that economies of scale at larger venues drives a higher contribution.

On aggregate the Halls operated at around 17% utilisation (calculated as room revenue/maximum revenue if the Halls were used for 15 hours a day). The fact that Longfield appears to be operating at a much higher level of utilisation than the other Halls, but is still generating losses, leads us to question whether it will ever be able to generate an operating surplus under its current pricing structure.

### Room hire revenue as % of available capacity



### Income Share per day

Civic Hall	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Elizabethan Suite	6%	4%	11%	11%	10%	25%	33%
Longfield Suite	16%	10%	7%	12%	12%	19%	24%
Radcliffe Civic Hall	11%	4%	8%	8%	8%	22%	39%
Ramsbottom Civic Hall	11%	9%	13%	5%	14%	5%	43%

## Data – Margins analysis

### Bar Margins

	Elizabethan					Total
	Suite	Ramsbottom	Longfield	Radcliffe	Shared	
Income	106	28	139	95	-	369
Direct material costs	(36)	(10)	(47)	(33)	-	(126)
Employee costs	(17)	(10)	(37)	(17)	(2)	(82)
Total expenses	(53)	(20)	(83)	(49)	(2)	(208)
Gross surplus	53	8	56	46	(2)	162
Gross margin	50%	28%	40%	48%	N/A	44%

Bar margins are positive across all Halls. They are particularly strong in the Elizabethan Suite and Radcliffe. The overall surplus of £162k suggests that for every £10 of room hire revenue generated, a further £4 gross contribution is generated through bar sales.

	Elizabethan					Total
	Suite	Ramsbottom	Longfield	Radcliffe	Shared	
Income	66	2	18	18	-	103
Direct material costs	(39)	(2)	(19)	(13)	(0)	(73)
Employee costs	(14)	(1)	(7)	(5)	(0)	(27)
Total expenses	(53)	(3)	(26)	(18)	(1)	(100)
Gross surplus/(deficit)	13	(1)	(8)	(0)	(1)	3
Gross margin	20%	-42%	-46%	-1%	N/A	3%

Catering has a marginal impact on the bottom line, with only £3 contribution for every £100 of sales. The fact that the Elizabethan Suite is the only facility to generate a surplus, this reinforces the need to consider rationalising the catering offer. Further to this we understand that customers are charged a premium to use the Halls with outside caterers. This is counter-productive given that margins would be improved if an external caterer was used. Our research indicates that utilisation of the Halls would be higher if this “penalty” premium were not in place, or was covered within the overall hire fee.

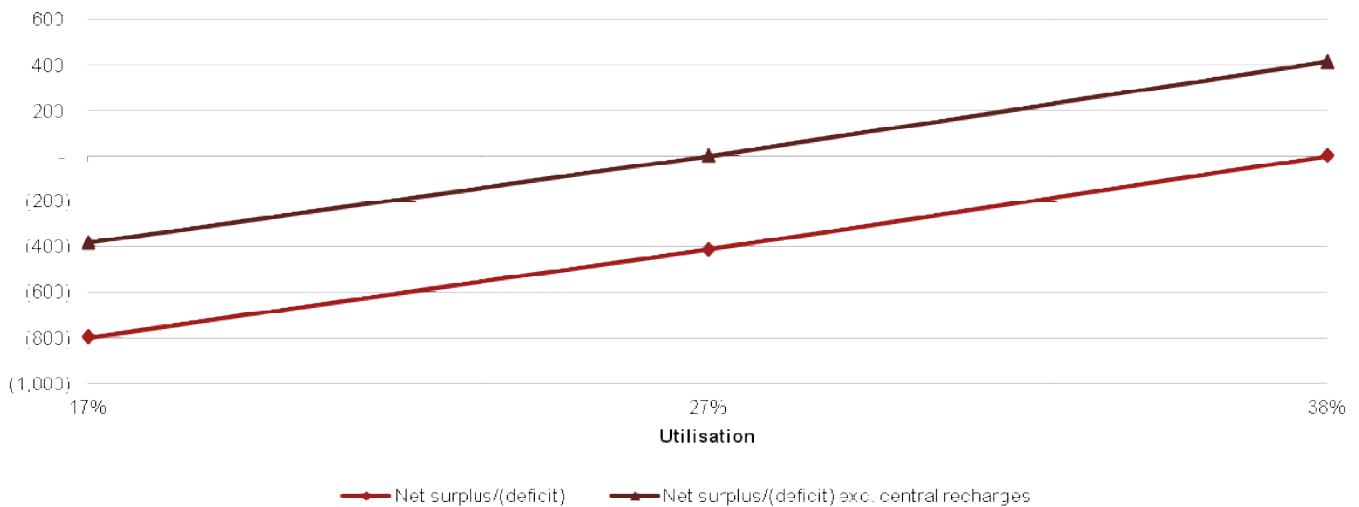
We note that the negative margins indicated in the accounts is partially due to allocation of revenue between room hire and catering in order to minimise the impact of VAT. In any case there is a need to keep under review the cost or contribution of the catering service to ensure it is optimal.

## Data – Break Even Analysis

The analysis below shows that, assuming current income mix and margins remain constant, the Halls would break even at utilisation of 38%. This equates to each hall being on hire for an average of six hours a day. This is a significant increase from current levels (around two hours a day average), and is unlikely to be achievable given the down-time needed between bookings for cleaning/set up etc.

If centrally allocated overheads are excluded (e.g. IT/HR/finance), we estimate that the Halls would “break even” at 27% of utilisation. This would equate to average use in the region of four hours per day. The Council should consider the basis for allocation of central overheads as we understand that the basis has not been reviewed for a period of time, however even before the costs of central overheads are factored in there is a net operational cost before the recharge.

### Break Even Points



*Note: Utilisation rates based on availability of 15 hours a day, 350 days a year. Required utilisation would vary depending on premium rooms being used at peak times.*

## Long Term Option 1 – Retain control and take action to correct the deficit

Observation	Issue	Solution
<p><b>Catering</b></p> <p>The catering function is loss making. Survey evidence suggests that the quality of catering provided deters potential customers. In addition, the current pricing structure means that customers pay a premium if they want to bring in their own catering.</p>	<p>The quality of the catering is acting as a deterrent to would-be customers, as well as being a financial drain.</p>	<p>We have identified and considered the merit of three options to increase the productivity of the catering function:</p> <ol style="list-style-type: none"><li>1. <i>Establish partnership agreements with selected specialist caterers offering discounts when catering is ordered through the Halls.</i> The commercial terms could be that a similar discount is given by the Halls to customers of the catering companies – thereby advertising on each other’s behalf. This could increase room utilisation and place income risk with the external party. Quality can be controlled through careful selection of partner agencies;</li><li>2. <i>Revise the pricing of the catering offering to ensure it covers the full cost of the service.</i> The data suggests that a price increase in the region of 20% would be needed to ensure that the catering function breaks even. It is likely that this would make the Halls uncompetitive on price (as competitors such as hotels are likely to have lower marginal costs due to having existing catering facilities for restaurants). So option 1 is likely to be preferable; or</li><li>3. <i>Stop providing catering and allow people to pay a fee for using catering facilities.</i> This would remove the catering risk from the Halls but might deter potential customers that want a “one stop shop” service. Options 1 or 2 are likely to be preferable.</li></ol>
<p><b>Budgeting</b></p> <p>We have been told by management that one of the primary reasons for budgetary overspend is that budgets were set 20 years ago and have since been simply adjusted in line with inflation.</p>	<p>The budget’s relation to the underlying operations of the business is obsolete. The budgets therefore do not provide a benchmark to measure performance against. Over-spending, underperformance and controls risk are therefore less likely to be identified in financial monitoring.</p>	<p>Budgets should be re-reviewed on a bottom up basis. Costs should be budgeted for on the basis of the real operational requirements of the business and sales targets should be set at a realistic level to assess the financial outcomes possible.</p> <p>The Council needs to give more detailed consideration as to whether the civic halls can or should aim to generate a surplus, or simply accept that these are community assets and as such need to be subsidised. The issue is to determine the level of subsidy given the financial pressures on the wider Council.</p>

Observation	Issue	Solution
<p><b>Pricing</b></p> <p>The pricing structure as presented in marketing documents is difficult to understand.</p>	<p>An unclear or confusing pricing structure can deter prospective customers. Furthermore, the language used communicates messages that are likely to be interpreted as penalties rather than discounts (e.g. “there is a negotiable minimum hire period of 4 hours”, “...Hire of venues for functions with catering will be charged 50% of the normal hire rate, dependant on numbers and catering provided”).</p>	<p>If possible, a formal pricing strategy should be developed to position the Halls within the market based on cost and quality.</p> <p>We have been told that management will commonly negotiate on pricing structures but this is not communicated in the marketing materials. We have also been told that the management regularly compare prices to local competitors and this should continue.</p> <p>The “penalty” terms in the marketing materials could be communicated as “charges for short hire periods and hires with external caterings will be subject to negotiation”.</p>
<p><b>Marketing</b></p> <p>There is no specific person responsible for selling the Civic Hall services. Marketing is carried out at a local level by the Hall managers. There is a budget of £15k for marketing expenses (flyering/advertising etc.) but only £11k was spent on marketing last year.</p>	<p>A more focused approach to marketing the Hall facilities, and the events put on at these facilities, would generate increased utilisation of the Halls.</p>	<p>We understand that a position is currently being advertised for a temporary, full time sales person. A more cost effective, and potentially more lucrative, approach would be to outsource the sales function. This would avoid the council taking HR costs and risks and would allow fees to be charged on a % of sales basis, leading to better incentives for the sales agent.</p>
<p><b>Staff costs</b></p> <p>The majority of bar and catering staff are on “casual” contracts – i.e. bear no committed cost. We also understand that an enhancement payment (Part 3 Matrix) is made to all staff for working outside normal hours.</p>	<p>Use of “casual” contracts is good practice and satisfies the need to have costs matched against revenues in accordance with activity levels. However the enhancement payment to all staff increases the cost base of the Halls in comparison with competitors.</p>	<p>Bar and catering staff would not normally get an enhancement for late hours as late hours are standard in their industry. Therefore this enhancement is needlessly inflating the Halls’ cost base and limiting its ability to compete. It should be revised as soon as practicable.</p> <p>Changing terms of employment, even for “casual” staff, can have cost implications through its affect on motivation, and also the potential time and cost of consultation. This should be taken in to consideration when this course of option is assessed.</p>
<p><b>Facility Improvement</b></p> <p>Management think that the appeal of the Halls could be improved through investment in refurbishment of all the premises.</p>	<p>Refurbishment could potentially increase the attractiveness of the Halls to would-be customers. However our survey evidence suggests that this is not as important a factor as the quality of the catering.</p>	<p>Given the current financial position any investment should be thoroughly assessed on a cost/benefit basis. If possible, evidence should be generated to measure the effect of refurbishment on sales volumes.</p>

## Long Term Option 2 – Outsource or sell one or more of the Halls

Observation	Issue	Solution
<p><b>Retain use and outsource operational responsibility</b></p> <p>It would be possible to appoint someone else to run the Halls for the council.</p>	<p>Outsourcing operational responsibility provides the potential to remove management costs and the risk associated with the Halls from the Council. The downside would be that the Council would lose control of the facilities and there is potential that one or more of the Halls would fail and ultimately close.</p>	<p>Enquiries should be made to ascertain the financial implications of outsourcing the running of the Halls to private operators or interested community groups. It may be possible to establish a company to carry out the management of the Halls on an “arms length” basis. The possibility of this company failing would create a commercial imperative to at least break even, it would remove the restraints currently placed on the organisation by the Council’s salary structures, and it would allow management to be more flexible in its commercial decisions. This should be considered along-side the option of outsourcing to private providers.</p> <p>The Council could also consider inviting a development partner to take specific operational responsibilities (e.g. use of a consulting chef for catering and/or injection of marketing and commercial expertise through a partnership with other local providers e.g. The Met).</p> <p>The development partnership(s) could be considered as part of a broader “cultural offer’ for the Borough.</p> <p>Depending on whether the Council to decide to explore some of the alternative use models (see below) there is a clear need for the Council to consider the Civic Halls “offer” due to the competitive market and the fact that availability of civic space currently exceeds demand. In particular the Council should consider options to diversify, including whether to focus premier civic and community events at the Elizabethan Suite and restrict the other facilities to more localised events.</p>
<p><b>Convert to alternative use and sell/lease</b></p> <p>We have considered whether each of the Halls has the potential to be converted to an alternative use to facilitate a sale or lease.</p>	<p>If it is determined that there is no prospect of one or all of the Halls generating sufficient revenue to reach a break-even level, it may be the case that a better return can be achieved by converting the building for an alternative use.</p> <p>It should be noted that, although it may deliver a preferable financial outcome, changing the use of one of the Halls would have an impact on the local community which may not</p>	<p>We have considered below the potential of each hall for alternative use:</p> <p>Longfield Suite – Situated above retail outlets and the Prestwich Library. An option would be to relocate the library to the space currently occupied by the Longfield Suite and to lease out/sell the vacated space as a retail outlet.</p> <p>Radcliffe – There is no obvious alternative use for this building. It is a purpose built facility and not in close enough proximity to the town centre for alternative commercial use.</p> <p>Elizabethan Suite –Part of the Bury Town Hall buildings. It would therefore be difficult to convert to other use other than to house other Council services (in order to free up alternative</p>

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be desirable to the Council.

space that could be sold/leased). Furthermore, we understand that there is high supply of commercial and retail space in the area through the Rock and Knowsley Place.

Ramsbottom Civic Hall – It may be possible for conversion of the building to dual use: e.g. office space and bar/restaurant space. However there is likely to be a high cost of doing so, and it is uncertain whether there would be sufficient demand for such space in the area to justify this cost.

An alternative option would be to consider the potential for self management by the local community (e.g. Friends of Ramsbottom Hall (FORCH)).

Any proposals for alternative should also consider the need for diversification (see above) and whether to make more flexible use of the facilities e.g. Council office by day/community use in the evenings.

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## **Long Term Option 3 – Closure**

<b>Observation</b>	<b>Issue</b>	<b>Solution</b>
<p>As a baseline against which all other alternatives should be assessed, an analysis should be carried out to assess the costs and savings that would be incurred in shutting each of the Halls.</p>	<p>If it is found that there is no prospect of the Halls correcting the current deficit, consideration should be given as to whether continuing to trade at a loss/converting use represents a lower cost to the council than would be the cost of ceasing the function all together.</p>	<p>When considering the options outlined above, these should be compared to the financial baseline of closing the Halls, leading to redundancy costs, continued maintenance costs, increased insurance costs for empty buildings and security costs. Consideration should also be given as to what the real impact on central overheads would be if the Halls were to close.</p> <p>This should be considered in conjunction with the social cost of the loss of these facilities in the areas affected.</p>

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## Actions – Short Term

Various short term measures to control expenditure have already been put in place by the Halls management, including:

- **Cost Authorisation** – all expenditure above minimum levels (£500) is subject to approval by the Head of Civics and Leisure Catering. This is good practice. We would suggest that all spending is made subject to this pre-approval and a second layer of approval could be required for significant spend (say £10k plus). This approval should be provided by someone with financial oversight of the Halls.
- **Staff cost control** – all bar and catering staff are on “casual” contracts (meaning they work only when required). This matches the cost of services to revenues being generated, and keeps fixed staff costs down. There is scope for a similar approach to be taken to cleaning staff, as each hall currently has dedicated cleaning staff, with minimum hours contracts (ranging from 10 to 20 hours). That being said, savings available from changing to “casual” contracts are likely to be small, and the cleanliness of the facilities may be compromised in doing so.

Further measures which could be put in place include:

- **Grants to the voluntary section** – The Council currently pays grants to voluntary organisations, part of which enables those organisations to occupy office space. The Council could consider as a minimum making such grants conditional on those organisations making use of the civic halls. More extensive proposals around creating some form of Third Sector hub whereby synergies in the form of economies of scale, better facilities could be offered via one or more of the civic halls.
- **Budgeting** – We understand that the current process for setting budgets is to apply an inflationary rate to the previous year’s budget. And that this process has been used for the last 20 years. As a result, there are some areas where there is a significant difference, year on year, between actual spending and budgets. This renders the budgets useless as a means of monitoring financial performance during the year. We recommend that budgets are re-based to reflect realistic spending expectations against which performance can be measured and irregularities identified.

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# *Service Delivery Options*

## *Introduction*

The management and operation of cultural and leisure services has been the subject of a variety of service delivery models from the more traditional “in-house” operations to more radical outsourcing or partnerships arrangements.

In previous years many local authorities, including several of the Greater Manchester local authorities created charitable trusts to manage their cultural and leisure services. The benefit of such an approach is primarily in relation to VAT and NNDR savings, and this still remains the case.

In more recent years, the introduction of Community Interest Companies (CICs) and other forms of social enterprise models (e.g. cooperatives, mutuals) has provided local authorities with a wider choice of different service delivery models which do not necessarily have to involve the private sector. As a result of the localism agenda and increasing pressures on local government to embrace alternative service delivery options and achieve financial savings, many local authorities in the last 12 months are now seeking to establish such social enterprises.

This section explores some of these options, including the option to outsource the Civic Halls.

## *Framework Agreement*

We are aware that the Council has considered previously the involvement of the private sector in the running of the Civic Halls, but that this was met with some resistance from local residents.

An alternative is that the Council could seek to procure a Framework Agreement with a private developer for the capital investment purposes only. The Council would need to be clear as to the type of contractual relationship it wanted to procure and the level of service and capital development required.

As part of our review we consulted with two other local authorities in the region who have or previously had some form of framework agreement in order to understand their views on this relationship. Although we have not been able to test this view, the response in both cases was that whilst this could introduce capital funding and marketing expertise, private partners may not be willing to take on demand risk and the long-term involvement of a private partner is seen as “too expensive” an option.

Given the feedback from other councils we would recommend that the Council should give clear consideration to the outcomes and benefits it would to achieve if it were to seek to procure a Framework Agreement.

## *Outsourcing*

The creation of a long-term contractual relationship with a private provider may not be politically acceptable given previous concerns raised by local residents. Furthermore given the poor trading performance of the current operation it is unlikely to be an attractive proposition to the wider hospitality market.

The Council could however consider the involvement of a private partner or third party for elements of the service (e.g. catering and/or marketing) as highlighted earlier in this report.

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## Collaboration models

Another option for the Council is to consider a form of collaboration or partnership with one or more local councils.

The advantage of such an arrangement would be the ability to share services ranging from advertising and marketing, back office services, shared strategic management through to a full organisational merger. However, the loss of control and wider geographical focus may not be seen as attractive to the Council.

Previously this option was implemented by Wirral Council, whereby it transferred the operational responsibility for the management of its Arts Gallery to the National Museums Liverpool, an executive agency of the Department for Culture, Media and Sport. Another example of this was perhaps the early transfer of Lyme Park by Stockport Metropolitan Borough Council back to the National Trust.

Given the current financial cost of the Civic Halls, the Council should again give real consideration to exploring other service delivery options, including more recent examples which involve a public/public partnership or social enterprise models.

## Alternative Service Delivery Options

The current financial climate and the level of service reductions and staff redundancies faced across the public sector has led to a “fresh” wave of local authorities seeking to revisit existing and new service delivery models as a means of creating much needed investment and/or financial savings. The rationale behind this is that the option is seen as more politically acceptable than front-line service cuts and/or staffing reductions.

Some local authorities have already implemented new service delivery structures and many more local authorities are now following in this trend. The different types of social enterprises now being considered fall into three main categories as follows:

- **Community Interest Companies (CIC)** – a corporate entity governed by the CIC Regulator and required to pass a “community interest test”. It can only use its assets and profits for the community specified; known as an “asset lock”. It can trade for profit, but any surplus is principally reinvested in the service or the community.
- **Charitable (or other) trust** - corporate entity regulated by the Charities Commission, legislation, or under the Companies Act which can trade, but any surplus needs to be reinvested in the charity/trust.
- **Social enterprise (mutual or cooperative)** - no strict legal construct. The organisation can take different corporate forms (society, company) and can trade for profit, but any surplus would be returned to the members. Shares held by the members, typically including service users and employees, but these cannot be sold. Members do not have entitlement to the value of the company.

An argument in support of Trusts (or CICs) is that it offers the opportunity to improve the level of community engagement in that individuals are more willing to provide volunteer support to such organisations in the form of helping to deliver services and provide more strategic input at Board level.

There is also evidence from other local authorities which have established or in the process of creating such Trusts that the wider business community is also more likely to offer both voluntary input and/or financial support to such organisations. The reason behind this is that many businesses are keen to get involved in community engagement and/or provide financial support to charities as a result of the reputational and tax benefits.

In each option the Council does not necessarily need to transfer the ownership of the property (i.e. buildings) to the new entity but may choose to transfer furniture and equipment as its own discretion. In many cases current staff are transferred under TUPE arrangements which is now a common practice with the externalisation of activities.

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The example set by Warrington Borough Council was to establish a charitable company for the operation of its museum, art gallery and theatre, whilst then to create a separate CIC for the management and operational responsibility of its leisure centres, libraries and delivery of the new public health services (e.g. fitness promotion, obesity and smoking cessation activities).

In Cheshire East the Council through its localism agenda has adopted a more piecemeal approach whereby individual assets are considered on a case by case basis and civic or community halls have been transferred (in some cases both operational responsibility and ownership) to local or parish councils and village libraries have been transferred to a Community (charitable) Trust. In each case the Council has sought to reduce its subsidy to these facilities as more of the “deal” to secure the transfer to the local community.

Our discussions with a large number of local authorities in the region reveal that a growing number of metropolitan and unitary authorities are now actively considering a CIC or social enterprise model. Many of these are Labour controlled which further demonstrates that many of the political arguments against establishing such “arms length” operations have diminished.

The approach is also not without its risks, and many lessons have also been learnt from the early Trusts not least the opportunity to secure additional VAT savings by optimising the “management fee” (i.e. subsidy payment) between the Council and Trust. Equally concerns about the level of staff protection have also been allayed as many local authorities have established “employee friendly” arrangements, and more recent examples are also exploring options to offer wider benefits to staff (e.g. share schemes through mutual companies).

Fundamental concerns about loss of control have resulted in many local authorities ensuring that the Council’s position as “commissioner” of services” and “landlord” has been protected through the partnership or management agreement with any third party community group or social enterprise.

There is also a need to factor in the cost of implementing such new service delivery structures. Localism and meeting the wishes of local communities can sometimes come at a price. In considering the long term future of its Civic Halls, and if closure is not an option, then the Council then needs to factor in the price it is willing to pay for their continued existence be it via some form of community group or social enterprise.

# Conclusions

## Conclusions

- There is a concern about the complexity of the current pricing structure.
- Marketing and publicity, as well as a better booking and enquiry system, were all reasons suggested by the survey as to why demand is not higher.
- Demand for civic space in the current climate is low and there is an over-supply in the local economy around Bury and nearby Manchester.
- Feedback suggests that the Civic Halls are in need of capital investment, in order to offer modern and more flexible service. However the rationale to invest in the facilities should only be considered on a cost benefit basis.
- The operating cost of £415,000 (before support service costs) and the total cost of £798,000 may not be sustainable in the current financial climate, and the Council needs to determine its short and medium to long term actions.
- We understand the budgets have not been reviewed for some time and no longer accurately reflect the current operation, making performance measurement difficult and weakening financial control.
- Catering only appears to be a sustainable option at the Elizabethan suite, and there is a cost of providing catering facilities at the other venues.
- There is no dedicated marketing function and the Council is seeking to recruit a sales person.
- Apart from the Longfield Suite which could be converted to an alternative use, there appears to be little option to make alternative use of Radcliffe or Ramsbottom Civic Halls, and the logistics of using the Elizabethan Suite are also very limited.
- Options for outsourcing provide the potential to remove management costs and the risk associated with the Civic Halls. The Council could enter into an arrangement with a private provider or set up its own “arms length” company in order to achieve this. This could have VAT and other financial benefits for the Council.
- Closure of one or more of the facilities will lead to redundancy costs and could have a negative impact on the recovery of central overheads.
- New forms of service delivery models which include public/public partnerships or options to create a form of social enterprise may be more feasible given previous concerns about the involvement of the private sector.

## *Next steps*

- The Council should look to review margins and simplify the pricing structure, and consider removing the higher charges for the use of external caterers which appears to inhibit demand from local ethnic minorities.
- Consideration should be given to rationalising the catering service to the Elizabethan Suite only, and provide access to the catering facilities at the other venues as part of the hire charge.
- Budgets should be reviewed on a bottom-up basis and more realistic sales targets should be set.
- A review of marketing and sales should consider the option to outsource the function to a specialist provider on a commission basis.
- Further work should be undertaken by the Council to explore the options for capital investment in the facilities to improve the quality of the service offer.
- The option to engage with a development partner or third party individual to help improve marketing and the catering offer could provide advantages.
- The Council should reconsider the long-term options for the management and operational running of the Civic Halls, including alternative service delivery models being implemented by other local authorities.
- Closure of the facilities would need to be considered on a case by case basis taking account of potential redundancy costs and the impact on central overheads.

# Appendix

## Levels of awareness

### **In terms of levels of awareness and usage - what's working well.....**

*"The Elizabethan Suite has the benefit of being close to the town centre...convenient location".*

*"The history and location of the Elizabethan Suite is one of the reasons we use it.....we have an event for March 2012, we may use the Elizabethan Suite for this".*

*"I would consider hiring a room in the Longfield Suite for future events, but only if I can get availability. I have requested availability during June 2012 and have been told that Suite is fully utilised".*

### **In terms of levels of awareness and usage - what needs improved.....**

*"I am an event organiser [for business exhibitions] and I stopped using this venue [Elizabethan Suite] one year ago due to the inability to contract external caterers".*

*"I'll not be hiring any of the venues unless they [the Council] allow us to use bring in own catering".*

*"The Elizabethan Suite was more popular years ago, however, now lots of new hotels have opened in Bury and it seems less popular".*

*"I wouldn't consider using Ramsbottom Civic Hall as it is too small for my type of events".*

*"The need to use the on-site catering has put me off using the facility again"<sup>5</sup>.*

## Marketing - what needs to be improved

### **In terms of marketing and publicity - what needs improved.....**

*"The Elizabethan Suite should be targeted at bric-a-brac event, classic toy fairs, antique shows".*

*"We have hired facilities at The Met Venue before. Once you enquire about their facilities once you are automatically put on a mailing list. We hadn't used their facilities for two months and we received an email asking us for our views on their services and for an indication of when we might use the venue again. There is a need for Bury Council to do more pro-active marketing".*

*"Need to be able to see the rooms / facilities online".*

*"A notice-board of activities in Ramsbottom Civic Hall may increase demand".*

*"Everyone knows where the venues are, but no one knows what activities are on in them!"*

*"Ramsbottom is the most under utilised Hall...yet it gets £0.5 million in public funds to get refurbished...".*

*"Bury has a 10% BME community, however, I've never seen an ethnic party / wedding held in one of the Civic Halls. Local community venues throughout Bury are being used instead. The Elizabethan Suite has an in-house kitchen yet we can't access this for private functions. For BME good quality food is a top priority, decor is far down the list. Personally I would prefer to use venues on my doorstep than have to travel into Manchester city centre, but the food quality in the Civic Halls is just not up to standard".*

<sup>5</sup> The Council allows external caterers but charges a premium for doing so.

*“Lack of competence amongst those responsible for marketing the Halls within the Council”.*

*“The Council does not see the Civic Halls as a business...they don't have the commercial hunger required to address of the performance of the Halls”.*

*“The halls are not publicised locally, never mind advertising them to Manchester city residents”.*

*“Radcliffe Civic Hall is really only known at a really local level, only the local residents know about it”.*

*“There is a need to increase awareness about what facilities are available in the Hall.....many locals not aware they can use it [Ramsbottom Civic Hall] for birthday parties”.*

## **The booking system**

### **In terms of the booking system – what is working well...**

*“Booking system is fine”.*

*“We have used the Elizabethan Suite for a one off large event, and until recently used the Radcliffe Civic Hall three or four time per year for board meetings (now we use a much cheaper church hall for these meetings), however the booking process was fine”.*

### **In terms of the booking system – what needs improved.....**

*“Bury Venues cost £320k per year.....the Council needs to sort out what they are paying them for...the booking support from them is non-existent”.*

*“No ability to make online bookings or even to see which rooms / facilities are currently available.....I know an online booking system would be expensive to implement – but to let event organisers see at a glance on the website which rooms are currently available and when must be cheap system to introduce”.*

*“Customers can make an online enquiry, however, most customers prefer to speak to someone in the Hall to find out what is available”.*

*“Booking form is much too long”.*

*“Sometimes only a caretaker is on site and he never has all the booking form / information – not professional”.*

*“I requested to see the availability of the Longfield Suite for June 2012 and was simply told ‘it was fully booked’. I was not offered a follow up meeting to discuss room requirements or flexibility, yet the forward bookings show the venue is not 100% utilised for that particular month”.*

*“I know a local undertaker who would like to host family catering after the funeral in Ramsbottom Civic Hall, but due to not being able to see at short notice (e.g. over weekends) if the function rooms are available then he always uses a local hotel instead”.*

*“I enquired about availability at one of the Civic Halls...the Manager simply emailed to say it wasn't available on that date...he offered some alternative solutions”.*



## **Pricing – what needs to be improved**

### **In terms of pricing – what needs improved.....**

*“Every Sunday night in the Longfield Suite there is a dance – the organiser hires the hall at a cost of £250 for the entire evening, approx 130 attend at £6 per head, minus the hire cost he walks away with £650 profit every Sunday evening....Longfield is not making a loss – it’s the Councils bad price structure that is at fault”.*

*“There are very few venues in Bury that offer venue hire for 1 to 2 hours and this is something that the Council could focus on to improve uptake”.*

*“More flexibility needed in the pricing structure”.*

*“Price is the most important factor for us”*

*“If the prices were competitive and catering improved then they would consider using the halls”.*

*“Bury Utarian Church charge us £20 per hour. So we can hire it from 9.30am to 12.30 for £60. There are kitchen facilities on-site which mean we can make our own tea and coffee for board meetings and also bring in our own biscuits. This is much cheaper than hiring one of the Bury Council venues for our board meetings”.*

*“We are a membership organisation representing over 400 community groups in the borough and we’d be happy to help publicise the venues by issues mail-shots to members to promote late room availability (in the same way hotels offer discounts to promote periods of low demand)”.*

*“I was going to book a 50<sup>th</sup> birthday party at the Elizabethan Suite, however, it was just too expensive and confusing to book, I rang a local hotel and they took all the hassle of the organising”.*

*“Pricing structure needs simplified, for example, Redhall has a good, easy to understand, pricing structure”.*

*“Simplify the pricing brochure – use more photos rather than lots of detail about the menus”.*

*“Hire prices are quite expensive”.*

*“If you can’t run the Longfield Suite at a profit then there is something wrong – it’s always busy....why is Longfield losing money?”.*

## **Catering – what could be improved**

### **In terms of catering – what could be improved**

*“We turn away some business, especially from Radcliffe Civic Hall, as people want to bring in their own food”.*

*“Should have option of bringing in your own food, with a small charge for the cleaning up.”*

*“Vegetarian sandwiches in amongst the ham sandwiches.....chicken curry serving spoon used for the veggie curry.”*

*“Food is not of good quality.”*

*“Quality of the food is key..... it’s more important than the decor.”*

*“There is a need to reduce the range of menu options and to improve the quality of the food.”*

*“Some business is turned away from Radcliffe Civic Hall as customers want to bring their own food.”*

*“Better to have a choice of using outside caterers.”*

*“Catering is expensive and sub standard.”*

*“I organise a lot of business exhibitions...and for these we like our clients to provide the catering....however, the Elizabethan Suite wouldn't allow us to do this....we now use a local hotel for our business exhibitions – whilst they don't normally allow outside catering – they recognise how important it is for these types of business...allowing clients attending to showcase their food.....Bury Council weren't flexible enough to meet our needs.”*

*“Not good – very annoying that we have to use their caterers.” “Poor – very expensive.” “Average – food quite basic, quality is not great.”*

## **Local competition – what needs to be improved**

### **Based on local competition – what needs improved.....**

*“10% of Bury are BME and they all go to Manchester Golden mile venues for birthday parties, weddings, as there are no suitable local venues in Bury and the prices and food is better. I attended an event at the Elizabethan Suite that had Halal food on offer and it was terrible. The Bury Civic Halls such as the Elizabethan Suite is a central location which is great, but catering and decor are both poor”.*

*“We'd prefer to have private parties on our door step, however, the Civic Halls are much too expensive in comparison – The Council are charging hotel prices”.*

*“Longfield is one of the best dance hall facilities north of England”.*

*“Some of the local venues have poorer decor, but their prices are much more competitive and therefore we are drawn to them”.*

*“We organise 1 or 2 large events annually. We have recently used the Oddfellows facility which cost us £98 to hire for the entire day. We were able to bring in our own food. Whilst the decor was not great, being able to bring in our own food and the reasonable hire costs was a big incentive for us”.*

*“The Met Venue does not charge hire costs, unlike with the Elizabethan Suite”.*

*“Local hotels have more modern IT facilities and equipment on-site...for example, ‘drop down screens”.*

*“There is a lot of competition now and the Civic Halls no longer have the ‘wah’ factor”.*

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