

REPORT FOR DECISION

MEETING: CABINET

DATE: 18th September 2013

SUBJECT: INDEPENDENT REVIEW OF CIVIC VENUES
PROGRESS REPORT

REPORT FROM: CABINET MEMBER LEISURE, TOURISM & CULTURE

CONTACT OFFICER: N S Long (Assistant Director – Operations)

TYPE OF DECISION: NON-KEY DECISION

FREEDOM OF INFORMATION/STATUS: This paper is within the public domain

SUMMARY: The report summarises Council's response to recommendations made and the work undertaken.

OPTIONS & RECOMMENDED OPTION

Cabinet are requested to;

- approve the action being taken in response to the developed plan recommendations and note the progress that has been achieved by the management group
 - Request a further report back to Cabinet on progress in 12 months
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IMPLICATIONS:

Corporate Aims/Policy Framework:

Do the proposals accord with Policy Framework? Yes.

Statement by s151 Officer:

There has been an increase in income at civic venues, but this was offset by some increases in expenditure resulting in a minor reduction in the net trading subsidy. There has also been a reduction in overheads which has had the beneficial effect of reducing the overall net cost of the civic venues by around

6% since 2011/12.

There are no further direct resource implications from this update report, but continuing action to improve the trading results of the civic venues would impact favourably on the Council's financial position.

Statement by Executive Director of Resources:

The improvements in the Halls' trading position is to be welcomed. There are no further resource implications at this stage.

Equality/Diversity implications:

Full equality / diversity assessments will be undertaken as specific proposals are developed.

Considered by Monitoring Officer:

Yes

Are there any legal implications?

Not at this stage

Wards Affected:

All

Scrutiny Interest:

Overview and Management Scrutiny

TRACKING/PROCESS

EXECUTIVE DIRECTOR: DCN

Chief Executive/ Strategic Leadership Team	Executive Member/Chair	Ward Members	Partners
2 nd September 2013	27 th August 2013		
Scrutiny	Cabinet	Committee	Council
	18 th September 2013		

1 INTRODUCTION

- 1.1 An independent review was carried out on Civic Venues service due to the continued financial pressures and subsidy required to operate the service.
- 1.2 The Venues operate in a very competitive market locally, and have in the past suffered from declining usage influenced in part by the wider economic recession and lack of investment in facilities.
- 1.3 The review was undertaken independently by Price Waterhouse Coopers (PWC) utilising service credits. The key points of the review were to;
 - Identify underlying issues with the service
 - Develop a sustainable business model going forward
 - Propose a combination of short and long term options to achieve this
 - Improve upon the level of subsidy required at present
 - Improve user satisfaction
- 1.4 The report highlighted several issues namely
 - Financial Assessment and Usage levels,
 - Marketing and Promotion,
 - Pricing Structure,
 - Catering,
 - Condition of Venues and
 - Management of Venues

2 REVIEW OUTCOMES

- 2.1 The review was presented to Cabinet on 28th November 2012;

The approved recommendations included noting the findings of the PWC review as well as approving an action plan that was developed in response to the review and to set up a management group to take forward the action plan and to look at options to increase usage. It was also agreed to report back to Cabinet

- 2.2 The PWC report made several conclusions and recommendations as follows.
 - 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.
 - Work should be undertaken by the Council to explore the options for capital investment in the facilities to improve the quality of the service on offer. This action was deferred in November 2012 Cabinet report as it was not deemed a factor in putting users off.
 - 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.
- Set up a Civics Management Group.
- Explore the opportunity to integrate Venues Management across similar leisure and cultural areas to increase opportunities to widen the scope of activities taking place in venues.
- Ultimate aim to reduce the financial subsidy required and improve community value.

3 WHAT HAVE WE DONE

- 3.1 Civic Venues pricing structure was simplified removing the complex and high charges, changing to hourly room hire and inclusive rates for weekday and weekends.
- 3.2 Budgets have been realigned to reflect more closely the income and expenditure trends acting as an incentive to management.
- 3.3 In terms of rationalising the catering services, progress has been made by virtue of changes to menus and the development of clear packages to complement an interchangeable a la carte range. We have also introduced an Asian menu and drinks package as part of the catering service. Catering at all venues is contributing to improved financial performance.
- 3.4 The management group set up and chaired by the Met management developed a series of actions that included;
- Marketing plan and objectives for each venue
 - Rebranding of suites as individuals rather than group
 - Data development and management
 - Identify Market Sectors, Audience profiling and development
 - E-media development and digital press releases.
 - Dedicated web page and ticket portal
 - Cultural Partnership development – The Met - comedy & music, Festwich, SOS Rock, Vintage.
 - Partnership arrangements – FORCH, 3rd Party promoters
 - Seasonal promotions and brochure
 - Customer Satisfaction Surveys
 - Improved flexible use of vacant space

It has been accepted that the work of the Management Group has been completed and it now no longer meets. Its role was very important and valued, and the contribution of the members of the group is very much appreciated. There is however a continuing relationship with the Met in terms of joint event programming.

- 3.5 Due to tight resources and an effort to maximise viability, a member of the management team has been seconded to a part-time marketing role rather than the dedicated officer resource originally recommended. This post is taking the lead in developing and implementing the subsequent Marketing Plans based on the information above.
- 3.6 At this moment in time the need for any capital investment in Civic Halls is considered not to be compatible with the current economic situation. However

the Civic Halls management keep an eye on maintenance issues and the need for investment could be revisited if required.

- 3.7 A partnership agreement is now in place with the Ramsbottom Friends Group (FORCH). However, it is recognised that it will take time for the group to develop and grow.

4 OUTCOMES

- 4.1 Full implementation of the plans and the affect they have on the business is a gradual process and will need continually updating to match trends and customer demand. Nevertheless, despite the poor economy, the actions already taken are showing results with 2012/13 the best performing year for 6 years and second successive year of increased income. Although income was up by 49k, this was offset by an increase of £31k in expenditure so the trading subsidy decreased by only £18k. The main improvement in the overall position was a reduction in overheads.

At the worst year of the recession (9/10) income levels fell by £103,000 but we have clawed that back with increases on Bar (£33,000) Box Office (£42,000) and hall hire (£28,000), with comparative expenditure.

	2010/11 £	2011/12 £	2012/13 £	2013/14 forecast
Income	(961,000)	(1,013,400)	(1,062,000)	(1,056,800)
Expenditure	1,376,000	1,343,400	1,373,900	1,344,700
Trading Subsidy	415,000	330,000	311,000	287,900
Exceptional Items (works)	138,000	0	0	0
Overheads	245,000	228,000	213,000	215,500
Total Subsidy	798,000	558,000	524,000	503,400

The forecast total subsidy for 2013/14 includes fixed and notional costs of £399,700 which would not necessarily be saved in the short term. This includes grounds maintenance; a proportion of central and departmental overheads; depreciation and future pension liabilities; and contributions to the costs of the Willow Street catering unit and the Town Hall building.

- 4.2 New wedding and celebration packages have been launched for all venues with good results e.g. Elizabethan Suite 14% increase on 12/13 and forward bookings for 13/14 are already 6% up (49 and counting).
- 4.3 E-media development – all venues have Facebook and Twitter accounts, the Longfield Suite and Longfieldlive Facebook accounts have over 4000 likes and have 740 Twitter followers. This live media source which is still in its infancy is an excellent promotional medium but resource heavy with the need to constantly monitor it and keep it up to date. It may be possible to share the cost of this resource across a number of sections as the growth in Social Media continues to expand and becomes more relevant to other services.

- 4.4 Our database development has achieved over 15,000 contacts from information from our Bookings system, Ticketline and external sources. The data is profiled in preparation to launch a more tailored corporate business campaign and our festive program.
- 4.5 Integration with our leisure partners has introduced a range of events from Burlesque to Boot Camps, Tai Chi and Zumba, Active dance, Boxercise and Circuit training, this is in addition to our regular roller skating, karate and keepfit classes.
- 4.6 The number bookings has increased by 4% (3586 12/13), which is also reflected in improved daily usage 3% up, and hall hire income increased by 6.1%.
- 4.7 With improved training with an emphasis on service, customer satisfaction levels have increased over the last three years currently running at 95.8% This is also reflected by the increase in repeat business which accounts 35.4% of our events.
- 4.8 Refreshed marketing strategy with marketing plans tailored to each venue will be complete by the end of September, but some initiatives have already been rolled out with positive results.
- 4.9 The marketing plan for Ramsbottom is being done jointly with our FORCH partners such as developing the committee and mutually beneficial events.
- 4.10 Progress against the action plan has been closely monitored throughout the year through regular "Portfolio Meetings". This assessment should continue based on ongoing actions with a further progress report to Cabinet after closure of the 13/14 accounts.

5 RECOMMENDATIONS

- 5.1 Members are requested to
 - (i) note the good progress being made in response to PWC's recommendations;
 - (ii) agree a report to go back to Cabinet on progress in 12 months.

COUNCILLOR JANE LEWIS
CABINET MEMBER FOR LEISURE, TOURISM AND CULTURE

Background documents:

PWC report and recommendations
Cabinet Report 28th November 2012

For further information on the details of this report, please contact:

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