

Scrutiny committee



Report of head of economy, leisure and property

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The Beacon, Wantage

Recommendation

Scrutiny committee is asked to review progress on the actions requested by the committee in June 2014 and the targets set for 2015/16

Purpose of report

1. The purpose of this report is to inform scrutiny committee of the progress made on its recommendations from June 2014 and review the work that has been completed towards the targets for 2015/16. The committee is asked for recommendations/comments to be made to the cabinet member for leisure and arts to aid improvement in future performance.

Strategic objectives

2. The provision of The Beacon contributes towards achieving the Vale Council's strategic objective "support for communities" and corporate priority to "increase usage of The Beacon". It also contributes towards achieving the strategic objectives of "building the local economy" and "the effective management of resources".
3. The Vale Council's corporate plan 2012-2016 states that we will measure our success in increasing usage of The Beacon by the following:
 - plan agreed for increasing usage of The Beacon

- increase the number of bookings and users of The Beacon (collect baseline data 2012/13)
 - decrease in net expenditure (set target based on 2012/13 user baseline).
4. In terms of the net expenditure, we are taking a new baseline from 2015/16, following the agreed investment in additional staff and stock. It should be noted that the figures in the previous report to scrutiny committee were taken from an external report by Max Associates in 2013, which did not allow for the cost of essential repairs to the building, installation of equipment required to attract new customers and the increased cost of staffing and stock required to reach the income targets. Following a major recruitment process and work on the facility, we are now in a better position to set realistic targets and project increased usage more accurately. In addition, we are producing a business plan and this will set out how future reductions in the deficit will be achieved, now that the budget has been set and appropriately profiled.

Background

5. The vision for The Beacon is that it will be seen as the heart of the community. It is a facility offering opportunities for residents to enjoy celebrations, performances, business use and a thriving coffee shop. In addition to being a bookable space for a diverse range of users, The Beacon also offers the community a choice of activities including a mother and toddler group, tea dance and cinema.

Financial performance

GROSS INCOME

6. The Beacon achieved its gross income target for 2013/14, which was the first time that this had been achieved for a number of years, and exceeded its gross income target for 2014/15 by almost £30,000, although expenditure was higher to cover the costs of additional staff and stock, as shown in the table below.

Year	Gross income - budgeted	Gross income - actual	Percentage of budget met
2011/12	£84,500	£62,562	74
2012/13	£83,450	£67,470	81
2013/14	£96,010	£102,646	107
2014/15	£126,010	£156,440	124
2015/16	£170,949		

7. Officers set income targets in all areas, such as regular hirers, ticket sales, bar and coffee shop, and they are carrying out closer monitoring on a monthly basis to highlight any areas of concern to enable action to be implemented quickly. This increased awareness will also be used for future target setting.

GROSS EXPENDITURE

8. The Beacon expenditure has increased significantly over the last two years to enable the business to grow effectively. Investment has been made in recruiting additional staff from five people (full time equivalent of 3.3 posts) in 2011/12 to twelve (full time equivalent of 8.4 posts) in 2015/16 as usage grew. This increase in expenditure has enabled the income to grow significantly from £62,562 in 2011/12 to £156,440 in 2014/15 and is expected to grow by a further £14,000 this financial year.
9. Now that the facility is running with a full staff and sufficient budget for stock, this year should be the point from which realistic baseline figures and achievable future projections can be calculated. In 2004/05 the expenditure was £475,442 and that generated an income of just £61,036, so the position is considerably stronger now than it has ever been, but staff are aware of the challenges and are working hard to reduce the deficit further over the coming years.

Year	Gross expenditure - budgeted	Gross expenditure - actual
2012/13	£228,240	£199,320
2013/14	£304,334	£286,963
2014/15	£306,985	£383,083
2015/16	£381,176	

NET EXPENDITURE

10. Leisure officers worked with the finance team to re-profile the budget to reflect the increased expenditure required to grow the business and increase the usage and income. The essential improvements meant that the deficit increased in 2014/15 by some 23 per cent, but this needs to be seen in the context of an increase in usage, which helped to increase gross income by some 52 per cent on the previous year. The predicted figures for 2015/16 show a further increase in income of 8.5 per cent and a reduction in the deficit of 7.2 per cent.

Year	Net expenditure - budgeted	Net expenditure - actual
2012/13	£144,790	£129,220
2013/14	£208,324	£184,317
2014/15	£180,975	£226,643
2015/16	£210,229	

Usage performance

11. In 2012/13 occupancy was just 2,589 hours, which is 16 per cent of total capacity. In 2013/14 the occupancy increased to 4,064 hours, which is 25 per cent of capacity. This is calculated as the time each room was in use as a percentage of the total number of hours the building is open.
12. The total available hours is calculated as 9am – 10pm Monday to Saturday and 10am – 4pm on Sundays in four bookable rooms. This equals 336 hours per week and to allow for bank holidays and Christmas closure we calculate the total for a year as 49 weeks; therefore, total bookable hours per year is 16,464.
13. Ad hoc meetings that take place in the coffee shop are not used in these calculations as they are not bookable events.
14. The target for 2014/15 was to increase the occupancy to 5,076 hours, (423 hours per month, which represents 31 per cent of total bookable hours). We achieved an occupancy of 5,070 hours for the year (422.5 per month).
15. The target in 2015/16 is to be occupied at least 5,784 hours for the year (482 per month and 35 per cent of total bookable hours). Currently the average for the first four months of 2015/16 is 536 hours per month, which is 39 per cent of total bookable hours, but this will vary by year end with seasonal differences.
16. The targets for 2016/17 and 2017/18 have been set at 535 hours per month and 583 hours per month respectively. This will bring us up to a figure that is considered the industry standard for this type of venue.

Year	Target hours per year	Target hours per month	Percentage of bookable hours	Occupancy achieved in hours per month
2012/13	-	-	16	215.75
2013/14	-	-	25	338.6
2014/15	5076	423	31	422.5
2015/16	5784	482	35	
2016/17	6420	535	39	
2017/18	6997	583	42.5	

Update on 2014/15 scrutiny action plan

17. At its meeting in June 2014, scrutiny committee recommended various actions, and the following provides an update to these actions:
18. “A user survey to take place together with monitoring of feedback and comments (This to be included as a KPI)”

- officers sent an online user survey to 150 customers early in 2015, but the number of responses was very low - 77 per cent of the 22 respondents were either satisfied or very satisfied with the venue and customer service - the remaining 23 per cent were either neutral or did not answer - there was only one very dissatisfied from all seven categories and this was with the bar, but unfortunately no further details were provided
- officers carried out a face to face shopper's survey in the Wantage Market Place in November 2014 and received 103 responses - 45 per cent of respondents did not use the Beacon currently, mostly due to not being aware of what was on offer or not feeling it was suitable for them - 37 per cent of respondents were not aware that Wantage Civic Hall had changed its name to The Beacon, but some of these were not local residents
- now we have a new promotions officer in post (since June 2015), we will be able to carry out more regular monitoring of customer satisfaction.

19. "Commercial/non-commercial tariff to be considered, reflecting peak and off peak periods"

- we offer a charitable rate of 20 per cent discount to all customers who are registered charities - there is no distinction between peak and off-peak due to the diverse nature of The Beacon's customers, ranging from mother and toddlers, to schools and retired people, all of whom have different requirements at different times of the day.
- we also offer discounts of between ten and 20 per cent for regular monthly and weekly hirer's.

20. "The negotiations over the usage and payment arrangements with Wantage Town Council to be concluded as swiftly as possible"

- officers reached agreement on the mayoral events and a copy is attached as appendix 1 to this report for information - this defines the length of a session, the eligibility of events and the costs that need to be covered by the hirer – we have implemented this amended scheme and it is working well
- unfortunately, the officer's negotiations on the office space rental did not result in any changes to the existing agreement - extensive investigation was done and advice sought from our legal team - having looked at a similar situation in another market town, it became clear that it would be extremely difficult to break the original agreement - officers decided that it was not viable to pursue this matter any further at this time.

21. "The usage of volunteers at appropriate events to be explored"

- this has not been viable or necessary so far, as we still require paid staff on site to run the bar and coffee shop, but we will consider using volunteers in the future if appropriate.

22. "Internal Vale Council recharge usage to be split from other usage by income/hours"

- officers recorded the figures for internal bookings separately - of the £156,440 income taken last year, the full council, planning, audit and scrutiny committee meetings accounted for £6,454 in room hire, and £1,675 in additional costs,

such as hiring equipment, technicians, linen and refreshments - this represents approximately five per cent of the total income.

23. “Local ward members to be added to the steering group”

- officers were in the process of setting up a steering group that included local ward members – however, following further consideration, the project board has subsequently agreed that now we have a promotions officer in post and several other means of gathering data and feedback, there is not sufficient need to set up a steering group at this time - all of the people who had been asked to sit on the group (e.g. regular hirer, schools rep and market town coordinator) have regular contact with The Beacon and so their opinions on improvements and changes are readily available without the need to call an additional meeting. Our cabinet member is also on the town council and sits on the Beacon project board, so we also have a clear link through to ward members.

Capital investment

24. In 2014/15 a total of £55,000 of capital money was invested in The Beacon. This enabled us to make urgent repairs to the roof and the external rendering. In addition, we made improvements to the reception desk area, installed new external doors in the coffee shop and replaced the stage flooring. Following the rebrand in April 2014, we installed new signage internally and externally. Some of these investments were necessary to make the building safe and compliant, whilst others were improvements that have made it more appealing to the public and have helped attract new users.

25. The 2015/16 the essential capital works budget was used to install a new lighting desk in the control room, new electronic tills for the bar, coffee shop and front of house, refurbish the bar with new energy-efficient fridges and provide barriers for the new paved seating area outside the coffee shop. The remainder will be used to complete the paved area, introduce an electronic online booking system and purchase new stage curtains.

26. In addition to this investment, The Beacon is also receiving replacement lighting, hot water units and building management systems following an energy audit and investment led by the Vale Council’s climate change officer. It is hoped this work will be completed by April 2016, subject to procurement and contractor timescales.

KPIs for 2015/16

27. Officers are monitoring a number of key performance indicators during 2015/16, as shown in the table below:

KPI	2015/16 target	Current performance to 31 July 2015
Increase occupancy	Increase by at least 35 per cent of total bookable hours to 5,784 hours (482 per month)	39 per cent increase

Increase income	Increase by 35 per cent to £170,494	30.5 per cent increase
*Decrease net expenditure	Decrease by at least 7.2 per cent to £210,229	7.5 per cent decrease
**Decrease electricity usage	No percentage target set	Data not available yet
**Decrease gas usage	No percentage target set	Data not available yet
***Decrease water usage	Target no longer appropriate to measure	
Coffee shop performance	Income of £15,000	Income of £7,313 against profiled target of £6,250
Bar performance	Income of £21,000	Income of £5,692 against profiled target of £8,000
Regular hirers	Income of £60,000	Income of £15,468 against profiled target of £20,000 (it should be noted that many regular hirers stop in April and August)
Events and performances	Income of £24,000	Income of £16,326 against profiled target of £12,500
Children's parties	Income of £1,000	Income of £2,277 against profiled target of £400

- *note this figure is different from previous expectations as previous figures were taken from an external report by Max Associates, as mentioned in paragraph 3 above.
- **it has not been realistic to set a percentage target for reduction in gas and electricity, as by reaching the increased occupancy targets the use of energy is likely to go up - therefore, we are reviewing the figures at the year end to ensure that the amount of energy used has not increased at the same rate as the occupancy, and so a net reduction will have been made. There is currently not a method in place to make per person calculations, as occupancy is measured by number of bookings and hours the rooms are in use, not by the number of individuals using the rooms.
- further reductions in energy usage will be made through the energy saving projects detailed in paragraph 24.
 - electricity usage increased from 97,017 kwh in 2013/14 to 118,127 kwh in 2014/15 – an increase of 21 per cent, but occupancy in the same time period increased by 24.7 per cent, resulting in a net decrease
 - gas usage decreased from 269,122 kwh in 2014 to 256,168 kwh in 2015 – a decrease of 4.8 per cent

- ***we are no longer expecting to see a decrease in water usage due to the increase in occupancy, coffee shop sales and use of the toilets.

Conclusion

28. The committee is asked to note the update on performance at The Beacon for 2014/15 and make any recommendations to the cabinet member for leisure and arts to improve future performance.

Agreement with Wantage Town Council for free mayoral events

Historically it was agreed that the mayor of Wantage can host or gift up to ten sessions at The Beacon for charitable events. Following discussions with the town council and mayor, officers reached agreement on the terms and conditions for these events are as follows:

Definition of a session:

A morning (9am – 1pm), afternoon (2pm – 6pm) or evening (6pm – 10pm) event in any one of the bookable rooms at the Beacon.

An eligible event:

The events must be for charity and not for profit.

All events must be booked well in advance and a booking form completed. Failure to book for the full year ahead may result in the desired rooms not being available on the dates requested.

Costs:

- use of the room of choice for up to four hours – free of charge
- hire of room beyond four hours – charged at normal room rate
- use of the room for setting up or rehearsals - will be charged at the normal room rate where these activities make it unavailable to other hirers
- time required for clearing up at the end of an event - will be charged at the normal room rate if this goes beyond the four hours allocated
- hire of additional rooms (e.g. for storing equipment or using as a green room) – charged at normal room rate
- use of the kitchen for external caterers - £40 (+ £100 refundable deposit)
- technical support for sound and lighting - £20 per hour.

The Beacon staff are able to arrange catering for events, which will be charged at per head cost to be agreed prior to the event.

There is no charge for use of the bar or provision of additional bar staff.