

Scrutiny Report



Report of head of corporate strategy

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The Beacon, Wantage

Recommendation

Scrutiny committee is asked to review The Beacon's performance against targets.

Purpose of report

1. The purpose of this report is to update scrutiny committee on the actions taken in response to its recommendations from September 2015, which we have met through bringing this report today and consider progress made towards The Beacon's 2016/17 targets. The committee is asked to make further recommendations to the cabinet member for leisure to help sustain the improvements in performance.

Strategic objectives

2. The provision of The Beacon contributes towards achieving the Vale Council's strategic objective "sustainable communities and well-being" and the corporate priority of "expanding the range and quality of activities at The Beacon, Wantage". It also contributes towards achieving the strategic objective of "running an efficient council".
3. The Beacon business case also has its own objectives:
 - increase in revenue and a reduction in the overall operating deficit
 - increase in occupancy with more people using the venue more often
 - attract new audiences and users

- improve the customer experience to ensure repeat business
- raise awareness of the facility and improve communication.

Background

4. 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 and monthly cinema screenings.

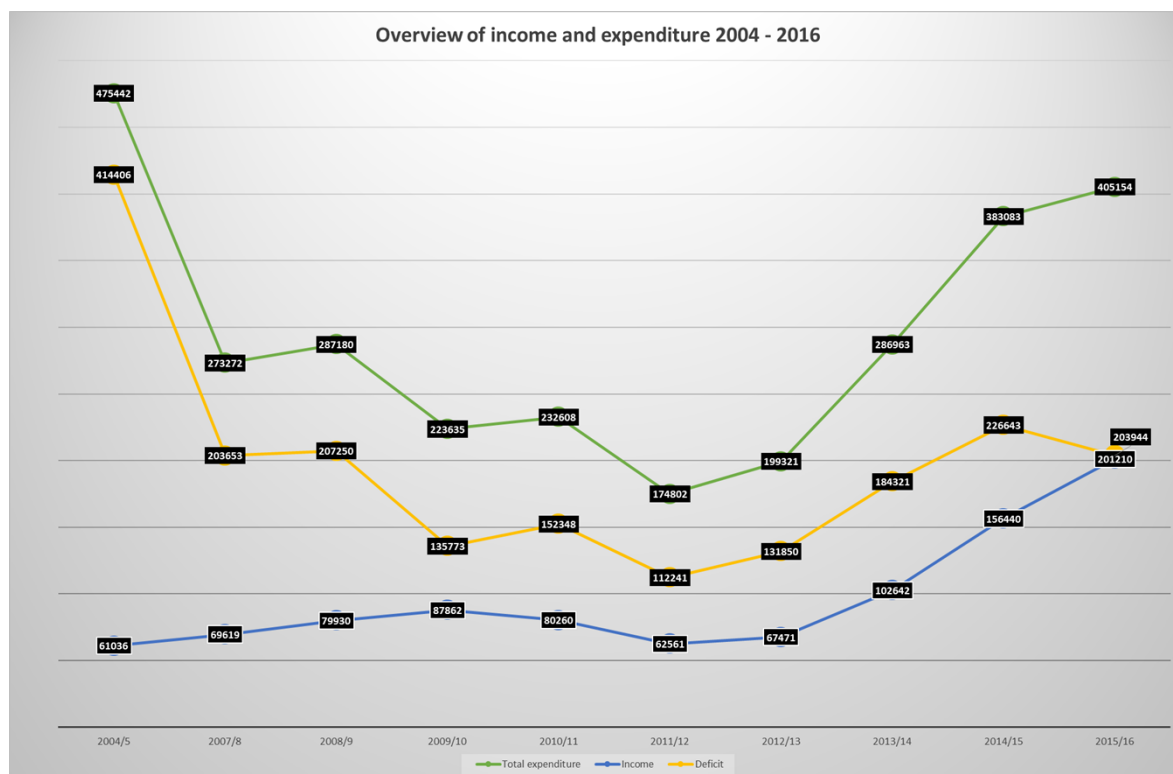
KPIs for 2016/17

5. The key performance indicators for 2016/17 are:
 - increase in revenue and a reduction in the overall operating deficit
 - increase in occupancy with more people using the venue more often
 - attract new audiences and users
 - improve the customer experience to ensure repeat business
 - raise awareness of the facility and improve communication

Increase in revenue and a reduction in the overall operating deficit.

6. At scrutiny committee in 2015 we were asked to include net expenditure figures over a longer period. This graph shows that, when compared to 2004/5, the 2015/16 expenditure at The Beacon has reduced by £70,288 and the income has increased by £140,174, reducing the overall operational deficit by £210,462. Since 2012 it has been necessary to increase the expenditure, predominantly on staffing costs, but this has led to an increase in usage and income and in the last year we have seen a reduction in the operational deficit of £22,699. This demonstrates that the improvements are starting to reap the required benefits.

Financial performance – the last ten years

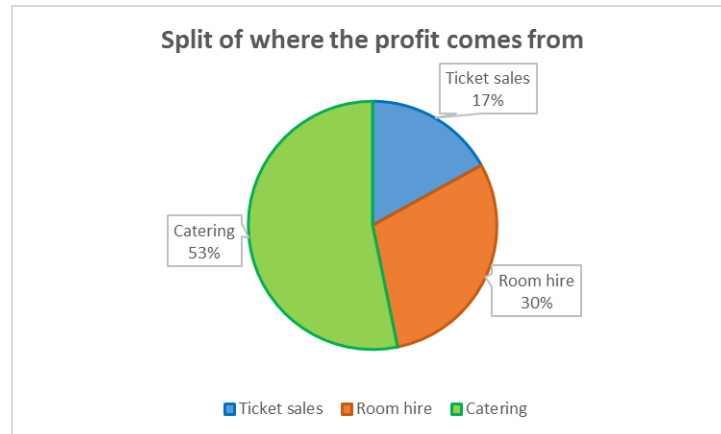


In 2015/16, The Beacon exceeded its income target for the third successive year although the expenditure continues to be higher than initially predicted. Officers are continuing to work with members of the finance team to create as accurate a budget profile as possible. To achieve the additional budgeted income we have had to spend more on ensuring we always have adequate staff and stock to enable events to run smoothly. Improved technical support has improved the reputation of The Beacon and has resulted in more bookings but has also occasioned increased costs.

Financial performance – current year to date

Cumulative results for April – June 2016			
	Budgeted	Actual	Variance
Expenditure	£91,764.00	£97,788.45	-£6,024.45
Income	£48,110.00	£56,602.56	£8,492.56
Deficit	£43,654.00	£41,185.89	£2,468.11

- These figures show that based on the first quarter results, The Beacon is on track to achieve its 2016/17 financial targets. The additional expenditure has been off set against the additional income and so currently the operational deficit is £2,468 lower than the budget profile.
- Monthly monitoring of income and expenditure means we now know where our income comes from. This graph shows where the profits for individual events came from during February to June 2016, including music events, opera, children's parties and cinema.



Usage and occupancy performance

9. The total available bookable hours is calculated as 9am – 10pm Monday to Saturday and 10am – 4pm on Sundays in four bookable rooms. This equals 336 hours per week. To allow for bank holidays and the Christmas closure we calculate the total for a year as 49 weeks; therefore, total bookable hours per year is 16,464.
10. The target for 2015/16 was set at 480 hours a month, which we exceeded with a monthly average of 506 hours. For 2016/17 a target has been set at 535 hours per month. In the first quarter we have averaged 534.5 hours of occupancy a month. By 2019/20 we intend to achieve 550 hours a month which is a figure that is considered the industry standard for this type of venue.
11. When considering the number of hours that the facility is occupied and the change in operational deficit it is clear that progress is being made. In 2012/13 it cost the council £50.86 for every hour the building was occupied and by 2015/16 this cost had fallen to £33.65. Last year the deficit fell and the occupancy rate rose and the indicators currently show that this is expected to happen again this year.

Year	Net financial position £	Total hours of occupancy	Percentage of bookable hours	Average cost per occupied hour £
2012/13	-131,850	2592	16	50.86
2013/14	-184,317	4068	25	45.30
2014/15	-226,644	5076	31	44.65
2015/16	-203,944	6060	35	33.65
2016/17		6420	39	*On track for first quarter
2017/18		6600	40	

Attracting new users

12. In the last year The Beacon gained the following new regular bookings:

- children's Zumba from Oct 2015
- Singing for Fun from Jan 2016
- Grove Martial Arts grading sessions from March 2016
- Children's Centre post-natal course from April 2016
- Zumba from August 2016
- King Alfred's theatre classes from September 2016
- Belly dancing for fitness from September 2016.

Unfortunately the Singing for Fun has now finished as they did not have enough support.

13. The Beacon has introduced some new in house activities including a weekly self-defence class and a monthly games night. The team have been tasked with coming up with new activities to try and a murder mystery night and acoustic evening have been booked in the coming months. Negotiations are also underway with a local toy shop to hold a Lego exhibition, including a model of The Beacon made entirely from Lego.

Improved customer experience

14. In previous years, before the rebranding, several customers had experienced poor service and had decided not to use the facility for future events. The team at The Beacon have worked tirelessly to rebuild the trust of local residents and demonstrate that the venue is now run in an efficient and professional manner. As a result we have had three returning users this year:

- opera – five events booked so far this year
- Grove rugby club dinner
- CAMRA beer festival (who have provisionally booked to hold their event at The Beacon for the next five years).

Comments received from new and returning customers

15. Throughout the year a number of positive comments have been received from customers using a range of services at the venue. Examples are listed below:

From: Garry Kingett

"...the staff team on duty throughout the day could not have been more considerate or helpful and I thought were an exemplary model of how to run a community facility.

Feedback from Youth Work staff and importantly teenagers themselves attending the event who can be particularly sensitive to how they are treated has been overwhelmingly positive.

Please pass on my congratulations and appreciation to your team.”

From: Lyn Mistry

”Thank you so much for all your help and support yesterday..... We were made to feel very welcome by everyone and that nothing was too much trouble - Mark especially is a treasure and was enormously pro-active and helpful on the day. The girls behind the tea bar were lovely we thoroughly enjoyed the cake.”

From: C D Associates

”I would like to thank and congratulate the Beacon for all their help in arranging and hosting the Mayor’s Ball on 6th May. Everything from the outset was done in a most professional manner from the booking, ticket sales, organisation, to working with the caterers to the bar management.

The staff, particularly Matt and Libby, went above and beyond to ensure that everything was a success and made the organisation of the event so much easier. Without their commitment and support in the pre-arrangements and setting up the room on the day the event would not have been the success that it turned out to be.”

From: Wantage Advice Centre

”I would just like to thank you and your staff for a well organised evening last night. We were showed various options for the microphones and they worked well. The refreshments were nicely displayed and were perfect for the event. Your staff were very attentive and very helpful.”

This email came from a group who held a similar event last year and had a number of issues they were not happy with so to get this feedback was particularly rewarding as it shows how much things have improved.

Marketing and promotion

16. The marketing targets for 2016/17 are:

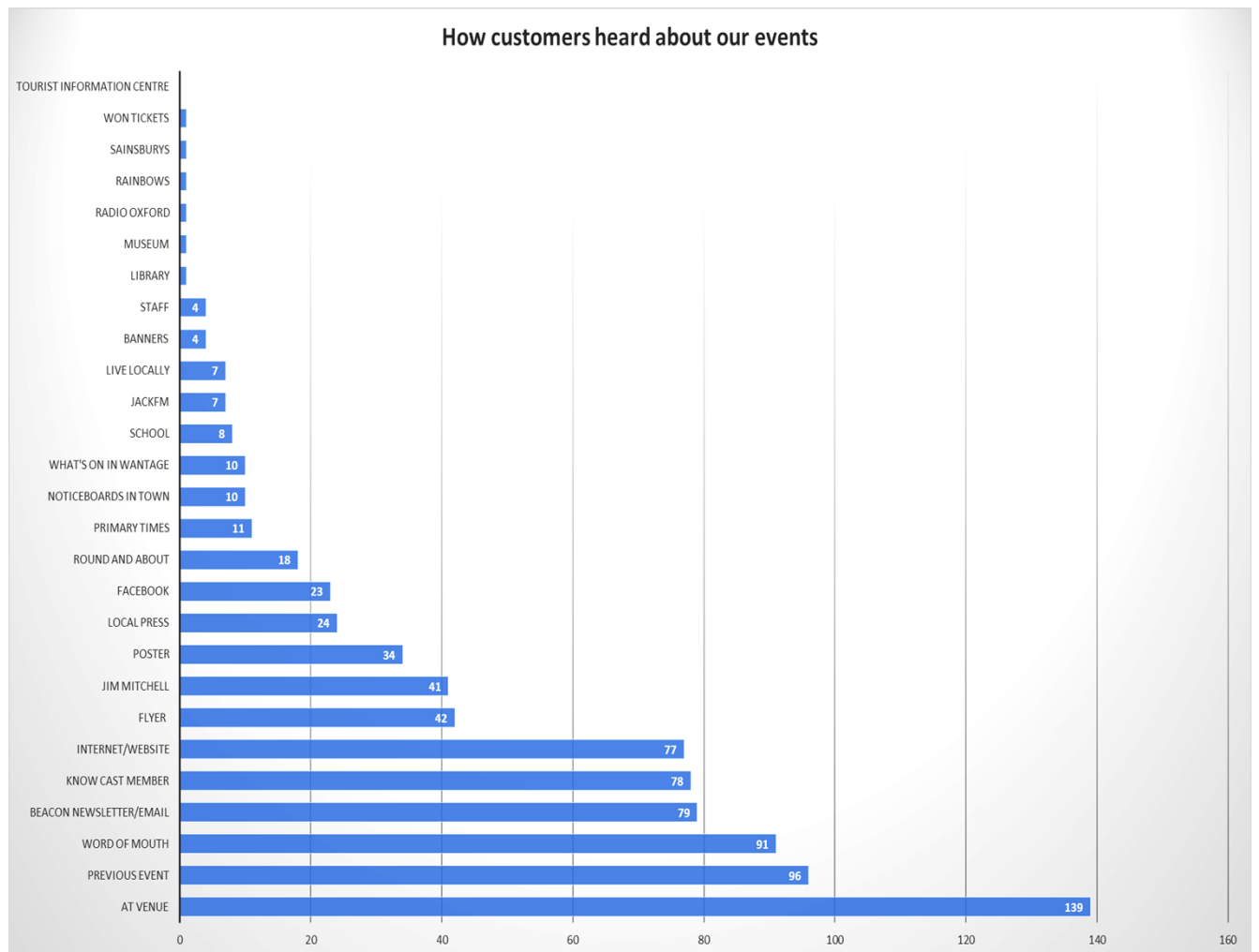
- ensure there is a Beacon event booked for every month, up to a year in advance (excludes cinema)
- achieve 1,500 Facebook likes (currently 908)
- achieve 1,200 twitter followers (currently 519)
- increase mail list subscribers to 800 (currently 702)
- attend / organise at least one outreach event
- attend a local business breakfast meeting
- investigate alternative booking websites to Tickets Oxford.

Business case

17. The Beacon now has a business case document which sets out the future direction of the facility and gives the team focus. This document has been developed with input from the Beacon board which includes the head of corporate strategy, head of finance and cabinet member for leisure. A copy of this can be found in Appendix A.

Understanding how people find out about us

18. Over the last year we asked customers how they heard about The Beacon. The graph below shows how customers buying tickets for shows, cinema, opera and concerts heard about us. These figures came from a total of 809 customers and reflect what we expected in that the majority of customers find out what is going on through word of mouth or whilst attending other activities at the venue.



Conclusion

The committee is asked to note the update on performance at The Beacon since 2015. Also to make any recommendations to the cabinet member for leisure to sustain improvements in future performance and identify any areas of the business to focus on during 2017/18.