

# Scrutiny committee



Report of Head of Community Services

Author: Duncan Grainge

Telephone: 01235 422246

Textphone: 18001 01235 422246

E-mail: [duncan.grainge@southandvale.gov.uk](mailto:duncan.grainge@southandvale.gov.uk)

Cabinet member responsible: Alice Badcock

Tel: 07824 333259

E-mail: [alice.badcock@whitehorsedc.gov.uk](mailto:alice.badcock@whitehorsedc.gov.uk)

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## 2017/18 performance report for The Beacon, Wantage.

### Recommendation

Scrutiny committee is asked to note The Beacon's performance for 2017/18, and to note the corrected financial figures as presented in Tables 1 and 2.

### Purpose of report

1. Following the identification of incorrect financial data being presented to Scrutiny in October 2018, the Chairman requested a corrected report for 2017/18, with an addendum to address the inconsistencies with the two prior years, and a discussion of steps taken and planned so that this doesn't recur. As a result the format of this report is similar to the report presented in October 2018, but with the corrections.
2. The report also updates the committee on the actions taken in response to its recommendations from September 2017, and outlines progress made towards The Beacon's 2018/19 targets.

### Strategic objectives

3. The Beacon is a community centre and venue delivering a wide range of services, events and activities. It encourages the wider community of VOWH to participate in activities designed to promote health and wellbeing, leisure activities for all age groups.
4. The provision of The Beacon contributes towards achieving the 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”.

## **Background**

5. The vision for The Beacon is that it will be the heart of the community. It is a council run facility offering opportunities for residents to enjoy celebrations and performances, for business use, as well as providing a coffee shop for residents to meet existing or new friends.
6. In September 2017, the Scrutiny Committee recommended the cabinet member for community services report on the following:
  - Income and expenditure budgets
  - Environmentally friendly and energy saving measures
  - The Beacon’s role as a community asset
7. The three year business plan (2016-2019) for The Beacon sets out the key objectives for the facility and the key performance indicators. This is now coming to the end and work has started on drafting the next three-year business plan for The Beacon.

## **KPIs for 2017/18**

The key performance indicators for 2017/18 are:

- KPI 1: year on year increase in revenue and a reduction in the council contribution (previously reported as the deficit).
- KPI 2: increase in occupancy with more people using the venue more often
- KPI 3: attract new audiences and users
- KPI 4: improve the customer experience to ensure repeat business
- KPI 5: raise awareness of the facility and improve communication

### **KPI 1: Increase in revenue and a reduction in the council contribution (previously reported as the deficit)**

8. The council’s planned budget for The Beacon, which is agreed annually at Council, was £209,280, a slight reduction on 2016/17. At year end, The Beacon had exceeded that budget by £31,068. This was due to a number of reasons. The Beacon did not achieve its income target. This is the second year running it has failed to meet the target, despite the actual income generated increasing on previous years. Actual expenditure also exceeded the budgeted expenditure due to increased costs of consumables and materials, food and drink stock price increases and utility costs and business rates as well as increased spend on shows. The council contribution previously reported as “the deficit”, was reduced compared with 2016/17, but is still at its highest since 2014/15. Officers will be reviewing expenditure and the income targets as part of the budget setting process for 2019/20.
9. During 2017/18 it became evident that when the income targets were set, the VAT payments were not taken into consideration. This has been resolved. Table 1 below shows the expenditure and income, with the adjustment for VAT taken into consideration.

<b>Table 1</b>	<b>Financial performance 2013-14 to 2017-18</b>						
Financial Year	Budgeted Income	Actual Income	Budgeted Expenditure	Actual Expenditure	Planned Budget <sup>1</sup>	Council Contribution <sup>2</sup>	Variance against budget
2013/14	-96,010	-102,646	304,334	286,964	208,324	184,318	-24,006
2014/15	-126,010	-156,441	306,985	383,084	180,975	226,643	45,668
2015/16	-170,949	-188,129	381,176	396,386	210,227	208,257	-1,970
2016/17	-192,449	-185,827	404,443	431,070	211,994	245,243	33,249
2017/18	-249,800	-225,315	459,080	465,663	209,280	240,348	31,068

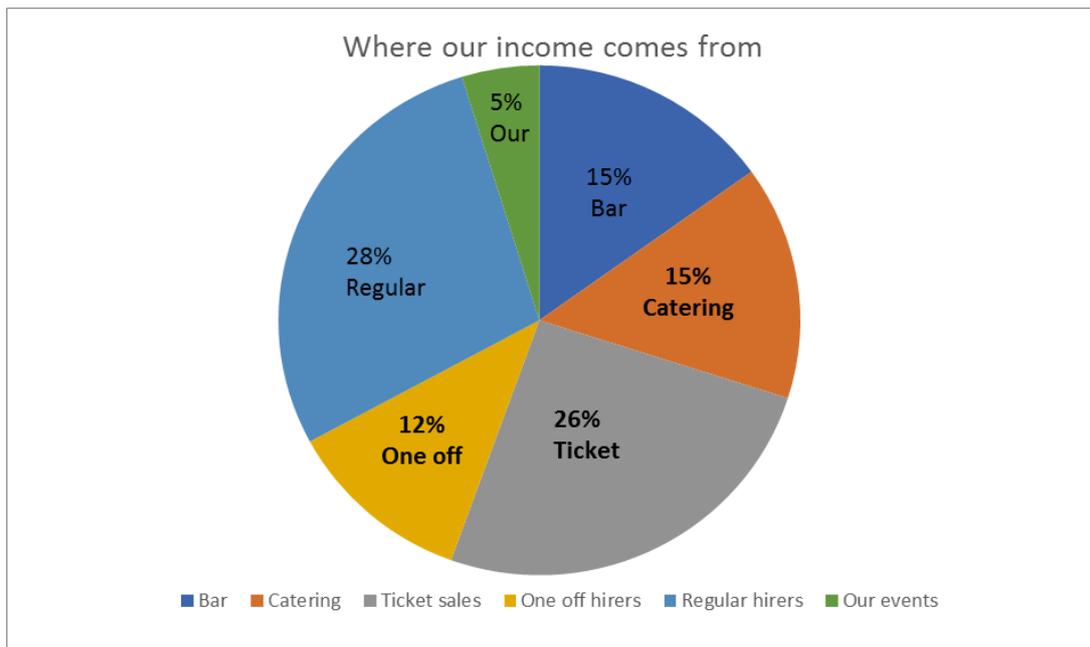
10. Table 2 provides the breakdown of expenditure in 2017/18, using the standard Chartered Institute of Public Finance and Accountancy breakdown. This table shows that actual expenditure exceeded the planned budget by £6,583. This is largely explained by the increase in spend on performers fees, although this was offset by the income generated and resulted in a 67% increase in ticket sales. The Third Party Payments of £35,000 relate to the costs of the Vinci contract, which had not been separated out at the time of budget setting. The budget to cover these costs was still contained within the employee costs and premises budgets.

<b>Table 2</b>	<b>Planned Budget</b>	<b>Actual Expenditure</b>	<b>Variance</b>
Employee Costs	276,635	255,710	- 20,925
Premises	77,075	58,321	- 18,754
Travel costs	450	107	- 343
Supplies and Services	104,920	116,525	11,605
Third Party Payments	0	35,000	35,000
<b>Total</b>	<b>459,080</b>	<b>465,663</b>	<b>6,583</b>

11. The chart below shows how the income is broken down and shows that our regular hirers are still our main source of income. However, compared with 2016/17 data, income from ticket sales has increased from 13 per cent to 26 per cent, and seen the biggest growth.

<sup>1</sup> net spend for the year

<sup>2</sup> Actual net spend for the year



**KPI 2: Increase in occupancy with more people using the venue more often**

12. One of the key metrics to measure The Beacon’s performance is the average cost per occupied hour. The industry standard for this type of facility is around 40 per cent occupancy, which equates to 6,585 hours per year, or just under 550 hours a month. Occupancy rates have more than doubled in the last five years and we aim to reach the industry standard by 2020 through innovative marketing strategies, community involvement and actively targeting commercial hirers for the larger spaces for meeting and seminars.

13. When considering the number of hours that the facility is occupied and the council contribution, the average cost per occupied hour has increased over the last two years. In 2013/14 it cost the council £45.35 for every hour the building was occupied. By 2017/18 this cost had increased to £47.29. This is largely due to a 19% decrease in occupied hours in 2017/18.

Year	Council Contribution (Actual net spend)	Total hours of occupancy	Percentage of available hours booked	Average cost per occupied hour
2013/14	£184,318	4064	25%	£45.35
2014/15	£226,643	5070	31%	£44.70
2015/16	£208,257	6060	37%	£34.37
2016/17	£245,243	6270	38%	£39.11
2017/18	£240,348	5082	31%	£47.29

14. This decrease in occupancy is due to several factors. These include a decrease in the overall number of regular hirers; King Alfred’s Academy have now built their own hall and no longer require the main auditorium (The Ridgeway) as frequently. Setting all tariffs at the same rate for all existing and potential hirers has resulted in the loss of some business and some classes cancelled or did not rebook due to low attendance. However, we feel that now the room tariffs are fair and equitable for all this loss has now plateaued. New marketing and

promotion of bookable rooms is underway, targeting businesses, community groups and one-off events e.g. parties, celebrations and commercial hire.

15. However, the average cost per occupied hour only measures the hours of occupancy by paid hirers. This doesn't reflect the number of people using The Beacon and benefitting from it, for example, those who use the café, visit the town council or attend events booked by regular hirers. To better reflect the total usage of The Beacon, officers have looked at the cost per visit for 2017/18. The total number of visitors to The Beacon in 2017/18 was 154,666. The resulting cost per visit was £1.55. This will be a key measure of performance for future years.
16. A full benchmarking exercise is being undertaken to ensure that room rates remain competitive and attract and retain customers.

### **KPI 3: Attract new audiences and users**

17. During 2017/18 The Beacon has gained four new regular hirers and attracted new audiences by expanding the programme of events. Appendix A shows the geographical spread of customers, who attend shows at The Beacon. Audiences travel from across both the Vale and South Oxfordshire to attend, and the majority of customers attend an event once or twice a year.
18. We have attracted acts, such as Phill Jupitus, Rich Hall, and Ray Parlour. The plan is to continue to secure a broad spectrum of acts to attract new audiences. 2018/19 has live shows from comedians Sean Lock, Seann Walsh and Rory Bremner, and an audience with MasterChef presenter Gregg Wallace.
19. The ongoing live performances from The National Theatre continue to prove popular, for example, King Lear with Ian McKellen.
20. There has been a 67 per cent increase in ticket sales compared with 2016/17. Ticket sales in 2016/17 totalled 4,815 and this increased to 8,042 in 2017/18. More performances were introduced, and the cinema and panto performances continued to attract larger audiences. As this area of the business grows, ticket sales will be a key performance measure in future.

### **KPI 4: Improve the customer experience to ensure repeat business**

21. Customer service remains a top priority for The Beacon and the staff are regularly complimented for their excellent, friendly and efficient service.
22. The Beacon is primarily a community venue and great emphasis is placed on working with the wider Vale of White Horse community and encouraging community activities. For example, an accomplished local musician performs free of charge in the coffee shop every Wednesday morning and has developed a loyal following of residents from the newly built retirement accommodation adjacent to The Beacon and local area. This is helping combat loneliness and isolation and has led to individuals joining other community events held at The Beacon.
23. The menu available from the coffee shop has been reviewed and improved. It offers seasonal hot and cold food with healthy options and has resulted in

excellent feedback from customers and contributed to exceeding the income target for the coffee shop by £4,650.

24. We have also upgraded the building by replacing the blinds in all the rooms as well as making improvements to Lockinge; this included a new audio system as well as the hearing loop being upgraded. The stage and wing curtains and stage drapes have been replaced with all new equipment to meet British Standards and to attract new users to this space, for example businesses for seminars / award evenings.

## Customer feedback

25. We have feedback cards in reception as well as on the reception desk and in the coffee shop and bar where customers can leave their comments and suggestions. We aim to have compliments making up at least 80% of the comments received. Feedback figures for 2017/18 are:

- 87 compliments (94%)
- 0 formal complaints made via the corporate complaints procedure (0%)
- 4 negative comments or feedback around performances or facilities (4%)
- 2 suggestions (2%)

Below are some of the comments, suggestions and complaints we received during 2017/18

### Customer Comments

- A big thank you to all for hosting our wedding reception. The evening was a great success with everyone enjoying the venue, the food and the music.
- What a great night it was on Friday! We LOVE performing at The Beacon. Please pass on our thanks to the whole team there, they're all amazing.
- I want to congratulate you and your team for the wonderful line up in your new brochure. I will certainly be coming to more events this year!
- That was amazing music, a privilege to be there. Powerful set that will stay with me a long time. 🙌 The Beacon for putting it together.

### Suggestions

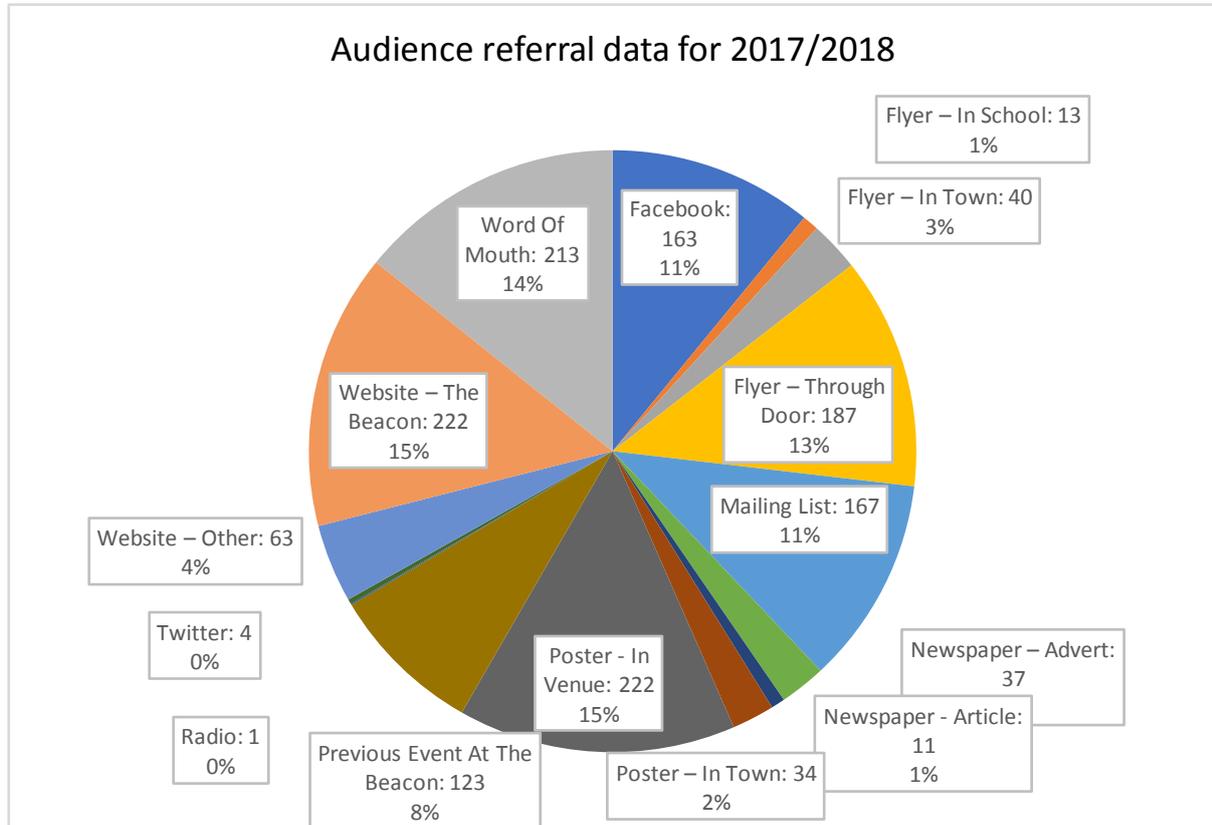
- What is happening with the live events is fantastic. We are so pleased to be able to walk to our local venue to see names like Jeremy Hardy and all of the NT Live, and we are hoping for more! I would love the ballet to be screened here from the Royal Opera House.
- Fantastic evening just a shame on arrival at 8:00... there were no cold beers left in the fridges! Poor effort considering it was a known sell out!

## KPI 5: Raise awareness of the facility and improve communication

26. We have continued to raise our profile through social media and our online presence:

Online Audience growth	2016/17	2017/18
Mailing list subscribers	904	1,068 (+18%)
Facebook page likes	1195	1,514 (+27%)
Twitter followers	683	893 (+31%)

27. The chart below shows a changing pattern in how customers learn of the activities and events taking place at The Beacon. There have been more referrals from social media platforms than in previous years. However, the top three referral methods are the website; a poster in the venue and word of mouth.



This data has been taken from a sample of 1,500 ticket bookings over 2017/18.

28. Plans for 2018/19 include a new marketing and promotion strategy reaching out to the wider VOWH community and seeking new markets and new platforms to promote The Beacon, including greater and better use of social media.

### **Energy saving measures**

29. Over the past year the staff have undertaken training on the Building Management System (BMS) so that it is now used to maximise efficiency. The BMS monitors and regulates the internal and external temperatures to ensure that rooms are heated or ventilated to the correct level automatically thus reducing the need for human intervention and rooms heated when not in use.

30. External lighting has been replaced with energy efficient lighting which includes a SMART timer to ensure lights are only operational at required times. Funding for this was identified by the Councils Corporate Energy Officer. Also, current interior light bulbs are being replaced with energy efficient ones, once they have expired. This will result in longer service life of lighting and reduced energy costs.

## **The Beacon as a community asset**

31. Community centres such as The Beacon provide a vital meeting place and base for activities for communities across Vale of White Horse, local groups and business which are otherwise not catered for or available through private sector offerings. Centres, such as The Beacon are at the heart of local communities, and provide a place to meet friends, make new friends, learn new skills, keep fit and be entertained through music, film and drama. The Beacon provides social, cultural and educational activities for all ages and a place for people to get involved in the community's life at a price that is affordable to all.
32. The aim is to improve people's quality of life by contributing to the social, physical, educational and health and wellbeing of the community including combating loneliness or social exclusion, particularly in the elderly or those with existing medical issues (physical or mental health).
33. The benefits of The Beacon as a community centre include:
  - Providing the opportunity for people to be involved in a wide range of learning, social and physical activities to keep people active and part of the community.
  - Providing an affordable and varied programme of entertainment and events which, when offered through the private sector, are often cost prohibitive to many individuals and families within Vale of White Horse. For example, the monthly cinema screenings cost £16 for family of 4 at The Beacon compared to c. £40 at a multiplex.
  - Food bank occupies a room on the top floor which directly helps with the collection, storage and ultimately distribution of food to individuals and families in hardship in VOWH.
  - We are an informal point of contact in Wantage for council related queries.
  - We have many regular coffee shop customers (elderly and disabled) who come in for a drink and a chat with our staff, many are residents of the newly built retirement complexes. Our staff get to know these individuals and can often be the only contact that these residents have on a daily basis.
  - The public make use of the toilets when the public toilets in the town are closed. Often elderly residents and school children use our toilets as they feel safer at The Beacon.

## **Summary of plans for 2018/19 and beyond.**

34. All services in the council are currently undergoing an in-depth review of current and future budgets. For The Beacon this review will give direction and make recommendations into the new business plan and marketing plan for 2019 – 2022.
35. The marketing activities of The Beacon is also being reviewed. The Beacon is already working closely with colleagues in Economic Development particularly the Economic Development Lead - Vale Towns, to use of both demographic and geographic data to allow The Beacon to offer activities and events that will appeal to more communities across the Vale of White Horse and beyond. The Beacon will also glean better and more in-depth customer insight from its existing and potential users to drive future programming and offerings to

increase user numbers and events that will add to the quality of life, health and wellbeing for the communities of Vale of White Horse.

36. A new social media strategy will investigate new platforms and use existing platforms differently to engage with the community, promote events and activities and generate customer insight to drive improvement.

## **Conclusion**

37. The committee is asked to note this report on performance at The Beacon and make any further suggestions to the cabinet member for community services.

## **ADDENDUM**

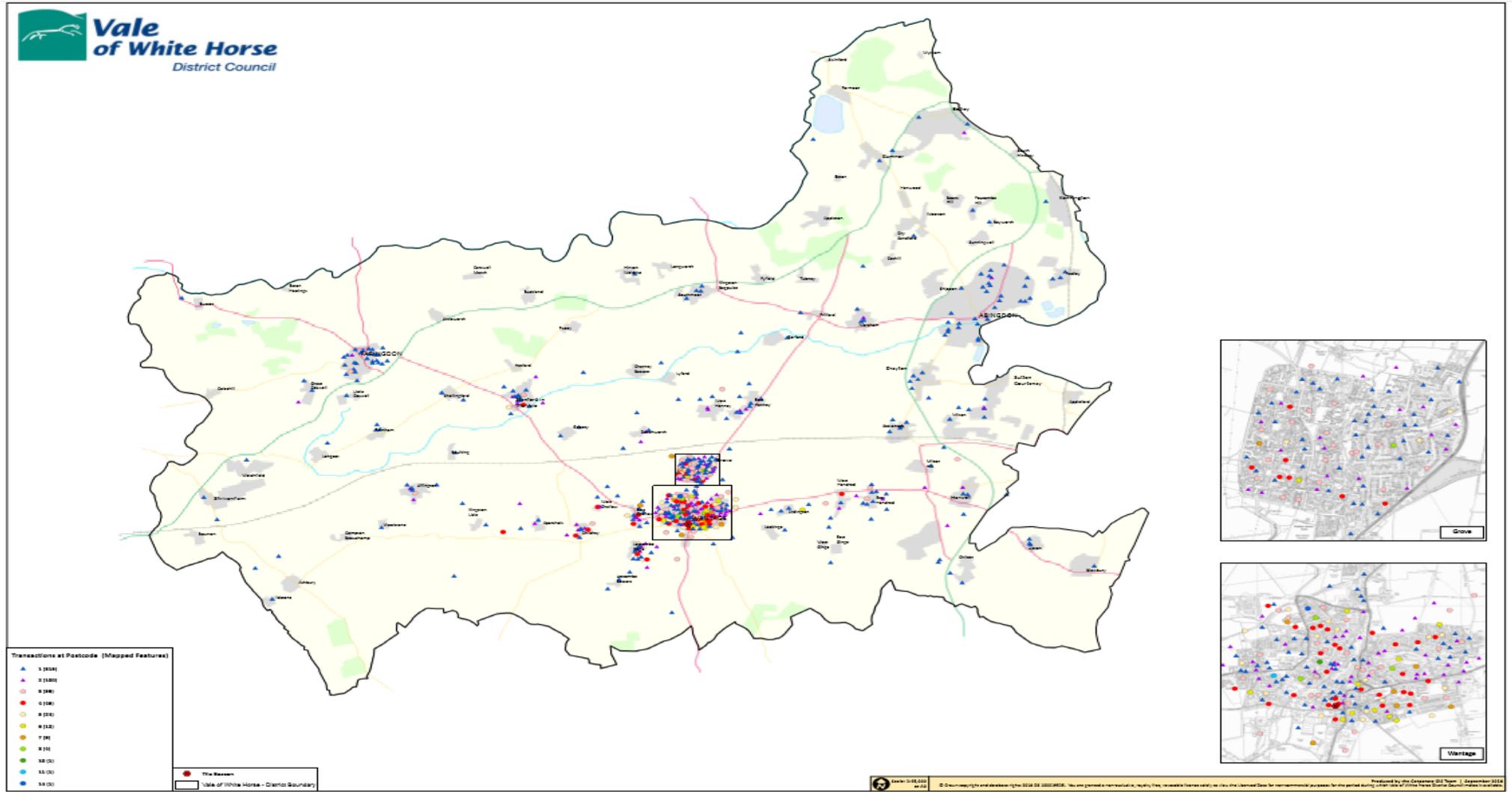
### **Incorrectly reported financial data in report dated 18 October 2018.**

38. Following a supplementary question asked at Scrutiny Committee on 18 October 2018, it has come to light that the financial figures presented in the original report on the performance of The Beacon 2017/18 contained errors.
39. The financial data and tables, plus accompanying commentary, presented in this report have been amended to correct these inaccuracies.

### **Investigation into the errors**

40. Officers from corporate accountancy and community services worked together to determine the source of the errors in the report dated 18 October 2018. The following issues were identified:
  - The expenditure and income figures in the original report were not the most up to date figures on the general ledger. For all future reports, figures will be checked by both the service and accountancy against the general ledger.
  - The original figures did not take into account the estimated contract costs for Vinci, which had not been calculated at the time the first report was written.
  - We are now confident that all errors have been accounted for and corrected.
  - All staff, not just at The Beacon, will seek appropriate training and guidance relating to financial management and financial controls, as directed by management.
  - Where any local management information is held, a process is in place to regularly reconcile it to the general ledger.

# Appendix A - Geographical spread of VOWH customers



## Geographical spread of SODC customers

