

REPORT OF THE DIRECTOR OF  
TO THE EXECUTIVE  
6<sup>th</sup> JUNE 2008

**Progress Report on In House Bar Services**

**1.0 Introduction and Report Summary**

- 1.1 In February 2007, the external bar contractor providing the bar services at the Guildhall in Abingdon and Civic Hall in Wantage tendered his resignation after being in the post less than one year into a three year contract. The decision to revert back to an in-house operation was taken in consultation with the portfolio holder for Contracts and Procurement and senior officers. The decision created an opportunity for officers to regain direct control on a key part of the Civic Halls service which had become increasingly difficult to resource and direct through external operators.
- 1.2 The Guildhall and Civic Hall are a priority focus for the Council wide Property Review currently being undertaken. It should be noted that any major changes to either building could have significant consequences to the bar operation especially if there was to be any removal or reduction in access to facilities.
- 1.3 By maintaining the service in-house minimises the impact any changes the Property Review may have, compared to using an external contractor and the contractual obligations that could arise.
- 1.4 The in - house team started operations on October 16<sup>th</sup> 2007 and have successfully provided a full range of bar services for a significant number of functions at both facilities to date.
- 1.5 The Contact Officer for this report is Chris Webb telephone 01235 540358.

**2.0 Recommendations**

- 2.1 *That the service continues to be provided in – house until the future of the Civic Halls is confirmed under the property review.*
- 2.2 *That the halls management team be commended for their efforts in setting up and developing the business to a point where it is generating profits within its first six months of operation.*

**3.0 Relationship with the Council's Vision, Strategies and Policies**

- (a) (the report relates to the relevant objectives C and E of the Council's Vision)
- (b) (the report does not relate to any existing Council strategy)

(c) (the report does not contradict with any existing policies)

#### 4.0 **Background and Supporting Information**

- 4.1 In setting up the new in-house service, officers worked with colleagues within human resources, audit and accountancy services, to produce a staff team, financial controls and new budgets. In addition officers produced the necessary risk assessments, work procedures and control mechanisms to support the new service.
- 4.2 In the period 16<sup>th</sup> October to 31<sup>st</sup> March 2008 the team have provided bars for 67 events at the Guildhall and 39 at the Civic Hall. Of these one complaint was received caused by circumstances not within our direct control whilst a number of verbal compliments have been received and two formal letters of thanks for the bar services. In the current financial year there are 83 bars booked for the Guildhall and 70 for the Civic Hall which is average for this time of the year.
- 4.3 The Council inherited stock and equipment from the previous contractor. Despite several communications we are still awaiting invoices from him in respect of this stock and equipment. However, we have included the full market value of this stock and equipment in our budgets.
- 4.4 The performance of the service in the first six months has been encouraging. Nett takings in the six month period for the whole service have totalled £28,029.12, total costs including an allowance for inherited stock and equipment have totalled £19,974.57 providing an operating profit of £8,054.55.
- 4.5 To ensure that systems and processes are in place to secure the Council's assets an internal audit has been undertaken in April 2008. Recommendations for improvements are minimal and reflect the effort already applied to setting up the service.
- 4.6 Under the previous external contractor arrangements the Council received a percentage of the contractor's takings in respect of the contractor having an exclusive right to offer bars in our halls. On average this arrangement generated £7,000 per annum dependant on the number of bars provided and the professionalism of the contractor in delivering the service. It is reasonable to assume that this figure will be improved upon by providing the service in house.

#### 5.0 **Options**

- 5.1 The Council really has two options to consider. The first is to revert back to an external contractor and the difficulties that that method of working provides and the second is to continue with the in-house operation and the risk in terms of continuing to operate at a profit.

#### 6.0 **Conclusions**

- 6.1 The operation of the bars through the Council's own staff has proved successful and profitable. The in - house team has demonstrated that they have the skills and

the operational knowledge to provide a well run and professional service. In view of the possible major changes to the Civic Halls in future years it is prudent to retain this method of operating to maximise income to the Council and minimise future contractual obligations to third parties.

CHRIS WEBB  
LEISURE FACILITIES MANAGER

STEVE BISHOP  
STRATEGIC DIRECTOR

Background Papers: None