

Report of	Meeting	Date
Chief Executive	Executive Member (Resources) Decision	December 2011

LANCASTRIAN SCRUTINY TASK GROUP - FINAL REPORT AND RECOMMENDATIONS

PURPOSE OF REPORT

1. To seek Executive Member approval to the implementation of the recommendations contained in the attached report referred by the Overview and Scrutiny Committee.

RECOMMENDATIONS

2. That the key recommendation of the Task Group be agreed as follows:
The Task Group emphasised that the Lancastrian Suite is an important resource for the Council, they value its use for Council events – meetings, training, elections, Mayoral events, etc and want to retain it for these purposes as well as maximising it for commercial and community use. With this in mind, the Task Group recommend that the Lancastrian Suite be self resourcing with bookings seeking to cover costs as a minimum.
3. That the remaining recommendations 1 to 6 set out in the attached report of the task group be approved. This includes a new pricing structure for the hire of the Lancastrian and the reintroduction of private parties on a trial basis, with appropriate levels of supervision for these events. These arrangements to be reviewed after a period of 12 months.
4. The report be included on the agenda of the next meeting of the Executive Cabinet on 23 February 2012 for information.

Confidential report Please bold as appropriate	Yes	No
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REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

5. To increase the use of the Lancastrian Suite within the Town Hall.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

6. The Lancastrian Scrutiny Task Group examined other options including the external management of the facility. The attached final report provides a rationale for maintaining internal management of the facility, recommends a more flexible pricing structure and the reintroduction of private parties plus minor investment in improvements.

CORPORATE PRIORITIES

7. This report relates to the following Strategic Objectives:

Strong Family Support		Education and Jobs	
Being Healthy		Pride in Quality Homes and Clean Neighbourhoods	
Safe Respectful Communities		Quality Community Services and Spaces	x
Vibrant Local Economy		Thriving Town Centre, Local Attractions and Villages	x
A Council that is a consistently Top Performing Organisation and Delivers Excellent Value for Money			x

BACKGROUND

8. In December 2010 the Asset Management Scrutiny Task Group put forward a series of principles towards the rationalisation of the main administrative buildings owned and run by the Council in order to both generate savings and to maximise the use of those facilities. In considering the Lancastrian Suite, the Asset Management Task Group ruled out redevelopment because of prohibitively high costs, but felt there were specific circumstances which warranted consideration by a separate scrutiny review to increase use of the facility. The Lancastrian Scrutiny Task Group was set up earlier in 2011 with similar membership and the attached Final Report of that Group puts forward a series of recommendations to try and achieve the overall objective of increasing the use of the facility for all sections of the community and in doing so, increasing income.

LANCASTRIAN SCRUTINY TASK GROUP RECOMMENDATIONS

9. The Task Group has considered both external and internal management of the Lancastrian Suite. It has undertaken soft marketing testing with local event management companies and a survey of existing regular users. Members undertook a site visit to South Ribble's Hospitality Suite and met with their catering team.
10. The key recommendation of the review is that the resource provided by the Lancastrian Suite is highly valued for its internal needs including larger meetings, elections, training and consultation events as well as Mayoral functions. There is also however a need to maximise its use by commercial and community organisations. Continued management by internal staff is recommended with the principle of self resourcing and a charging policy based on covering the Council's costs as a minimum.
11. To achieve this, a new pricing structure is suggested which includes the reintroduction of private parties within specific guidelines, including adequate supervision. It is also suggested that minor improvement works at a cost of approximately £15,000 be undertaken to the backstage and bar areas of the Lancastrian Suite.
12. It is usual practice for Final Reports from scrutiny reviews to be considered by Executive Cabinet but as the recommendations do not suggest include major policy changes and are actions which could be carried out under delegated authority, it was agreed by the Overview and Scrutiny Committee that the Executive Member should be asked to agree the recommendations which would allow speedier implementation of the changes. The report will be submitted to the full Executive Cabinet for information.

IMPLICATIONS OF REPORT

13. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	x	Customer Services	x
Human Resources		Equality and Diversity	
Legal		Integrated Impact Assessment required?	x
No significant implications in this area		Policy and Communications	

COMMENTS OF THE STATUTORY FINANCE OFFICER

14. The expenditure of £15,000 for the improvements will be found from in year underspends in 2011/12. In respect of the income the new scheme may generate, I suggest a target of £5,000 be set for 2012/13 as it may take some time to see if the new arrangements spark more interest.

COMMENTS OF THE MONITORING OFFICER

15. In seeking to maximise use of the Lancastrian Suite, the review and the recommendations comply with all necessary legislation.

COMMENTS OF THE HEAD OF POLICY AND COMMUNICATIONS


16. In line with the Equality Scheme, an integrated impact assessment will be required to consider the possible impact that changes in the policy and pricing structure on people with protected characteristics. If relevant, an action plan will be developed to mitigate any adverse impact.

GARY HALL
CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Chris Moister/Carol Russell	5160/5196	20 December 211	***

Following careful consideration and assessment of the contents of this report, I approve the recommendation(s) contained in Paragraph 2 of the report in accordance with my delegated power to make executive decisions.


_____ Dated 3/1/2012

**Councillor
Executive Member Designation**

Final report of the Lancastrian Scrutiny Task Group



FINAL REPORT

SCRUTINY REVIEW ON THE FUTURE ADMINISTRATION AND USE OF THE LANCASTRIAN SUITE

MEMBERSHIP OF THE TASK GROUP

Councillor Debra Platt (Chair of the Task Group), Councillors Alistair Bradley, Keith Iddon, Adrian Lowe, June Molyneaux, Steve Holgate, Mick Muncaster, Geoffrey Russell, Rosemary Russell, Stella Walsh and Alison Hansford

Lead Officer: Chris Moister, Head of Governance

Officer Support : Cath Burns, Head of Economic Development, Keith Davy Liberata and Carol Russell, Democratic Services Manager

TERMS OF REFERENCE

The need for a scrutiny review of the future use of the Lancastrian Suite was a recommendation of the Asset Management Scrutiny Review undertaken in 2010. The issues which arose were felt to be significant enough to require a separate scrutiny review. The Task Group was established earlier in 2011 and it agreed the following terms of reference:

- 1. To look at the current function, suitability, space and operational costs of the Lancastrian Suite within the Town Hall.**
- 2. To look at the current and future working arrangements and alternative methods of service delivery.**
- 3. To assess the need for the type of facilities offered by the Lancastrian Suite – both commercially and for community facilities.**
- 4. To look at all other options for the future management of the Lancastrian Suite including use of external companies on a commercial basis and not for profit organisations for a community use facility.**
- 5. To consider whether there needs to be investment in the facilities to make them more usable.**

The Task Group has met on 6 occasions and has addressed the terms of reference in detail. A survey of past Lancastrian users was undertaken and a site visit to South Ribble Borough Council Hospitality Suite was undertaken including a meeting with their Catering Manager and staff. Meetings were held with local event management companies, the proprietor of Café Ambio who run the bar facility and a representative of Chorley Little Theatre. The Task Group heard evidence from officers in economic development and property services as well as the current managers of the resource. The following report summarises their findings and makes a series of recommendations for the Executive Cabinet to consider.

1 CURRENT FUNCTION, SUITABILITY, SPACE AND OPERATIONAL COSTS

The Lancastrian Suite is a large room within the Town Hall, it has a stage area and a maximum capacity of 400 persons. There are two back stage rooms, one of which serves as a tea and coffee making area, a sprung dance floor and a bar area. Access is primarily through the front reception area of the town hall and it is served by stairs and 2 lifts as well as access through a side door and along side the stage to the rear of the Town Hall.

There is a public address system and limited stage lighting. The venue lends itself to musical performances, presentation ceremonies, dances or similar social events and this is reflected in the usage over the previous few years. It is also used for civic events such as the Mayors Reception/Civic Dinner event and larger Council Meetings such as Development Control Committee and other internal Council arranged events such as consultation events, training sessions, election count, etc.

There is currently a fixed price scheme for the hire of the Lancastrian based on the Council delivering a fully serviced room (to include preparation for and staffing of the event and subsequent clean and tidy up). There is a separate charge for the bar which is run by Cafe Ambio (who run the Café at the Coach House in Astley Park). The charging policy allows for no flexibility and it is difficult for officers with administrative responsibility to adapt the scheme to meet the needs of the hirer as they have no authority to do so.

Formerly, the Lancastrian was used for private parties, however due to a number of issues concerning the conduct of the hirers and the impact on health and safety a decision was taken in 2008 to stop hiring the Lancastrian Suite out for this purpose.

2 CURRENT AND FUTURE WORKING ARRANGEMENTS; ALTERNATIVE METHODS OF DELIVERY

At present the administration of the Lancastrian Suite falls within the Governance Team. The Lead Officer is the Head of Governance, day to day operational responsibility lies with the Civic Services Manager and there is a part time Lancastrian Administrative Assistant who deals with bookings. This is the structure that will be used should the operation of the Lancastrian remain within the Council.

An issue was raised concerning the booking procedure and in particular the booking form, although this wasn't an issue raised by the survey. The Task Group has suggested that this be reviewed to simplify and shorten the process.

3 THE NEED FOR THE TYPE OF FACILITIES OFFERED BY THE LANCASTRIAN SUITE – COMMERCIAL AND COMMUNITY USE

A survey of past users – both occasional and more frequent, was undertaken to assess the type of use and the satisfaction with the facilities on offer. As stated above, predominant use has been for concerts, dances, training and consultation events as well as internal Council use. There is a mix of commercial and community events with two rates of hire charge in operation – commercial and civic rate (applicable to community, charitable and voluntary sector events). The definition of what constitutes commercial or community use was not formally defined.

Three organisations, Chorley Fitness, Chorley Little Theatre and a community cinema have approached the Council with a view to hiring the Lancastrian on a more regular basis. One is seeking to use the facility for private parties and the other two for performances and film projection. All three organisations are looking closely at the pricing structure.

4 OPTIONS FOR FUTURE MANAGEMENT INCLUDING EXTERNAL MANAGEMENT – COMMERCIAL AND COMMUNITY USE

The Task Group has taken a very open approach to looking at alternative options for the future management of the Lancastrian Suite and has considered the following external methods of delivery.

- 4.1 **External Management** – a soft marketing exercise was undertaken of local event management businesses for the management of the Lancastrian Suite on behalf of the Council. There were two expressions of interest, but both subsequently withdrew citing the current financial conditions.
- 4.2 **South Ribble Borough Council** – SRBC have an internal catering team to administer their function suite. Initially, SRBC showed some interest in administering the Lancastrian, but they also have subsequently withdrawn their interest. It is important however to highlight the distinctions between the Lancastrian and the SRBC facility. The Lancastrian is as described above, the SRBC facility has an onsite kitchen and restaurant and a fully functioning bar area, the location of the function room, having its own entrance etc, is more conducive to holding events. The SRBC also has its own dedicated catering and bar staff and has a different business model.
- 4.3 **Dance School Venue** – A local dance school approached with a view to the Lancastrian becoming their permanent place of business. Again, after they had considered the cost of hire of the venue they withdrew their interest, even after the Council provided an “at cost” hire charge.

5 INVESTMENT IN THE FACILITIES TO MAKE THEM MORE USABLE

The Task Group has considered a number of different options for investment in the facility to see whether improvements would assist in making the venue more desirable to hire and have revisited the previous information provided to the Asset Management Task Group. The survey conducted of users asked questions that would assist with this approach. The options are:

- 5.1 Improvement and upgrading the kitchen area in the basement to provide a fully operational kitchen. This has significant cost implications (£55,000 - £73,000) mainly relating to ventilation and accessibility and whilst some of the survey returns indicated this was desirable, none indicated it was a reason for not hiring the venue.
- 5.2 Improvement to the bar area, to include the addition of dedicated tea and coffee making facilities and the frosting of the windows. This has low to moderate cost (£4,300) and would make the space more usable and improve the facility for hirers.
- 5.3 Alter the backstage area to convert the existing storage areas into changing accommodation and to remove the small kitchenette. Again this would have a low to moderate cost (£6,500). This coupled with the improvement to the bar area would enhance the facility. The tea and coffee making facility of the kitchenette backstage is limited in use and has some health and safety issues concerning the movement of hot water down steps.
- 5.4 Moving the bar to the back of the Lancastrian Suite and installing a fully operational kitchen in the bar area. This was discussed but the cost (£55,000 - £76,000) was felt to be prohibitive and added little to the venue.
- 5.5 The adding of curtains, stage lighting and backdrop facilities. The view expressed was that this would be expensive with a narrow category of future usage and an uncertain return. In any event advice was provided to the Task Group that many theatre companies will provide the staging and curtaining needed themselves.

PRINCIPLES OF USE AND TASK GROUP RECOMMENDATIONS

The Task Group have had a number of lengthy discussions concerning the Principles of Use of the Lancastrian Suite. The discussions have considered:

- **Should the primary use of the Lancastrian be commercial or third sector?**
- **Is the Lancastrian an asset that should be operated at a profit, or should bookings simply cover costs, or if there is a community benefit could it be operated at a loss?**
- **Is the Lancastrian a resource that CBC should retain control of?**

All members of the Task Group agreed that the facility should be used to its full potential by all sectors. There was a consensus that the pricing structure for the hire of the Lancastrian needed to be reviewed to make it more accessible and attractive to hirer. This would enable third sector organisations who were prepared to put more volunteer time into the event to benefit from a lower fee.

Key recommendation:

The Task Group emphasised that the Lancastrian Suite is an important resource for the Council, they value its use for Council events – meetings, training, elections, Mayoral events, etc and want to retain it for these purposes as well as maximising it for commercial and community use. With this in mind the Task Group recommend that the Lancastrian Suite be self resourcing with bookings seeking to cover costs as a minimum.

Option 1 - Use of External Management – Public Sector

Whilst South Ribble BC initially showed some interest in managing the Lancastrian Suite on behalf of CBC, this interest waned. It is understood that SRBC have reduced the catering side of their resource and this has an impact on their ability to manage other venues. This in addition to the particular features which distinguished the SRBC facility and the Lancastrian Suite meant that the Lancastrian was not a viable venue for SRBC run.

Recommendation 1

That external management by another public sector body be not pursued at the current time but may be reconsidered if the opportunity arose in the future.

Option 2 – Use of External Management – Private Sector

Two private enterprises made approaches concerning the management or regular, frequent use of the Lancastrian Suite. Both have since withdrawn their interest citing market conditions.

There have been discussions with a representative of Chorley Little Theatre. He has submitted a draft outline proposal concerning the management of the Lancastrian but on a limited basis. The proposal is that the use of the Lancastrian will complement the Little Theatre and that he will book the venue for those events which are either too large or unsuitable for the Little Theatre. Each event will be agreed on an event by event basis using both the hire charges and in some cases a share of ticket sales. The estimate is for one or two events each month with potential for tickets to be also sold through the Council's Contact centre.

Recommendation 2

That the proposal from Chorley Little Theatre to use the Lancastrian Suite for events where the Little Theatre is either too small or unsuitable, be pursued based on a ticket sales sharing agreement to be agreed on an event by event basis and reviewed in 12 months time.

Option 3 – Frequent and Regular Hire by a Commercial Organisation

A Dance School made enquiries concerning a regular weekly Saturday daytime and Wednesday evening booking. The facility was exactly what the organiser was looking for but unfortunately, the cost for hire was in the opinion of the Dance School, too expensive. The hire charges proposed were the cost to the Council plus a premium of £50 per hire which was felt to be appropriate as the dance school whilst providing a community benefit, is run commercially. Even had the Lancastrian facility been offered at cost, the expense would have been too much for the Dance School. There has been no other interest in this type of arrangement.

Recommendation 3

That whilst there is no current interest in frequent and regular bookings of the Lancastrian eg on a weekly or monthly basis, if this situation changes, a flexible approach be taken to increased discount to make the booking viable for both the hirer and the Council.

Option 4 – Improvements to the Lancastrian Suite

Paragraph 5 outlines the improvements that have been considered. Whilst there has been discussion around making the Lancastrian fit for all purposes, the Task Group have accepted that the cost of the more significant works such as renovation of the kitchen are prohibitive, and whilst they would certainly improve the facilities they may not improve their marketability nor realise any additional income.

Some of the suggested improvements however are relatively inexpensive and would improve the facility sufficiently to make it more suitable for use as a theatrical venue, or provide smaller improvements that would make the facility more usable. The improvements to the bar area for example would also provide additional meeting space.

Recommendation 4

That the following improvements be undertaken to the Lancastrian Suite at an approximate total cost of £15,000 to make the venue more attractive to hirers:

4.1 Improvements to the backstage area to include improved changing room accommodation plus the creation of a second small changing facility with toilet/washroom area.

4.2 Improvements to the bar area to include a tea and coffee preparation/serving area, replacement door, minor redecoration and new furniture.

Option 5 – The Pricing Structure

It was accepted by the Task Group that the main impediment to more extensive use of the Lancastrian Suite was the cost of hire. The existing pricing structure provides no flexibility in charging and no authority for officers to exercise discretion on a hire by hire basis.

The discussions concerning these costs highlighted the need for a more flexible approach rather than a rigid fixed price. The intent was not only to reduce the potential cost of hire, but to extend the services offered within the hire to allow a greater use.

The Task Group also considered the reintroduction of private parties to allow local people wider use of the facility. However it was accepted that health and safety issues are paramount in running such events and therefore the need for door supervision staff and specific staffing ratios should be insisted upon for those events and these charges should be passed on to the hirer.

Based upon these discussions, a draft pricing structure has been developed on the principle of a minimum hire cost, with a menu of additional options and some discretion for officers to be more flexible in the charging policy.

Recommendation 5

That the pricing policy below in italics be adopted as soon as possible - including the reintroduction of private parties. The pricing structure and private parties policy be then reviewed after 12 months to evaluate the success and address any problems.

In adopted the revised pricing policy, the Head of Governance (or any other appropriate post discharging the management function of the Lancastrian Suite) be delegated the authority to allow the hire of the Lancastrian Suite below the pricing structure but at not less than cost to the Authority over the whole of the financial year.

Proposed new pricing structure for hire of the Lancastrian Suite

In reviewing the current Lancastrian charges, the principle used has been to meet costs but to keep those costs as low as possible in order to maximise the opportunities to hire the venue. To this end there is just one schedule of charges – rather than a community rate and a commercial rate.

To calculate the charge for an event find the base charge and add other requirements from the menu of options below.

The base charges are as follows:

	<i>Daytime hire (up to maximum of 4 hours)</i>	<i>Evening hire up to 1am the following day (maximum of 7 hours)</i>	<i>Full daytime hire (maximum of 8 hours)</i>
<i>Weekday</i>	£150	£250	£250
<i>Weekend</i>	£200	£325	£350
<i>Bank holidays, Easter, Christmas and New Year – price on request</i>			

Base charges include:

- *hire of the venue including tables, chairs, changing accommodation etc*
- *two members of staff to open the building and staff the event throughout*
- *cleaning and utilities (heating, lighting etc)*
- *tea and coffee making facilities; changing facilities; PA equipment and up to 10 microphones; CD/iPod docking station for music.*

Menu of additional provisions

- *room set up and clearance – table, chairs, stage layout,-up to £30, depending on requirements.*



- *additional staff – depending on the number of people attending the event and the organiser's requirements, extra staff may be required and these will be charged according to numbers, times etc. For example two additional staff during a weekday for 4 hours will be £64. Hirers can take on responsibility for staffing some aspects of their events - subject to compliance with fire and health and safety requirements.*
- *a full bar can be provided but a deposit will be required, refundable subject to bar takings reaching an amount to be determined with the hirer.*

Private parties policy

Private parties, including Wedding Receptions, Christmas Parties, Engagement and Birthday Celebrations (excluding 18ths) etc. will be permitted.

Hirers will however be required to adopt a specific staffing ratio which will include a minimum number of staff and door supervision staff (appropriately licensed/qualified) depending on the event, the time of day and numbers attending. Charges for these events will be costed on request but are likely to be significantly more than the base charges shown above.

Option 6 - Additional points

Recommendation 6

The following issues continue to be pursued and implemented accordingly:

- 6.1 Discussions continue with environmental health officers regarding the food safety requirements which will need to be introduced for private parties, particularly in relation to serving hot food.**
- 6.2 Discussions continue with the proprietors of Café Ambio regarding opportunities for combined marketing and pricing of the venue with their function menus and also the potential for a share of bar takings for large functions and events**
- 6.3 The booking pack/process for the Lancastrian Suite be shortened and simplified.**
- 6.4 That if approved, the marketing of the new arrangements be undertaken on a limited scale through the Council's website, the Chorley Smile magazine and a printed leaflet.**