

REVISED AGENDA



- Committee - **JOINT PERFORMANCE MONITORING
PANEL AND POLICY DEVELOPMENT
PANEL**
- Date & Time - Wednesday, 4 May 2022 at 6.30 pm
- Venue - Council Chamber, Council Offices, Priory Road,
Spalding

Membership of the Joint Performance Monitoring Panel and Policy Development Panel:

Councillors: B Alcock, J Avery, A C Beal, F Biggadike, H J W Bingham, M D Booth, C J T H Brewis, T A Carter, A C Cronin, H Drury, R A Gibson, M Hasan, J L King, J D McLean, N H Pepper, P A Redgate, J L Reynolds, G T D Rudkin, G P Scalse, S-A Slade, A C Tennant, J Tyrrell, S C Walsh, D J Wilkinson and A R Woolf

Quorum 9.

If you would like to attend this meeting as a member of the public, please contact Democratic Services via email at demservices@sholland.gov.uk or via telephone on 01775 764454. Persons attending the meeting are requested to turn mobile telephones to silent mode

Democratic Services
Council Offices, Priory Road
Spalding, Lincs PE11 2XE

Date: 26 April 2022

Please ask for Democratic Services: Telephone 01775 764454
e-mail: demservices@sholland.gov.uk

AGENDA

1. Election of Chairman
2. Apologies for absence
3. Declaration of Interests -
Where a Councillor has a Disclosable Pecuniary Interest the Councillor must declare the interest to the meeting and leave the room without participating in any discussion or making a statement on the item, except where a councillor is permitted to remain as a result of a grant of dispensation.
4. South Holland Centre Task Group Final Report - (Pages 3 - 28)
To consider the final report of the South Holland Centre Task Group (report of Councillor B Alcock, Chairman of the South Holland Centre Task Group enclosed).

(Please note that the appendices B and C to this report are not for publication by virtue of Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) in Part 1 of Schedule 12A of the Local Government Act 1972, and are therefore attached to this agenda as item 7.
5. Any other items which the Chairman decides are urgent
6. To consider resolving that, under Section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting for the following item(s) of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act.
7. Appendices B and C - (Pages 29 - 40)
Exempt appendices B and C to item 4.



REPORT TO:	Joint Performance Monitoring Panel and Policy Development Panel
DATE:	Wednesday 4 May 2022 – Joint PMP/PDP Tuesday, 7 June 2022 - Cabinet
SUBJECT:	South Holland Centre Task Group Final Report
PURPOSE:	To present the task group's final report for consideration.
KEY DECISION:	No
REPORT OF:	South Holland Centre Task Group
REPORT AUTHOR:	Caroline Hannon, Lead Officer for South Holland Centre task group (Head of Delivery)
WARD(S) AFFECTED:	All
EXEMPT REPORT?	Part – Exempt appendices

SUMMARY

Following a report to Council on 29th July 2021 regarding the revised operations of the South Holland Centre (SHC) upon its re-opening, it was agreed that a task group would be set up. The task group agreed that their remit should include reviewing the historical operation of the SHC, examining the current proposals and considering other activities, uses and operation that may be possible. As a result of this review, which has included interviews with officers, members and external partners, the task group has made a number recommendations that are set out in Appendix A.

RECOMMENDATION

- That members of the Joint Policy Development Panel and Performance Monitoring Panel consider the task group's final report, suggest any relevant amendments and consider making recommendations to Cabinet.

REASONS FOR RECOMMENDATIONS

- To ensure that that the Panels have an opportunity to consider the Task Group's findings before any recommendations are made to Cabinet.

OTHER OPTIONS CONSIDERED

- None

1. BACKGROUND

- 1.1 The South Holland Centre task group consisted of Members from both Performance Monitoring Panel (PMP) and Policy Development Panel (PDP) and commenced its work on 28th September 2021.
- 1.2 The scope of the task group was:
- To review the historical operation of the SHC, examine the current proposals, consider other activities, uses and operation that may be possible to help inform the task group in making recommendations to enable the Centre to serve the public and ensure a viable future.
- 1.3 The membership of the task group consisted of Councillors B Alcock (Chairman), F Biggadike, P Redgate, S Walsh, D Wilkinson and A Woolf. Councillor A Newton was also co-opted onto the task group.

2. Review Process

- 2.1 The task group met on a number of occasions. At their first meeting they undertook a full tour of the South Holland Centre to familiarise themselves with all parts of the building.
- 2.2 Information was sought from a variety of sources including officers, members and external SHC users.
- 2.3 The following witnesses were interviewed by the task group:
- Sam Knowles – Assistant Director Finance
 - Emily Spicer – Assistant Director Wellbeing and Community Leadership
 - Emily Holmes – Communities Manager
 - Richard Hodgson – Assistant Director Strategic Projects
 - Marc Whelan – Strategic Operational & Property Manager
 - Corey Gooch – Senior Change and Performance Business Partner
 - Phil Perry – Assistant Director Leisure and Culture
 - Steve Houchin – Chief Finance Officer (PSPS)
 - Jason Lunn – Consultant employed by the Authority to assist with the Centre’s re-opening
 - Colin Ward – Live Promotions
 - Karl Gernert – Act II
 - Sally Harrison – Previous SHC manager
 - Lord Porter – Leader of the Council
 - Councillor Gary Taylor – Portfolio Holder for Communities and Facilities
- 2.4 The evidence and information received was analysed collectively to inform the task group’s conclusion and recommendations contained within the final report, which is attached at Appendix A.

3. CONCLUSION

- 3.1 The task group worked diligently to obtain as much information as possible about the operations of the SHC, both currently and historically. They spoke with current staff,

former staff, portfolio holders and service users. The task group considered budgetary information, performance information, attendance figures and scheduling information.

3.2 The task group has conducted a thorough review of operations based on the information provided and has put forward a range of recommendations for the Panels' and the Cabinet's consideration.

3.3 The task group has provided its findings in its final report at appendix A and has provided some suggested future performance metrics at Appendix B.

4. EXPECTED BENEFITS TO THE PARTNERSHIP

4.1 The attached report makes a number of recommendations to improve the operations of the SHC which may be taken to Cabinet for consideration and action, if approved by PMP/PDP.

5. IMPLICATIONS

5.1 SOUTH AND EAST LINCOLNSHIRE COUNCIL'S PARTNERSHIP

5.1.1 None

5.2 CORPORATE PRIORITIES

5.2.1 The South Holland Centre helps to meet the following Corporate Plan 2019-23 objectives.

- Lead, enable and embed the provision of a range of improved local community, cultural and art facilities that support the enhanced wellbeing of South Holland's communities
- Support Spalding and Holbeach to be attractive places that people want to visit, live and work while supporting all other towns and villages in the district to meet the needs of their communities

5.3 STAFFING

5.3.1 This report does not include any specific staffing implications. Should the task group's final report be approved by PDP/PMP it will be presented to Cabinet. Cabinet may consider whether the recommendations put forward by the task group will have any staffing implications, now or in the future.

5.4 CONSTITUTIONAL AND LEGAL IMPLICATIONS

5.4.1 None

5.5 DATA PROTECTION

5.5.1 None

5.6 FINANCIAL

5.6.1 This report does not include any specific financial implications. Should the task group's final report be approved by PDP/PMP it will be presented to Cabinet. Cabinet may consider whether the recommendations put forward by the task group will have any financial implications, now or in the future.

5.7 RISK MANAGEMENT

5.7.1 None

5.8 STAKEHOLDER / CONSULTATION / TIME SCHEDULES

5.8.1 As set out in Section 2 above, the SHC task group has engaged and consulted with a number of SHC stakeholders.

5.9 REPUTATION

5.9.1 As a South Holland District Council asset, successful operation of the South Holland Centre is important to the Council's reputation.

5.10 CONTRACTS

5.10.1 None

5.11 CRIME AND DISORDER

5.11.1 None

5.12 EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING

5.12.1 None

5.13 HEALTH AND WELL BEING

5.13.1 None

5.14 CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

5.14.1 None

6. ACRONYMS

- 6.1 SHC – South Holland Centre
PMP – Performance Monitoring Panel
PDP – Policy Development Panel

APPENDICES	
Appendices are listed below and attached to the back of the report: -	
APPENDIX 1	Final Report of the South Holland Centre Task Group
APPENDIX A	Five-year financial summary of SHC accounts
APPENDIX B	Budget Manager report 2020/21 - Exempt
APPENDIX C	SHC analysis from Senior Change and Performance Business Partner - Exempt
APPENDIX D	Suggested Metrics for consideration by future committees.
APPENDIX E	Summary of the notes of the task group meeting on 11 th April when the arrangements for the catering provision were discussed.

BACKGROUND PAPERS

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

CHRONOLOGICAL HISTORY OF THIS REPORT

A report on this item has not been previously considered by a Council body.

REPORT APPROVAL	
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Report author:	Caroline Hannon Caroline.Hannon@sholland.gov.uk
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Signed off by:	John Leach DCEX – Communities john.leach@boston.gov.uk
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Approved for publication:	Councillor Bryan Alcock
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South Holland District Council

Review of South Holland Centre Operations

An Overview and Scrutiny Review undertaken by a Member Task Group on behalf of
Performance Monitoring Panel and Policy Development Panel

(4th May 2022)

Contents

1. Introduction
2. Scope of the Review
3. Membership of Task Group
4. Background to Review
5. Method of Review
6. Summary of Findings
7. Conclusions and Recommendations
8. Main Sources of Information and individuals contacted during the Review
9. Abbreviations

1. Introduction

- 1.1 Following a report to Council on 29 July 2021 regarding the revised operations of the South Holland Centre upon its re-opening, it was suggested that a Task Group be set up to look into the historic operation of the South Holland Centre.
- 1.2 A Member task group was formed consisting of 5 Members, and supported by a manager independent to this area under review, and the Democratic Services team.

2. Scope of the Review

- 2.1 The scope of the review was considered at the first meeting of the South Holland Centre Task Group on 28th September 2021.
- 2.2 The agreed terms of reference were:
 - To review the historic operation of the SHC, examine the current proposals, consider other activities, uses and operation that may be possible to help inform the task group in making recommendations to enable the Centre to serve the public and ensure a viable future.

3. Membership of Task Group

- 3.1 The task group consisted of the following Members:

Elected Chair: Cllr B Alcock
Cllr F Biggadike
Cllr P Redgate
Cllr S Walsh
Cllr D Wilkinson
Cllr A Woolf
Cllr A Newton (Co-optee)

4. Background to Review

- 4.1 A report had been submitted to Full Council on 29 July which sought to revise the operations of the South Holland Centre upon its re-opening and included a revised staffing structure.
- 4.2 It was suggested at that meeting that a Member Task group be set up to look into the historic operations of the South Holland Centre
- 4.3 A new staffing approach the South Holland Centre was proposed in order to enable the centre to be staffed and resourced in a way which met the resourcing requirements of the centre's programme, whilst providing a cost effective, flexible workforce that could sustain arts and cultural provision in the district of the South Holland Centre.

- 4.4 A staffing restructure and revision of operations was needed to help reduce the subsidy that was provided to the Centre from the Authority as the figure was around £250,000 in 2019/20.
- 4.5 The previous staffing structure core cost totalled to £350,300 whereas the revised staffing structure reduced this cost to £144,046.

5. Method of Review

- 5.1 It was agreed prior that the first meeting of the Task Group would take place at the South Holland Centre and a tour of the building would be undertaken.
- 5.2 Information requested as part of the review included:
- Detailed budget information for 2018/19 and 2019/20
 - Historic hours of usage
 - Events run and relative popularity
 - Planned improvement and maintenance work
 - Analytics of SHC related social media posts
 - Film booking process
 - Success of add-on sales
 - Notes given to the Leader relating to re-opening

6. Summary of Findings

- 6.1 The task group was set up against a background of several years where the authority had endeavoured to reduce the level of ratepayer support required, a period of closure due to the Covid pandemic and a radical review of staffing levels prior to re-opening.
- 6.2 The SHC is an important prestigious Civic building commanding a prominent location with the front façade at the head of the Market Place. It also benefits from an impressive frontage, which includes a large feature window, facing onto the river where it can be seen from some distance along the road and river in both directions. Over four floors It includes the only cinema auditorium in South Holland which also accommodates live theatre with two changing rooms. In addition, there is a large multi-use function room, two other basement meeting rooms, two bars/restaurants, a kitchen and catering facilities, staff offices and a foyer facing the market place. Toilet facilities are available on all floors and the building is served with both public and equipment lifts.
- 6.3 Despite the impressive nature of the building, members of the task group feel that its image appears under stated. Some felt the signage was muted and greater presence could be achieved by using bolder colours and uplifting the front elevation by more noticeable signage with the introduction of national and county flags on flagpoles, which would need to be installed, for example. Along with this, better and more welcoming lighting would add to the ambiance of the building.

- 6.4 The traditional use has been as a cultural, cinema, live shows, entertainment and function centre. Due to its position the task group believe the building has a greater role to play helping in revitalising the town centre. The position and presence call out for it to be a 'Hub' not only for its historic use but also as a focus for residents and visitors alike, stating "The South Holland Centre is here".
- 6.5 The Task Group met a number of times and interviewed a variety of people gathering information both through discussion, from reports and information supplied as well through members own experiences. Virtually all of those interviewed appeared enthusiastic to see the SHC continue to provide a broad service to the community.
- 6.6 At the first meeting the task group had a conducted tour of the building to help understand the facilities, the available space and operational requirements as well as the opportunity to meet some members of staff.
- 6.7 Superficially the building appeared in reasonable condition, whilst recognising it would benefit from further investment. It has to be appreciated that local government finances have been under strain for some time but, for a building of this nature, where condition has a direct effect on public perception, it seems self-evident that a good impression needs to be maintained to capitalise on return visits.
- 6.8 The task group was made aware of details of recent expenditure as well as globally over a period of six years. (Appendix A – 5-year financial summary)
- 6.9 The auditorium has received attention and appears reasonably attractive. The members were advised that although the lighting and projection equipment performs satisfactorily it is not new and consideration needs to be given to life expectancy. A subsequent incident involving a breakdown of projection would confirm that advice.
- 6.10 Areas of greatest concern included:
- The poor appearance of the main stairs, which is part of first impressions, although demonstrating that the building has been well used as a popular local facility.
 - The general condition around the large, impressive feature window in the function room shows both potential maintenance requirements inside as well as attention required to the outside balcony.
 - The window that is a feature of the building appears to be ignored and the area behind the large curtain used as storage for the moveable stage. Some parts of the flooring are damaged particularly where the staging is sited. Members felt that storing the stage in that area, which necessitates the curtains being drawn, seems to be an unfortunate habit as the window is hidden from view for any potential hirer whilst there is a storeroom nearby for its storage.

- The room itself appeared a blank canvas which results in somewhat disappointing first impressions. Members felt that wider use of the space should be considered. The marketing of the space would benefit from pictures of it formally dressed and in a variety of uses showing its full potential.
- At the time there were a number of ceiling tiles out of place or damaged or dirty that adds to the impression of a lack of care for the building. Although it is noted that these have subsequently been replaced.
- It was noted that money has been spent on the glass tower. However, keeping birds out of the tower housing has proved challenging.
- The performer's changing rooms appeared to be in good condition although there was an issue with a drain cover in the floor.
- An inspection of the offices revealed unattractive, poor and untidy working conditions which would not be conducive to an efficient working environment. However, it was noted that those offices were not in use at the time of the inspection.
- At the time of the visit the new caterers were just opening for business. They appeared optimistic, enthusiastic and confident that they would be able to provide a good service helping to attract people into the building and at the same time generate income for the council. At that time the task group was not made aware of the full details of the contractual implications between the caterers and the council. It was noted that part of their activities could be hampered because of redundant fridges having been left in a passage within the preparation area.
- Repairs had recently been carried out in the basement of the building to the foul drainage system. The smell remained and permeated that part of the building. The two meeting rooms were basically out of use and used as stores for outside organisations. The task group were not made aware of ideas for practical use to bring the area back into income generating use. Lack of adequate ventilation appeared to be the main obstacle although the appearance leaves a lot to be desired.
- The task group was also advised that roof repairs are required but no budget was available at that time.
- During the visit a member noted that the public lift operates at a very slow rate and must be very inconvenient when a large function takes place within the building.
- The foyer was somewhat of a blank canvas lacking any great invitation to enter the building. Little external stimulus was evident to invite the general

public into the building. Indeed, no opening times were on show and no information as to how bookings could be made was evident.

- Although there was a general enthusiasm to get the building up and running again the task group did not feel there was a vision to do anything differently. The task group appreciates it was early in the re-opening process but overall, a disappointing experience.

6.11 Financial management information was provided (Appendix B) which, although being large in quantity, proved to be difficult to read and understand with coding being out of sync with narrative and figures. Information relating to performances was incomplete with no targets indicated and difficult to draw conclusions without further analysis. The numerous columns just seemed to add confusion.

6.12 If managers only relied on the same information, it must be time consuming and frustrating to be able to maximise the income for the authority. Little or no sales of extras to cinema and live show goers was apparent. In fact, initial analysis indicated that the centre managed to sell the average customer goods to the value of 34p whereas the national average is £4.37, which, if achieved, would create more income for the authority. The opportunity to achieve this is affected by the contractual arrangements with caterers. However, this needs overcoming to enable more 'add-ons to be sold'. It was noted that whilst income for the year 19/20 could have been circa. £1.6 million presuming full attendance, receipts were £642,572.50. A modest increase in attendance would obviously have a significant effect with greater attention being needed to monitor ticket sales. A percentage of films and shows returned a good result but others were mediocre or poor. Greater attention to the choice of programme is therefore also needed. Analysis of results was created for the task group and greater use of this facility should be made in the future. (Appendix C – Initial SHC Analysis from Senior Change and Performance Business Partner)

6.13 The task group was advised that in the years prior to Covid the instruction had been to increase revenue in the drive to reduce ratepayer support. Whilst to some extent this had happened the overall situation remained fairly static although there were wide movements in some costs. In the last full year of operation, the total number of screenings, shows and function room hire appeared impressive. 50% of live shows were community and 50% professional.

6.14 The task group found difficulty in understanding the management structure and identifying where the overall actual responsibility resided. As the authority has been trying to minimise the financial support it is surprising that the governance and scrutiny arrangements have been felt to be satisfactory for so long. The task group understands that annual budgets were set and generally achieved, which resulted in few other questions being raised. Whilst the authority has expertise in financial reporting it cannot be expected to have the expertise to run such a venture except when a suitably qualified manager is in place. It was felt that the responsibility needs to be much sharper, more

focussed and nearer the activity, particularly business management. Management meetings need to be more focussed on financial performance.

- 6.15 In the absence of some of the previous staffing structure, initially, the basis on which the programs have been selected proved difficult to appreciate as did the lack of promotional activities relating to the function room and meeting rooms. We were advised that the function room is used for Wedding Receptions although no specific promotional activities were apparent either as a separate facility, or in conjunction with Ayscoughfee which is a location for the actual ceremony. There appears to be a synergy to be exploited. A wider promotion and use of the function room seems to be an obvious action. It is self-evident that the cost continues whether the building is in use or not. Outside users of the building appear to be willing to try to help increase the uses, including the function room. Every effort should be made to extend the hours of use of the building including weekends by making it a destination or running events; all day breakfast available on a Sunday, perhaps? When both the function room and the auditorium are in use, at the same time, intervals at the same time must be avoided to prevent overloading the caters/bars and annoying the clientele.
- 6.16 The task group consider that the function room could have wider use. It is equipped with a stage, lighting and a sound system and could be used for more than a platform for bands / music. For example, with sensible positioning of chairs for the audience, live shows / comedians. The task group also consider a roll down screen, on the line of the large curtains, would enable promotions or films to be shown where high definition or technical sound was not essential. (Businesses and children's audiences.)
- 6.17 The whole historical process of obtaining films appeared a difficult process resulting in smaller cinemas losing out to multi-screen venues whilst they are allocated the early dates. Due to this process the appeal of new releases is diminished by the time the SHC has a showing. It was refreshing to note that the historical restrictive system has been relaxed somewhat by the industry allowing films to be shown nearer their release date. As a result of the engagement of external expertise it has been shown that both films and live shows with greater appeal appear a possibility.
- 6.18 Pricing comparisons (Appendix C) were examined. SHC prices appear competitive but, in some instances, it was felt small upward movement would not deter audiences but increase income.
- 6.19 It is recognised that grants to support arts and cultural activities are an important aspect of the centre's activities and income which enables the authority to satisfy its responsibility to provide for the widest audience. Careful management of the dates and times to fulfil this obligation is needed to avoid utilising the attractive weekend dates which are best for general activities. Generating sponsorship for these activities is an avenue to develop with local businesses and individuals. The centre has benefitted from such a practice in the past.

- 6.20 Individuals involved in the entertainment industry who hire or use the building provided useful background information. All desperately wanted the venue to prosper and felt it is an essential asset within the district. All expressed the wish to be able to have far more dates made available and were disappointed there appeared to be a reluctance to agree to their requests. They also made it clear that to be able to obtain acts with high appeal, long advanced notice is required in some instances. Whilst it is appreciated that the balance of the overall program is set by the authority it is felt that greater flexibility between cinema and live shows is needed to achieve the best financial result.
- 6.21 It may be desirable to keep some future dates open for films which are yet to be released but it should not be at the cost of the refusing a live show likely to be a sell-out, a difficult balance.
- 6.22 How and who is responsible for that overall program, the choice of individual films and shows is arrived at did not seem to be entirely clear although it is believed it is the manager's role. However, the authority needs to set the ground rules. A fresh look at potential alternative audience and users as well as timings of performances are something which also needs development. The convenience of start and finish time and availability of food both within the centre as well as within the town needs examination. Day time potential users such as mothers with toddlers and the retired generation could be another source of additional income. The task group were made aware at a late stage that the function room is included in the agreement with the caterers. Whilst this is a development that has the potential to increase its use, care needs to be exercised to avoid conflict between the caterers and the SHC management's bookings. The whole program of events needs re-examination and further developing but with management having the benefit of a financial reporting system that is fit for purpose. The present one appears to take too long to report and is too cumbersome.
- 6.23 Members examined the website as well as use of social media and found both to be poor. Some members had been customers previously and therefore have experience of the use of the database and one made a booking for a future show to gain experience of the booking system and follow up. Subsequent contact from the centre has proved disappointing. Whilst an element of marketing has been present the whole promotion and apparent lack of sufficient use of social media was disappointing. In comparison with other similar facilities, that are in a similar position following Covid, it became apparent that much better use can be made of the database and general promotion. Making existing customers aware of future events is common practice and appears a relatively simple process. Being 'Friends of' such a facility often results in 'offers' being given to attract more people. Taking into consideration the financial figures above a relatively small improvement in actual attendance could make an enormous difference on bottom line and last-minute offers could make the difference between break even or loss. It is recognised that in some instances greater attendance results in a proportion of that revenue going to the film provider, but a stricter business approach could improve overall performance. It was suggested that Public Parking is suggested to be a deterrent and is only mentioned after booking. However, it

needs to be turned round to a positive, highlighting how many options there are and how near each actually is on all marketing and up front on the booking system. The availability of the Priory Road parking in the evening and weekends does not appear to feature. A method of refund of parking fees should be examined.

- 6.24 Although online booking has developed to be the preferred option for around 80% for some live events over 50% historically preferred to book by phone or at the centre in most instances, particularly for films. There remains a significant number who prefer telephone or visiting the booking office. Anecdotally, the historical circulation of leaflets is valued. Particularly in the short term all of these methods should be available to maximise interest and bookings.
- 6.25 In the recent past and present circumstances, of Covid, one could easily come to the conclusion that such a facility is unlikely to be viable. However, a longer-term view should be taken with the social and economic benefit taking precedent with short term financial pain in achieving longer term gain. It is recognised to implement the recommendations will have financial and resource implications. The ability of the district to attract not only a balanced workforce but also new businesses is linked to the facilities that are available. It is therefore essential that the widest use is made of the building but at the same time ensuring that it is operated in the most efficient way minimising the call on the public purse. A more commercial and entrepreneurial approach should be taken.
- 6.26 It is felt that to help defray cost, the whole purpose of the SHC needs re-defining to include more than presently expected of it. Its position in the town gives the opportunity to contribute more and the building's profile needs raising to become 'A Community Hub' of activity and information for the district. The noticeability of the building needs raising, to be more informative and inviting, particularly from the Market Place but also from all other aspects. Even brief experience suggests that the foyer needs more use made of it and manning every day for the whole day, with knowledgeable / approachable staff providing service in excess of purely the building's activities. A shared post with additional duties normally carried out in Priory Road should be examined, perhaps including a payment point. Remote working has been demonstrated to be possible during the pandemic and should be created in this instance.
- 6.27 The present name (SHC) gives away little to suggest its use. The whole profile of the building needs raising with public and business awareness being improved in conjunction with promotion of the district. A well thought out extended information campaign should be created perhaps through the council's Communications Team, but only if it is equipped to take on such a project. Consideration should be given to whether the building would benefit from re-branding.
- 6.28 The task group welcomed the appointment of a manager for the facility but do not underestimate the task before her. The input and assistance from the

outside users would help in securing better deals for films and more popular live shows. Operating the centre should be undertaken more akin to running a business than providing a service. As reducing the financial support is the objective, more slots for commercially successful aspects may well have to be prioritised over the nice to have.

- 6.29 In considering the position of the facility within the public perception, thought needs to be given to the number of new families settling in the district as a result of housebuilding currently occurring. Corporately, consideration should be given to how all of the council facilities, including SHC, are brought particularly to the attention of new households.

7. Conclusions and Recommendations

Conclusion.

Given sufficient drive, enthusiasm, commercial expertise and good management the SHC has the opportunity to be a greater asset to the authority and the district at the same time requiring less ratepayer support. It is appreciated that during the life of the task group, changes have been occurring. However, the thrust of the task group's recommendations remain. It is also appreciated that other delivery options could be used; A Charitable organisation with trustees responsible for delivery, or a commercial organisation. The task group have not examined other options as the authority's present direction of travel had been established before the task group was established.

Recommendations. (These should be read with the observations contained within the main body of the report and not merely as summarised)

Recommendation 1: Improve Commercial Activities and Opportunities

- a. Create a fully costed three-year business plan to achieve the Council's objective of progressively reducing the financial support. The plan to have been fully scrutinised and in operation by 31st October 2022 with follow up scrutiny, initially quarterly and subsequently half yearly.
- b. In creating the business plan establish a years' rolling program for all areas of the centre to support that objective, by 31st October 2022 but the sooner the better.
- c. Review ticket prices taking into consideration comparison and opinions from internal and external sources by 31st July 2022
- d. Review the other hire costs and establish if there is any room for increase, bearing in mind the rise in cost of utilities. Also examine whether a better return could be obtained by the authority by moving to a percentage return, in some instances, instead of purely hiring space. By 31st August 2022.
- e. Substantially increase the added sales in the auditorium. Work with the on-site caterers to generate more income. Jointly be more aggressive in making available and marketing meals before and after performances, benefitting from a percentage of the take. Demonstrate achievement by 31st October 2022.

- f. Within all marketing turn availability of parking into a positive. Look to scope a system of refunding of car park charges if centre used on the same day for film / live promotion. (By 31st July 2022)
- g. Enable better and wider use to be made of the Foyer to encourage more use of the building including opening at more convenient opening times and more days for the general public's convenience. Display opening times, telephone numbers and online options for booking, to be visible outside the building.
- h. Broaden the use of building to bring more people into the centre (Tourism, District wide functions for example) for the benefit of the centre and caterers alike.
- i. Seek to team up with a Wedding Organiser to promote the joint venues for ceremony and reception.
- j. Investigate ways to achieve the wider use of the Function Room and report by 31st October 2022.
- k. Liaising with local organisations to put on some performances that will draw maximum attendance. (For example, events that include youngsters where parents and grandparents will be keen to attend)

Recommendation 2: Improve Marketing / Promotion and Programming

- a. Undertake a complete review of all promotion, advertising, marketing, management of database and website, for the whole facility, together with a program to keep regularly refreshed and submit to the appropriate panel or committee by 31st July. (The website needs to be attractive, easy to use, kept up to date with a forward program of films, shows, events and facilities available for at least a rolling year. Greater use of social media and any other appropriate medium should be regularly used. The database should be re-established and regularly used to inform. 'Membership' should be created giving early notification of future activities with incentives to encourage early commitment. Films or shows with slow bookings to be more aggressively marketed with late offers where appropriate.)
- b. In conjunction with (a.) above, create a promotional and marketing campaign, for the whole of the facilities available at SHC to the public and businesses alike, as soon as possible but by 30th September. Raise the whole of the public's perception, image and profile of the Centre.
- c. Enhance the marketing material for the Function Room to include images of it in use.
- d. Improve the building's noticeability within the town centre and enhance its presence creating an information and promotional centre for the building activities, the town, the parishes and district as a whole.

Recommendation 3: Undertake Operational Improvements

- a. Become more effective in obtaining a better deal for films. Get films near the release date and make more use of previous adult and children's blockbusters to plug gaps in the program. Include consideration for section of the general public with higher disposable incomes by ensuring films are shown at times

convenient to them with possibly different films shown in afternoon to those in the evening.

- b. Make use of external expertise, where appropriate, to obtain better deals on films and live performances which have greater appeal.
- c. In evolving delivery of the cultural and arts program, part of which is to comply with Arts Council expectations but unlikely to make a surplus, seek to work around high demand times for films/shows. To help sustain the program of cultural and arts actively seek to establish sponsorship from businesses as well as individuals. The centre has benefitted from this approach before.
- d. Actively create a group of volunteers / supporters who are willing to give extra support when needed. However, hirers should be required to steward their own activities with any additional support chargeable.

Recommendation 4: Establish Improved Governance

- a. Set up robust governance and scrutiny arrangements by 31st July 2022 and report to next meeting of the appropriate committee. (Appendix D)
- b. Create a much more user friendly and clear to understand financial reporting system to assist management day to day and have it agreed by 31st August 2022. This information needs to be available quickly and a more user-friendly management tool.
- c. Use analytical data capacity of the authority to better understand the likely return from the various program options and be prepared to take a commercial approach in the balance of the program.
- d. To give greater clarity review the management structure to ensure the necessary skills, particularly financial management, are available and the line of responsibility is as short as possible by, 31st August 2022. (To assist, include consideration of establishing 'a Board of two councillors and one non councillor')

Recommendation 5: Enhance Building Maintenance and Useable Space

- a. Agree a 12-18 month rolling costed maintenance plan to ensure the building is brought up to and maintained to a higher standard to include dealing with the items highlighted in the report. (By 31st July 2022)
- b. Review and rationalise the office space that is essential. Improvement in the working environment to be a priority within the maintenance plan. Should there be surplus office space research how it can be offered to the market or made available for other income generating activities.
- c. Bring the basement rooms back into income generating use either through public use, office accommodation, storage or a more entrepreneurial solution.

Recommendation 6: Action Plan

- a. Produce an Action Plan within two weeks of the of the report being accepted to ensure the recommendations are brought forward in a timely manner and to ensure there is clarity around which service areas are responsible for delivering each recommendation. The Action Plan to be submitted to a

meeting of the Task Group and progress regularly monitored by the task group until the first presentation to PMP.

8. Main Sources of Information and individuals contacted during the Review

8.1 The following SHDC officers attended the Task Group's meetings to assist with their work:

- Sam Knowles – Assistant Director Finance
- Emily Spicer – Assistant Director Wellbeing and Community Leadership
- Emily Holmes – Communities Manager
- Richard Hodgson – Assistant Director Strategic Projects
- Marc Whelan – Strategic Operational & Property Manager
- Corey Gooch – Senior Change and Performance Business Partner
- Phil Perry – Assistant Director Leisure and Culture
- Steve Houchin – Chief Finance Officer (PSPS)

8.2 The following external individuals attended to give their opinions as users of the Centre:

- Jason Lunn – Consultant employed by the Authority to assist with the Centre's re-opening
- Colin Ward – Live Promotions
- Karl Gernert – Act II
- Sally Harrison – Previous SHC Manager

8.3 The following Members also attended:

- Lord Porter – Leader of the Council
- Councillor Gary Taylor – Portfolio Holder for Communities and Facilities

9. Abbreviations

SHDC – South Holland District Council

SHC – South Holland Centre

10. Appendices

A – 5-year financial summary of SHC accounts

B - Budget Manager report 2020/21 - **Exempt**

C - SHC analysis from Senior Change and Performance Business Partner - **Exempt**

D – Suggested Metrics for consideration by future committees.

E – Summary of task group meeting 11th April 2022.

South Holland Centre
Financial Summary
2015-16 to 2019-20

	2015/16	2016/17	2017/18	2018/19	2019/20
Employees - Direct	393,521.83	388,117.70	344,800.50	341,934.59	365,473.59
Employees - Indirect	11,168.71	2,694.87	26,950.36	23,025.26	41,671.61
Premises	126,639.06	119,588.54	118,879.01	79,236.74	79,241.35
Transport	1,795.60	1,286.93	1,287.89	1,004.15	1,540.41
Supplies & Services	133,127.85	76,924.50	90,683.16	111,630.90	111,653.07
Performer & Entertainer Fees	140,330.66	186,675.79	159,132.57	175,584.81	198,449.10
Film & Entertainment Costs	59,931.47	51,824.33	52,468.66	51,250.72	53,502.94
Payment to bodies in respect of income collected	146,741.23	122,607.00	110,708.00	138,022.65	148,068.56
Total Direct Costs	1,013,256.41	949,719.66	904,910.15	921,689.82	999,600.63
Grants	- 49,489.20	- 47,440.70	- 56,168.66	- 67,878.50	- 66,018.68
Sales - General	- 7,430.47	- 8,414.47	- 9,534.70	- 10,717.31	- 12,824.65
Film Income	- 144,273.29	- 130,017.67	- 130,752.10	- 139,632.30	- 137,021.93
Live Performance	- 179,054.45	- 242,990.02	- 208,042.46	- 223,911.76	- 274,591.49
Room Hire, Workshops & Other Hire	- 84,069.35	- 71,849.14	- 76,214.44	- 76,702.47	- 71,277.91
Income Collected on Behalf of 3rd Party	- 148,299.85	- 123,055.00	- 110,624.50	- 138,212.14	- 148,437.11
Commission	- 20,030.17	- 18,153.49	- 16,996.61	- 13,983.79	- 15,457.01
Rents	- 26,784.28	- 25,995.21	- 27,401.58	- 27,696.10	- 25,686.52
Total Income	- 659,431.06	- 667,915.70	- 635,735.05	- 698,734.37	- 751,315.30
Total Direct Operating Cost	353,825.35	281,803.96	269,175.10	222,955.45	248,285.33
Support Services	38,292.54	27,599.88	64,033.68	61,906.98	140,312.68
Depreciation	95,628.11	101,034.51	100,272.81	158,157.80	91,818.48
Total Overhead	133,920.65	128,634.39	164,306.49	220,064.78	232,131.16
Total Operating Cost	487,746.00	410,438.35	433,481.59	443,020.23	480,416.49

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Appendix D

Indicative SHC performance metrics to be considered by future committees

Metrics

1. Occupancy per showing (Predicted Numbers/Actual vs Capacity) - I would expect to see the actual numbers as well as a column graph of capacity and actual overlaid with a line showing prediction. This would show what we anticipated the numbers attending to be for the showing and how we performed given we won't necessarily sell every ticket for every show.
2. Location/Room - Bookings vs availability (How often are spaces empty) - Again i would expect to see each room by week showing potential availability and actual in a column form. We can then see which rooms aren't being used and explore how this is impacting the site and income.
3. Profit/Loss (By month and against Budget) (Simpler report) - This should just be each month laid out with the budget showing the performance against it each month and cumulative. Tracking profit/loss so again we can explore what the cause is.
4. Profit/Loss (By Showing and against Budget) (Simpler report) - same principle as above with the booking, what we anticipated the cost and income to be and how we performed against that.
5. Upscale Trend (average vs budget) - Graph with each showing demonstrating what we anticipated it to be and how we performed against it.
6. No Complaints/Compliments - Just raw data and graph to understand it. We may need to do a comms piece as a follow up to bookings to confirm people's perceptions what was good, what wasn't good and use this to inform the business.
7. Social Media Engagement - raw data showing if content has been shared on social media, how many people have accessed the site, track reviews and comments.
8. Booking tracking (Online/On Site/Third Party) - Again show the showings with the overall potential occupancy in a column with each type of booking colour coded filling the bar showing where the bookings are coming from. Again, to inform where our people are booking from.
9. Catering Performance (Budget vs Contract) - What we are budgeting receiving vs what we do receive, on a weekly/monthly profile to understand if the contract is working.

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Appendix E – Summary of South Holland Centre Task Group meeting on 11th April 2022.

With the final draft report agreed, scheduled to be presented to a Joint Panel meeting and onward to Cabinet it was a disappointing shock to discover accidentally that the catering within SHC had ceased without any hint being conveyed to the task group. Indeed, the task group had been led to believe that there was every expectation that the six-month initial period would be extended.

The fact of closure, having been discovered by a member wishing to have a morning coffee with his wife, resulted in emails being sent to three senior officers who, when they responded, appeared to not be in possession of the facts relating to the situation.

As a result of the development the Joint Panel was cancelled /postponed and a further task group meeting arranged in its place. It is regretted that reporting the findings of the task group will consequently be delayed.

We were advised that no directly responsible officers were available and whilst the senior officers attending the task group did their level best to explain the sequence of events and cause of the parting of the ways they were clearly not in possession of all of the information. No financial information was available, little regarding the actual performance or promotion / marketing. It was very disappointing to learn that the tenant had come to the conclusion that their offer would not succeed due to there already being two Italian based facilities already in town. That was, however the case at the time of negotiating the original contract. Officers explained that going forward alternative style menus had been discussed but at the last minute the absence of a key member of their staff was given as the reason given for the closure. The tenant had explained that as they ran other businesses, in the absence of a key member of staff, they didn't want to stretch themselves too far. It was also suggested, by officers, that Covid upset their planned progress. Whilst this may well be true it has equally affected all other similar operators which must raise a question concerning the strength of the original business plan.

The initial arrangements were seen as a trial and subject to amendment in the light of experience. However, it was stated that the restaurant offer would not work because of lack of space and interference when other facilities are in use. No evidence, other than opinion, was available to support that view. One hopes that the future of catering will not be based on virtually no evidence when the centre needs every input that can be mustered.

Members questioned why no red flags had come up in monitoring performance all through the contract. As with earlier evidence it suggests a lack of sufficient governance.

Members were assured that events already booked and requiring catering would be provided with what was expected but, at the time, arrangements seemed sketchy. However, it was understood that someone already engaged with the centre had been approached to assist which demonstrated just how useful outside expertise can be. Members were also advised that expertise existed within South Holland staff but not explained.

The task group questioned whether the other partnership councils had expertise that could, in the circumstances, help.

The question of how to achieve add on sales for SHC at cinema and live events was raised but as of now a solution has not been worked out.

Officers were asked if the tenant was likely to open elsewhere in Spalding. The answer was 'It was unlikely that they would at the current stage but if they did it would definitely not be a pizza and

pasta'. Subsequent information would seem to support they have been looking for what they believe would be a better and more appropriate venue whilst remaining in dialogue with the authority. One has to draw one's own conclusions.

Whilst it is understood that the members of the task group are not executive members or have any preference over other members the officers were asked to explain why, in the circumstances, no one had felt it necessary to advise the task group of the change of circumstances. No explanation was forthcoming although the Leader and relevant Portfolio Holder had been briefed.

Following thanking them for attendance the officers left the meeting and members reviewed the situation.

It was asked if the authority should seek a business partner to help run the SHC. Whilst this cannot be ruled out as a possibility it was pointed out that, at present, that is not the direction of travel that the authority has chosen to pursue.

Whilst it has been beneficial to have catering in place it has clearly not worked successfully for both parties. Any future contract and discussions should not be solely based on that experience. Greater thought and advice need to be put in to how spaces within the centre can be utilised to increase the space available for a tenant at times when there are no functions. Clearly a different approach needs to be considered.

Although a very disappointing outcome it has not altered the recommendations reached earlier, around robust governance, promotion and marketing, availability of expertise and a commitment to make the centre a commercial success.

Consideration was discussed as to whether the delivery of the report should be in open session or not as there are commercial sensitivities. Officer advice to be requested as to the pros and cons.

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