

## **Appendix E – Summary of South Holland Centre Task Group meeting on 11<sup>th</sup> 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.