

Westlands Entertainment & Conference Centre Refurbishment Project

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Purpose of the Report

1. This report provides an update on the work of the Arts & Entertainment Service with regard to Westlands Centre Refurbishment Project now that the initial development project has been completed; and the operational phase has now commenced. The report also sets out the next steps for the development of the service..

Forward Plan

2. This report appeared on the District Executive Forward Plan/ with an anticipated Committee date of 7th September.

Public Interest

3. The Arts & Entertainment Service at South Somerset District Council (SSDC) works to provide access to high quality cultural events across South Somerset. The Service operates The Octagon Theatre – Somerset’s premier theatre for arts and entertainment and Westlands Entertainment and Conference Centre – the newly refurbished venue for conferencing and entertainment.
4. This report details activities and work that has taken place to date in terms of the refurbishment project and marks the completion of the Westlands refurbishment project and therefore the project closure. The report also sets out operational aspects of the venue along with the future plans for the development of the Westlands service, which attracts audiences from across South Somerset and beyond.

Recommendations

5. That the District Executive notes the report including the closure of the refurbishment project.

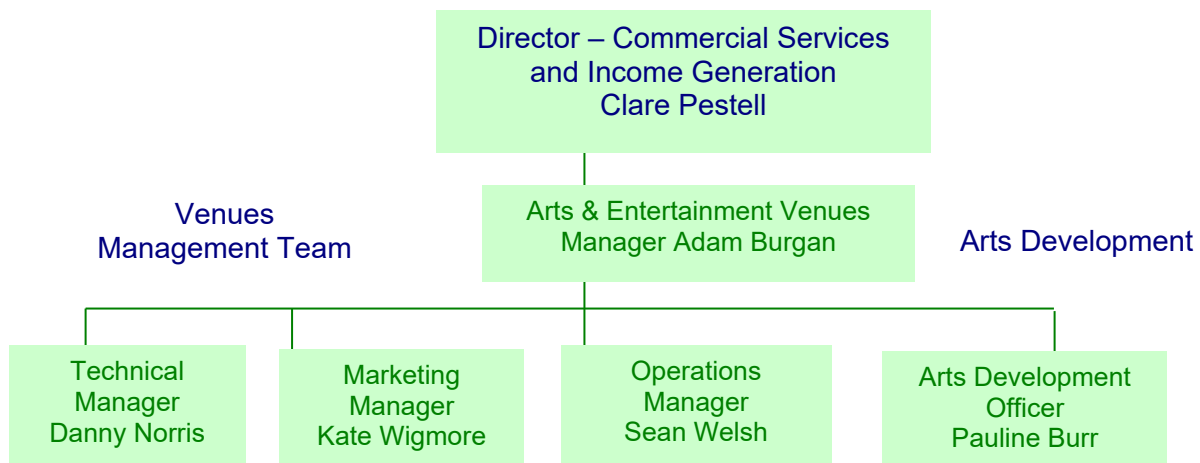
Background

6. In 2014/5 Leonardo Finmeccanica made a business decision to close Westland Sports and Social Club, as it was making a substantial operating loss each year.
7. Those members of our communities who valued it as a community and social benefit and part of the towns heritage, signed a petition to save Westlands. It was signed by over 8,000 people, officially the largest petition ever submitted to SSDC.
8. South Somerset District Council listened to its residents and subsequently took the decision to step in and reopen it after a major refurbishment project of £2million was agreed, to bring the environment up to a modern day standard, with a broad sports, leisure and arts offering that would appeal to the wider district and become a flagship venue for the whole area. As well as being a valuable community asset, the basis of the decision by the Council was that the venue, including its refurbishment, would operate on a commercial approach with a view to generating a small

profit after the first few years, that would cover operating costs and pay back the refurbishment costs.

9. The venue refurbishment follows the agreement between South Somerset District Council and Leonardo Finmeccanica, of a 30-year lease. The cost of refurbishment has been paid for via a loan that will be repaid with interest over 30 years with the introduction of a £1 ticket levy.
10. Additionally, financial contributions from Leonardo and a numbers of Councils for the first five years have also been agreed.
11. It is envisaged that over the mid to longer term, as the reputation and business grows over time, the venue will break even and generate profits.
12. Westlands Entertainment and Conference Centre will complement the existing programme at The Octagon, broadening the programme of entertainment events on offer and striving to become the premier venue for conferencing, banqueting and meetings in the area, as well as the refurbished Sports & Fitness Centre offering. We aim to deliver a programme which inspires, educates and ultimately enriches the lives of those taking part, making South Somerset an ever improving place to live and work.
13. Just as the fortunes of the Octagon have been turned around over the past 5+ years with sound management, a strong business plan and a growing business and reputation, we intend to follow a similar approach at Westlands.
14. The Arts & Entertainment Service consists of The Octagon Theatre, Westlands Entertainment and Conference Centre and Arts Development and is part of Health and Well-Being under Director, Clare Pestell.

Arts & Entertainment Structure



15. Westlands Entertainment & Conference Centre is the council's flagship venue for conferencing, meetings, banqueting and entertainment events. The venue is significant for the district and provides:
 - One of the largest and most flexible venues in Somerset with 870 seats, 350 capacity for banqueting, standing capacity of 950 or festival capacity (using the whole building) at 1,500.

- The Wheeldon Suite and The Parish Suite, meeting rooms available to hire with discounted rates for local charities and 'not-for-profit' groups.
- The Lounge Bar - open through the day for users of the site or visitors to the venue offering a café style menu and Box Office for events at both Westlands and The Octagon.
- A flexible venue suitable for a wide range of events from large-scale conferencing, weddings, parties, balls, boxing and wrestling events, trade fairs and standing gigs to theatre style shows.
- The Foyer Club – the team of volunteers who have been volunteering at the Octagon for over thirty years have taken on Front Of House duties at Westlands. The Friends of Westlands have setup as an independent fundraising body to support the development of Westlands.
- The Footlights Club – rewarding regular customers with discounted tickets and priority booking now applies to both The Octagon and Westlands.

Report Detail

Refurbishment Project Concluded

16. Refurbishment construction work has now been completed and the final account with ECB (lead contractors) has now been concluded and a final project management report from Kirkham Board will be issued to the Project Board. Against the revised budget the final account will result in a overspend of just under 10%. This was within the range that was reported by Steve Joel, former Assistant Director for Health and Wellbeing, at the District Executive Meeting on 22/06/17.
17. The overspend was mostly due to factors that were unforeseen at the project planning and design stage including:
 - upgrading power connections to the premises to ensure that there was a sufficient supply for future services;
 - meeting fire risk, health and safety requirements to ensure public and staff welfare;
 - asbestos matters within the property once works were underway; and
 - vandalism and damage to the new roof during works, that needed to be repaired and caused delays to the project
18. Regardless of building works delays and unexpected issues such as the above, which can happen with most projects of this nature, the venue opened on time on 27th March 2017 and has been hailed a resounding success with some extremely positive feedback received.
19. Despite the final building work only being completed in mid-June all scheduled events have taken place since opening and the staff have worked tirelessly around these issues to ensure everything has run according to plan.
20. Clearly, the building work delays were not forecast and therefore these have impacted on the original business forecast, such as ability to actively promote and operate at full capacity and generate additional new bookings during the first three months of operation. Staff have had to work harder to overcome these issues and until building work was completed, the site cleared and left in a condition that was fully appropriate to show potential customers around, the complete offering to customers that had been envisaged was not available.

21. However, the team are working hard to grow the business rapidly now that they are in a position to do so going forwards.

Successes to Date and Growth

22. The team has already delivered successful events including a number which have sold out; such as events from 'Justin's Party' – which sold out two performances within an hour. Popular events from stand-up comedians Joel Dommett, Rich Hall and Henning When also sold out. Themed party nights like 'Poptastic!', 'Back to the 80s' have also proved popular; and the first Somerset Gin Festival is still receiving much positive feedback. Ticket sales are currently in line with national averages.
23. Local events like Yeovil Amateur Boxing and Yeovil Beer Festival have returned with over 3,000 people attending the Beer Festival alone. We now have weekly hires from groups such as Westlands Ballroom and Latin Club and LeRoc modern jive.
24. An open day on Saturday 13th May invited members of the public to see the new facilities and tour the building. Events and activities throughout the day showcased the different opportunities for people to join in working with the other facilities and groups on the site.
25. There is a subsidised rate for local 'not for profit' groups and it is good to see a number of local hirers returning to the venue, that were regular visitors pre-refurbishment.
26. Therefore, we are already reaching and appealing to a wide audience of local and regional residents as well as tourists in the area.
27. We continue to develop our film and 'Live theatre' screenings and from 1st September will offer an alternative to the multiplex experience, with a sofa seating configuration in the ballroom, offering a more relaxed and comfortable cinema experience. The programme of the best of mainstream cinema, independent, foreign language and 'live theatre' screenings will complement our existing audience at The Octagon.
28. Interest in the venue for events has been very high and it has been difficult to accommodate all the requests for tours and meetings. Prospects for developing usage of the venue and a busy and vibrant programme look promising. The Events Sales Manager, Justine Parton, has received hundreds of enquiries for meetings, conferences, banquets, fairs and other events.
29. At present the Events and Sales Manager is so busy dealing with enquiries that she has been unable to go out and promote the venue further to seek out new business opportunities externally. Whilst we want to build up regular users of the venue, the first meeting is always the most time consuming, showing prospective customers the venue, understanding their use, setting up suppliers and ensuring their event is delivered successfully. Once customers become repeat clients the amount of time taken to deliver their events reduces significantly. However we feel that increased resource in this area is required to increase and deliver usage of the facility.
30. Increased resource for the smaller and more time consuming elements of this process would allow the Events Sales Manager to focus on larger scale events that will be more profitable. Therefore, we are in the process of recruiting an Events and Hospitality Intern that will support the manager and allow her to use her time as efficiently as possible in generating new business and more growth; whilst providing a valuable opportunity for a graduate to gain practical and operational experience.

31. Social Networking pages are still in their infancy but the Facebook page already has 2,670 followers.
32. Further support and activity from central marketing will benefit the service and bolster the work that is already taking place. As SSDC increases its marketing resource through Transformation redesign a more commercial focus on the income generation areas will become a priority.
33. The service is in the process of making an application to the Gambling Commission to licence the venue and authority for Bingo – an event that was previously profitable and popular – for which we have received numerous requests to reinstate. This will enable the venue to attract a wider audience still and provide a lost community regular event that meets the need of an additional section of the community.
34. In conclusion there are many ‘green shoots’ within the service and the potential for Westlands to achieve its full community and business potential over time.
35. The initial four months of trading have been highly challenging as is the case with all new business ventures, but the public response has been exceptionally positive. Officers have worked tirelessly to get the venue up and running. There is now more work to do to reach the full potential of the venue and grow the reputation across the region.

Operational Matters

36. The final Fire Risk Assessment (FRA) is in hand with most of the suggested amendments to the overall building already implemented. The remainder are being pursued, working with the Fire Risk Assessor to ensure that all matters are dealt with in a timely fashion as soon as possible. The remainder are minor matters and acceptable to continue operations as usual. The outstanding items are currently being worked through with Property Services.
37. The Event Management Plan document is a comprehensive document developed by the Operations Manager with feedback from the Emergency Services. The document is reaching its final ‘master’ version with a template that can then be adapted and tailored to ‘medium – high risk’ events.
38. Improved signage, both on site and directional ‘brown signs’ through the town, are in hand.
39. The Artists Walkway allowing artists a covered access from the green room and FOH areas to backstage without the need to walk through the ballroom is in progress and Property Services will update on the time scale for building work soon.
40. Following the successful letting of the office on the first floor to Full On Sport, work is being undertaken to install a toilet and kitchenette on the first floor and securing independent access for the tenants. There are also plans to convert the first floor Parish Suite into a lettable office space.

Financial Implications

41. The final project cost outcome as at the July 2017 was as follows:
 - Final budget (revised) £3,723,318
 - Total project spend £4,080,409
 - Overspend -£357,091
 - % overspend 9.59%
42. The original business plan was written by Steve Joel, former Assistant Director, based on best information available at that time, including the previous Westlands Sports and Social Club

operators' accounts, input from Adam Burgan having considered the Octagon business and experience and SSDC Accountant, Jayne Beevor.

43. The financial implications based on the assumptions set out within the original Business Plan indicate that the costs of operating the facility will be in the order of £132,000 net per year.
44. A number of local councils, including West Coker, Yeovil Without Parish Council and Yeovil Town Council, as well as Leonardo have agreed to offer a specific financial contribution towards operating costs in the first five years. Should an operating surplus be made in this time repayment on a pro rata basis will be made to those bodies above, in line with agreements.
45. Through their funding agreement Leonardo would also be covering the business rate cost (estimated to be in the order of £70,000 / year).
46. Whilst the original business plan had forecast a £37,000 loss in year one, this was an optimistic forecast when previous operators had made significant annual losses, leading to Leonardo taking the business decision to close the facility.
47. Now that the venue is fully operational with actual trading figures becoming available the business plan will be reforecast before December 2017, based upon the first six months actual trading figures to the end of September, giving known actual costs, overheads and income to date plus anticipated bookings for the year ahead. These revised figures will be reported later in the year.
48. Going forwards Westlands will become another of SSDC's operational businesses and reported in the usual way through budget monitoring from January 2018.

Risk Matrix

49. Not applicable – report for noting only.

Council Plan Implications

50. The Arts & Entertainment Service is primarily linked to THEME 3: IMPROVE THE HOUSING, HEALTH AND WELL-BEING OF OUR CITIZENS
51. "We consider that decent, affordable housing is vital to the overall health of our citizens. We want to ensure that all of the community has access to sport, leisure and arts and heritage opportunities"
52. Specific priorities associated to the service are 3.31 Increase engagement in the Arts.

Carbon Emissions and Climate Change Implications

53. The Arts & Entertainment Service contributes to SSDC targets of Reducing Carbon Emissions by adopting a culture where this is considered in everyday decision-making. The service has appointed a Carbon Champion who encourages staff to save energy, recycle, and adopt more environmentally friendly ways of delivering our service.

Equality and Diversity Implications

54. The Arts & Entertainment Service strives to make the service and those offered by its partners accessible to everyone. We ensure that all our partners hold an Equality and Diversity Policy and that equality is one of the core principles of the organisation. Our programme of performances,

events and projects aims to offer a diverse range of events which inspire, educate, enlighten and entertain whilst bringing the community together.

Privacy Impact Assessment

55. Not applicable.

Background Papers

Westlands Leisure Complex update report – District Executive: July 2017, May 2016, February 2016, September 2015

Westlands Leisure Complex - Council – October 2015
