



Committee Name: **Tourism, Communities, Culture and Leisure Committee**

Meeting Date: 16th June 2020.

REPORT TITLE:	COMMERCIAL THEATRE & CATERING OFFER (INC. FLORAL PAVILION THEATRE & CONFERENCE CENTRE)
REPORT OF:	DIRECTOR OF NEIGHBOURHOOD SERVICES

REPORT SUMMARY

This report provides the committee with a progress update and information on the development of existing and future income generating opportunities across a number of sites including the Floral Pavilion Theatre & Conference Centre (FTPCC), Wirral Sailing Centre, West Kirby (WSC) and other sites where catering is provided as part of the Wirral Council offer. All activity seeks to derive the achievement of increased income that will aim to reduce or eliminate the subsidy associated with Council services and contribute to the Medium Term Financial Plan priorities.

The key focus is to provide an understanding of the future income opportunities that have been identified as well as those that have been achieved in the short term.

The FPTCC is not a statutory service however it plays a key role in the economic and cultural growth of New Brighton and the surrounding areas. It is deemed an essential driver for tourism, attracting over 250,000 visitors a year.

Further opportunity is available to build on the continual achievements of the previous 6 years of growth with continual development of the economic activity, social interaction and support to the internal organisation. It is vital to ensure visitors, residents and Wirral Council are provided with cultural opportunities unavailable elsewhere on the borough whilst providing an opportunity to become a central facility for supporting the wider organisation's activities and priorities.

This report is for information only and is not a key decision.

RECOMMENDATION/S

The Tourism, Communities, Culture and Leisure Committee are requested to: -

- (1) Note the contents of this report

- (2) Support the development and implementation of future medium and long-term income proposals set out in this report.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 Since the recommendation by members at Environment, Overview and Scrutiny Committee on Thursday 12th March 2020 to explore opportunities for additional income (Wirral Council, 2020) officer's started immediate work to scoping opportunities to developed with immediate effect.

Floral Pavilion Theatre and Conference Centre In House Catering Service

- 1.2 Development of in-house catering has been the main change in the income generation mechanics of the FPTCC's Business Plan. Moving from an outsourced provider to an in-house option has allowed for an increased retention of income from the catering provision as well as allowing the flexibility to create bespoke catering options.
- 1.3 The team at the FPTCC are now well established, trained and motivated to provide an excellent back and front of house offer to our customers and visitors. This can be seen in the introduction of an afternoon tea offer, Sunday lunches as well as the flexibility to continue to meet expectations during changing COVID19 restrictions. The venue was the first Council building to open its door to the public following the first lockdown, and returned in style with a safe and airy café / bistro offer in the conferencing space providing an indoor and outdoor offer that was welcomed by visitors. The below feedback was received from one user early last Summer via Tripadvisor.

“A delicious way to spend an afternoon, take a seat and relax in our Panoramic Lounge and enjoy stunning views across the River Mersey. Indulge in a selection of freshly made finger sandwiches, home-made fruit scones with delicious, clotted cream and a selection of dainty cakes and pastries all served with fine selection of teas. Upgrade to a glass of prosecco to add some sparkle!” (**ski, 2020)***

- 1.4 Having the ability to flex our offer in line with market research findings has proved commercially successful in attracting customers and **increased spend per head by 23%**. The provision of a more refined dining offer in the upper level, combined with a grab and go / takeaway offer downstairs has also allowed for the expansion of our customer base. It has also allowed us to increase customer perception of 'value for money' which has resulted in an increase in positive social media posts over multiple platforms. The below Tripadvisor feedback represents the experience of dog walkers who visited our café. Recognising changes in consumer expectations and the value more and more people are now placing on enjoying outdoor coastal space. The Floral team now have plans to create a bespoke, dog friendly café offer in the downstairs seating area catering for residents and visitors who walk their pets in the area. Whilst still being available to all, we will provide seating complete with dog beds / baskets, free dog biscuits, free dog fouling “poo bags” and an opportunity for

owners to purchase “dog friendly” ice cream. We believe this will be a USP not only for the New Brighton area, but across Wirral.

“GREAT DOG FRIENDLY CAFÉ

So good to see The Floral back open. Difficult time for all venues these days but the staff are as friendly as ever and the attention to cleanliness is excellent with staff and onsite cleaning team taking every care with customer safety. Not many places that allow dogs inside and it is a treat to be able to take my dog into a café so I can enjoy a cuppa. Great place for homemade cakes and snacks.” (**nec, 2020)***

“WONDERFUL CAFÉ!

Had lunch at the floral as part of the eat out to help out with a friend. Staff are friendly and helpful! Food was delicious place was absolutely spotlessly clean with cleaners walking around making sure everything was COVID safe. Dog friendly is a massive bonus after a long walk on the beach. Will definitely be returning. (J*, 2020)”***

Catering & Hospitality Future Commercial Developments

- 1.5 On the back of the success of the FPTCC in house catering service and its fully equipped catering facilities, the target is to ensure future progression of income from across the Council asset base, most of which sit within the Neighbourhood Services portfolio. We believe there is a strong case for market development through increased wedding and conference facilities at many sites including:-
- The Floral Pavilion – Catering, Theatre, Weddings, Conferences, Events, Council Activity, Remote Working / Office space for hire (including day packages)
 - The Williamson – Weddings, Events, Conferences, Exhibitions, Remote Working / Office space for hire (including day packages)
 - The Priory – Weddings, Events, Conferences, Exhibitions
 - Birkenhead Park – Weddings, Events, Small scale hire
 - The Sail Loft Café / Bistro – Weddings, Events, Small scale hire
 - Mobile Catering – At our Leisure sites where footfall at peak times has significantly increased following the introduction of new football facilities.
- 1.6 The future income generating opportunities here is to seek approval to develop events with particular focus on the conference centre and those activities that have catering as a focus. Retaining a larger percentage of the income generated by such events makes the activity within the venue more commercially viable.
- 1.7 Other opportunities for development also exist at:-
- Leisure Centres – The redevelopment of a new offer at catering facilities inside our centres and at our golf course sites.
 - Libraries – The potential for “pop-up” catering opportunities at some libraries during peak demand

- 1.8 To progress with the implementation of an expanded commercial offer, a restructure of staffing, roles and operations at the FPTCC, with particular focus on a dedicated and experienced Hospitality Managers and Chef to oversee future developments is vital for success.

Wirral Sailing Centre, West Kirby (Sail Loft Costal Kitchen)

- 1.9 WSC has provided a commercial opportunity to create income from the implementation of an in-house hospitality offer. Creating a high end dining experience with enhanced views across the Dee Estuary and Hilbre Island which provides some of the best sunset views the world has to offer.
- 1.10 The Café is to be open from 8 am to 5pm serving fresh local coffee and teas, tea cakes, pastries etc utilising a menu consisting of Homemade and Locally sourced food.
- 1.11 For evening service, the café will be transformed into a high-end restaurant style venue available from 5pm to 11pm in line with the planning application conditions.
- 1.12 The Upstairs Café and Restaurant will be table service only, guests will be greeted and taken to their seats. There is no designated space within the venue for a bar or standing style of service. This will not be part of our operation.
- 1.13 There are 60 covers inside the venue, 12 covers on the balcony and 30 covers on the pavement café areas, there will be no speakers or live music outside in any circumstances.
- 1.14 The outside area will be mainly takeaway with biodegradable cups and containers selling fresh bakery homemade pies, sausage rolls and sandwiches attracting dog walkers, community groups and families enjoy their time in and around West Kirby.
- 1.15 All outside areas will closed at 9pm with the venue having an 11pm curfew.
- 1.16 No alcohol will be served or consumed in the outside areas at any time.

Apprenticeships and Careleavers

- 1.17 Since March 2020, plans have been created and implemented to create 4 care leaver and/or apprenticeship posts within the Hospitality settings both at FPTCC and WSC, enabling sustainable opportunities to help people into work.
- 1.18 Working with the Council's 14-19 team, we aim to help those from disadvantaged backgrounds find not only stable employments but a structured job role that provides training opportunities and inspires individuals to progress and seek further employment with new found skills.
- 1.19 Apprenticeships are of a similar nature however the focus here is very much on upskilling in a specific subject field of hospitality. At the early stages we are seeking for apprentices to undertake NVQ in a relevant hospitality qualification whilst working along side our executive Chef Michelle Smith.
- 1.20 The longer term apprenticeship aim is to build a programme that is renowned for producing highly skilled and capable individuals that are not only ready for work but

innovative and passionate about what they do. Providing a reputation for the work of both the organisation but also the standards we deliver.

Council Meetings

- 1.21 COVID-19 regulations have created a position for council meetings to be held with the FPTCC's auditorium up to the proposed date of 21st June 2021 as the largest permanent venue on the borough and the only venue capable of hosting the requirement of such meetings.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 Do nothing – continue with existing operations. This option has been discounted as there is an increasing evidence base that shows that our much loved assets provide opportunities to deliver a range of diverse and commercially driven services catering for all sections of our community. The impact of the COVID19 pandemic also tells us that where we have assets and provisions that complement outdoor activity, health and cultural experiences, this would be valued by our residents and visitors contributing positively to Boroughwide economic impact. Finally, it is imperative that we leave no stone unturned and do not neglect any opportunity to use our commercial ambitions and opportunities to support the delivery of the Council's Medium Term Financial Plan.

3.0 BACKGROUND INFORMATION

- 3.1 In March 2020, it was agreed at Environment, Overview and Scrutiny Committee on Thursday 12th March 2020, the future operation of the FPTCC should remain within the organisation and develop new income generating streams which set out to improve the subsidy position of the venue.
- 3.2 It was agreed the service should remain in house and seek income opportunities that continued the previous successful workstreams that reduced subsidy amount.
- 3.3 With proposed developments in New Brighton and in other areas of the borough, potential future growth in audiences and events is deemed to be likely. Additions of hotels for example would naturally increase income generating activities at the venue.
- 3.4 Pent up demand for theatres means attendance is likely to exceed pre COVID19 levels in the long-term. (UK Theatre research group, 2020)

4.0 FINANCIAL IMPLICATIONS

- 4.1 The absence of income generating ideas and identification of opportunities would result in the static movement in reducing the subsidy from the organisation.
- 4.2 Some of the opportunities will require investment in different forms such as staffing or capital cost to ensure long-term sustainable income generation can be created.

- 4.3 As an overarching statement, the vision is to ensure the FPTCC decreases the financial requirements from the council and in the medium to long-term, become self-sufficient in its operation.
- 4.4 In 2020/21 the income generation opportunities were severely limited due to the impact of COVID-19. However, this income shortfall was reimbursed through the government's Sales, Fees and Charges income loss compensation scheme, making the service break-even for the financial year. In 2019/20, the Floral Pavilion reported an adverse position of £0.55m which was due to the savings target not being achieved as the service was unable to attract a suitable external provider. The service aimed to implement plans to achieve a nil subsidy position over several years by other means starting from 2020/21, however these plans were delayed due to COVID-19. These plans now form part for the recovery process in 2021/22.
- 4.5 Capital improvements at West Kirby Marine Lake were due to achieve an additional £0.1m income from 2020/21. However, work on the site was delayed due to COVID-19 and income generating opportunities were limited by enforced government restrictions. In 2021/22 it is planned for the service to be fully operational, with £0.08m of the proposed income being achieved through the new catering facility at the site.
- 4.6 COVID-19 implications are difficult to predict and will prove difficult to forecast the recovery from the pandemic.

5.0 LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from this report. However, legal advice will be sought where relevant.
- 5.2 The Civic Restaurants Act 1947 empowers local authorities to establish and run restaurants for the benefit of the public. In doing so they are required to use their best endeavours to ensure that the income they derive is sufficient to cover the cost of providing the service. In addition, as this is a pre-existing power to the Localism Act 2011 there is no restriction on making a profit.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 One of the principles of the FPTCC's work is to ensure that any additional resources are funded from income generating streams, making them self-sufficient.
- 6.2 It should be noted that to increase income, approval for additional resource would need to be obtained for which corporate support would be required.
- 6.3 Support from across the central services teams, with particular reference to HR and ICT would be required to ensure long-term sustainable change can be achieved, maintaining the commercial approach the FPTCC has in order to maximise income at every opportunity.

7.0 RELEVANT RISKS

- 7.1 Failure to identify and progress income generating ideas could potentially result in the venue continuing to operate with a subsidy and makes an inadequate contribution to the Medium Term Financial Plan.
- 7.2 There is growing evidence that after the current pandemic, culture will play a leading role in supporting socialisation and support to the local economy through its activity. Risk will occur if failure to provide support with future activity, all be it income generating, to provide social and cultural experience for the residence of Wirral and the wide visitor economy.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 Some stakeholder engagement has already taken place as part of the 'Wirral Council: Re-imagining Libraries, Leisure, Parks and Cultural Services' report produced in 2017, and within the Draft Indoor and Built Facilities Strategy produced in 2019, as a requirement for the Local Plan.
- 8.2 Continual investigations in both primary and secondary data from current visitors and patrons to help inform future ideas generation.
- 8.3 We will engage closely with Ward Councillors in the development and establishment of preferred options.
- 8.4 Make best use of the consultation which took place as part of the privatisation process to inform future efficiencies.

9.0 EQUALITY IMPLICATIONS

- 9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision, or activity.
- 9.2 Increase participation and cultural activity within the venue ensuring income and activity levels are linked.
- 9.3 An equalities impact assessment will be carried out during the development of future income generating opportunities.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 Modernising the venue will reduce the environmental impact whilst investment will result in more attractive buildings which will enhance the local townscape. Keeping the cultural provision within local communities and increasing our outreach offer, will all serve to minimise emissions from car usage.

- 10.2 Where possible we will invest in environmentally friendly solutions and designs when we modernise our building, purchase new equipment to reduce our carbon footprint by supporting the outcomes of the Cool 2 climate change strategy for Wirral.
- 10.3 As a result of the initiatives outlined above, the content and recommendations contained within this report are expected to reduce emissions of greenhouse gases as set out in the Wirral Plan.

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APPENDICES

BACKGROUND PAPERS

Wirral Council Overview and Scrutiny Committee 17th March 2020, minuets and agenda.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date