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Ward (s) affected	All	Key Decision	No
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Subject	Dorking Halls Business Plan 2015–18
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<p>RECOMMENDATIONS</p> <p>The Executive is asked to approve the Dorking Halls Business Plan.</p>

<p>CORPORATE PRIORITIES</p> <p>PROSPERITY</p> <p>A vibrant local economy with thriving towns and villages</p> <ul style="list-style-type: none"> • Promote the culture and economy of the market town of Dorking. • Look for innovative ways to minimise the cost to taxpayers of Mole Valley District Council whilst protecting the standard of services.

<p>The Executive has the authority to determine the Recommendation.</p>
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1.0 BACKGROUND

- 1.1 The Executive Member requested that a new business plan be brought forward as the actions in the current plan have been achieved. This matter was also included in the presentation to the Scrutiny Committee meeting in March 2015 regarding progress at Dorking Halls.
- 1.2 This reports presents a 3 year Business Plan for Dorking Halls. This Plan is supported each year by the production of an annual Business Plan in line with MVDC’s approach to Business and Budget Planning.
- 1.3 The plan follows the model of the previous plan and includes an action plan which sets out a series of specific actions which will be taken to continue to make progress in widening the scope of service provided, to seek further opportunities to improve the income and to reduce the costs of operation.
- 1.4 The new plan gives an overview of progress made at Dorking Halls over the last few years and the consequent reductions made in the annual investment required. The plan concludes that the most significant savings have now been made and other than ongoing incremental improvement further possible opportunities for improving income would require more significant capital investment to realise more fundamental improvement. These possibilities would need feasibility work to establish whether there is a business case to support the improvements and this

work is included in the action plan.

Financial Implications

- 1.5 A key aims of the Business Plan is to continue to improve the range of service provided, to seek increases in income to help reduce the running costs of Dorking Halls.

Legal Implications

- 1.6 There are no legal implications as a direct consequence of this report.

2.0 OPTIONS

- 2.1 Option 1 - To approve the action plan.
- 2.2 Option 2 - To ask for further work to be undertaken.

3.0 CORPORATE IMPLICATIONS

Monitoring Officer commentary - The Monitoring Officer is satisfied that all relevant legal implications have been considered.

S151 Officer commentary - The s151 Officer confirms that all relevant financial risks and issues have been considered in the report.

Risk Implications – Having a three year plan makes it possible to identify the opportunities for developing income and to identify and plan for potential risks. Plans are included for mitigating against the risks from competing venues, technological changes and building maintenance issues.

Equalities Implications - Once work gets underway to progress areas of work identified in the action plan, Equality Impact Assessments will be completed where relevant.

Employment Issues - There are no employment issues.

Sustainability Issues - There are no sustainability issues.

Consultation - There are no consultations planned to accompany this report.

Communications - A press release has been drafted. In addition, work is continuing to refresh the Dorking Halls website and new social media tools are being used to promote the Halls.

BACKGROUND PAPERS - None

Dorking Halls Business Plan 2015 – 2018

INTRODUCTION

The number of people using Dorking Halls has risen steadily for many years now, while the cost of the facility to the council tax payer has come steadily down. The annual investment required is now less than a quarter of what it was in 2008.

The improvements made have been dramatic and have been a result of initial cost reduction measures, followed by new initiatives to increase income from existing sources and generate additional income streams.

Some further opportunities to find new and additional income are identified in this plan, but beyond that, savings are likely to be incremental without significant investment. The opportunities to change the levels of business significantly enough to make continued savings depends upon physical changes to the venue which carry a substantial capital cost.

The running of the café, bars and catering operation has just been taken in-house, following concerns with the appointed contractor. This is at a very early stage and in the absence of detailed information about previous costs and income it is difficult to accurately forecast the likely net financial impact.

Running the operation in house will definitely provide improvements in service levels as well as increased flexibility for services provided and for promotional opportunities. There are also opportunities for more effective use of staff resources across the whole front of house area. Work will be undertaken to develop a vision for the future of the café area, and this may result in proposals for capital investment in order to maximise ongoing income.

EVENTS AND ACTIVITIES

There are three main strands of activity that generate income for Dorking Halls. These are Own Promotions (live shows), Cinema (films and event screenings) and Hire Events.

While the largest single source of gross income is from ticket sales to live shows, the high cost of such events means that the net income retained from these promotions is actually quite low. The percentage of our total net income that each strand of activity contributes is shown below:

Hire events: 38%

Cinema: 16%

Own Promotions: 9%

Catering and Confectionary: 14%

Memberships and Fees: 13%

Advertising: 6%

Other income: 4%

Hire Events

The largest proportion of income comes from the hire of rooms for events. There is some capacity for growth in this area and a new post of Conference and Advertising Manager has been created with view to actively increasing bookings and income.

Cinema

The introduction of event screenings has made a significant impact on cinema income and this is still a new and developing area.

Own Promotions

This is very important for the profile of the venue and a vital part of the service provided to the local community. The main challenges recently have been the difficulty in competing with new and larger neighbouring venues, as the most popular shows will choose to only play at the largest capacity venue in any area.

As a result of this the approach to programming is likely to include a greater element of financial risk in order to secure quality events and may feature certain shows that are not what the venue has previously been known for (eg drama). There has also been the creation of new events from scratch, such as the Winter Beer Festival, and this will be explored further.

Other Income

There is scope to further extend the Friends membership scheme, and a new Corporate membership has recently been created. The development of the catering operation is at a very early stage but the intention through running it directly will be to increase use and income in this area.

STRATEGIC OBJECTIVES

The Strategic Objectives for Dorking Halls flow from the council's priorities:

- Environment
- Prosperity
- Community Wellbeing

The Action Plan, which forms part of this Business Plan, sets out the specific actions that will be taken in order to achieve these objectives.

Prosperity

Providing increased value for money for residents is achieved through the reduction in the cost of running Dorking Halls. There are several opportunities to further increase income and reduce costs:

P1 Increase income from hire events, in particular conference and banqueting

P2 Increase income from sales of advertising and sponsorship

P3 Increase income by promoting special events

P4 Increase income from memberships and other schemes

P5 Improve environment and competitiveness of venue

P6 Maintain the value of the asset through a planned maintenance programme

P7 explore opportunities for capital investment schemes which can reduce revenue costs.

P8 Maximise opportunities for marketing and promotion of facilities and events.

P9 Improve the quality and service of the catering offering.

P10 Consult with concessionary users regarding charges and use so that the needs of both organisations can be mutually achieved.

BUILDING MAINTENANCE AND CAPITAL PROJECTS

A 5 year asset management plan will be devised to outline the works that need to take place over the next five years and associated costs.

This will outline maintenance works necessary to maintain the building in a condition that will properly support the activities taking place within it. In addition to this any project with the ability to reduce ongoing revenue costs will be put forward for consideration.

There are already several areas where it is considered there is the possibility to significantly increase the use, income and viability of the venue. The main areas for consideration are:

Refurbishment and Development of Catering Areas

This is necessary to take the café and upstairs bar to the level of becoming more attractive destinations in their own right and to ensure that the facilities are able to more effectively service the number of people attending shows. This in turn will increase daytime use and income from pre-show and after show dining and drinking.

Extension of Balcony

The ability to increase the capacity of the Grand Hall by the addition of extra seats would enable Dorking Halls to compete with larger venues (in particular G Live). The Dorking Halls is currently losing some more popular shows to this venue. The idea of an additional balcony has been found to be not viable, but the idea of an enlarged and extended balcony is now being explored.

Development at Rear of Building

One further option is to develop the area at the rear of the building currently used for storage and technical offices. This could create an additional space that could be hired out for conferences and other events.

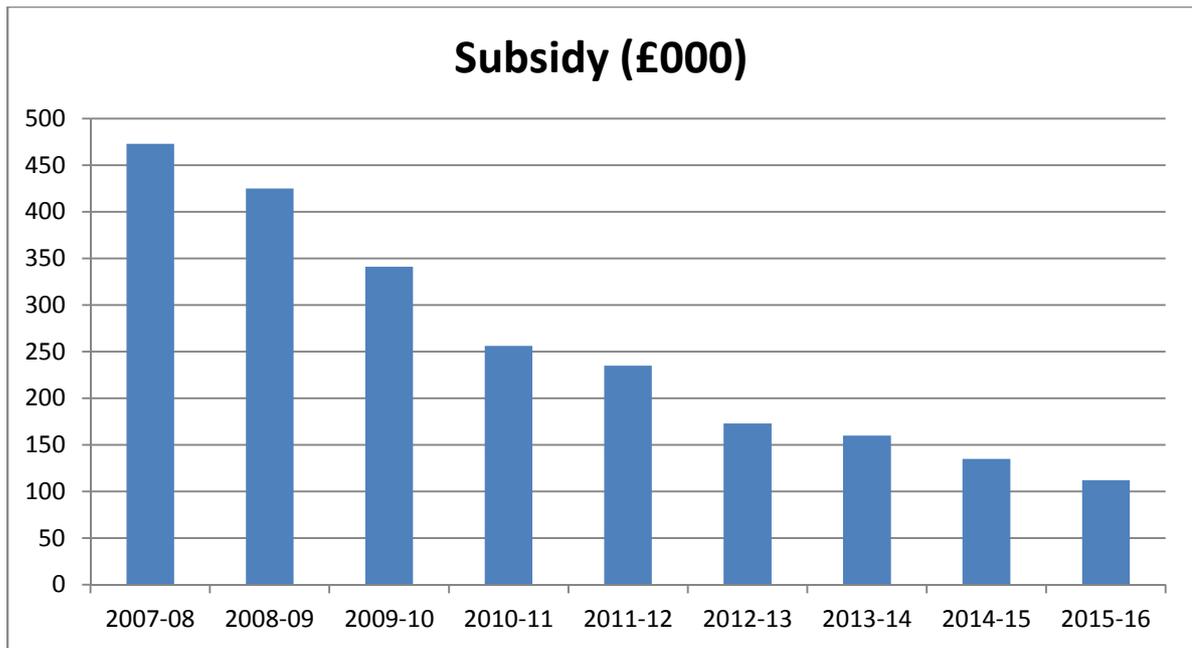
Conclusions

Modest increases in income and reduction in subsidy levels can continue, but these become more incremental each year. Significant change can only be achieved by substantial physical change to the building and the facilities on offer. Such changes would enable more events and visitors and a greater yield from visitors, but would require substantial investment.

FINANCIAL INFORMATION

Record of subsidy reduction since 2008:

Year	Subsidy (Actual)
2007-08	£473,000
2008-09	£425,000
2009-10	£341,000
2010-11	£256,000
2011-12	£235,000
2012-13	£173,000
2013-14	£161,000
2014-15	£131,000
2015-16	£106,000 (budget)



Targets For Increased Footfall:

2012/13	159,000 (actual)
2013/14	170,112 (actual)
2014/15	194,520 (actual)
2015/16	200,000 (target)

Dorking Halls	Actuals 2009/10	Actuals 2010/11	Actuals 2011/12	Actuals 2012/13	Actuals 2013/14	Actuals 2014/15
Income	1,061,131	1,017,405	1,039,388	1,219,621	1,234,943	1,523,646
Expenditure	1,402,655	1,273,405	1,275,129	1,392,900	1,396,138	1,654,714
Expenditure Less Income	341,524	256,000	235,741	173,279	161,195	131,068

Action list						
Initiative	Action	Timescale	Key milestones	Lead Portfolio Holder	Lead Officer	Progress
Prosperity P1: Increase income from hire events, in particular conference and banqueting						
1	Benchmarking of charges undertaken survey of charges at other local authority and commercial venues at least annually. Take action as a result of this work to ensure DH is properly positioned in the market place and maximising income.	Dec-15		Communities and Assets	Keith Garrow	Survey carried out in 2014 and some changes made to hire charges as a result.
2	Conference Room Refurbishment	Nov-15		Communities and Assets	Keith Garrow	Work scheduled for Sep-Oct
3	New Hire Customers	Started Sep 15		Communities and Assets	Keith Garrow	First approaches and special offer has been made.
4	Additional Hire Income	by Mar 16		Communities and Assets	Keith Garrow	Dependent on refurbishment of Conference Room, funding for which was only recently approved.
5	Hire Income Target	by Mar 16			Keith Garrow	Income to Aug 15 is up 12% compared to the previous year
6	Community Events	ongoing			Keith Garrow	
Prosperity P2: Increase income from sales of advertising and sponsorship						
1	Business Community	Represent DH at business networking events to identify potential new leads and raise awareness among the business community about facilities and opportunities at DH	immediate & Ongoing	Communities and Assets	Keith Garrow	Conference and Sponsorship Manager has attended, and continues to attend, various business networking meetings, other events to represent and promote DH.
	Advertising and Sponsorship	Achieve income of at least £60k in 2015-16 from advertising and sponsorship sales.	by Mar 16	Communities and Assets	Keith Garrow	Income so far is slightly up compared to last year

Action list						
Initiative	Action	Timescale	Key milestones	Lead Portfolder Holder	Lead Officer	Progress
P3: Increase income by promoting special events						
Beer Festival	Work in partnership to promote an winter Beer Festival and aim for it to become a major annual event.	by Nov 15			Keith Garrow	Larger scale event will take place on the last weekend in November
Event Packages	Form partnerships with appropriate businesses to offer packages for weddings and other catered functions	Dec-15			Keith Garrow	
Prosperity P4: Increase income from the memberships and other schemes						
1 Corporate Friends	Develop and promote a Corporate Friends scheme and generate at least £5k from this during 2015-16.	by Mar 16		Communities and Assets	Keith Garrow	a new scheme has now been devised and is about to be promoted
2 Friends Scheme	Continue to actively promote the Friends scheme and increase income to £34k during 2015/16	by Mar 16		Communities and Assets	Keith Garrow	Income to date is slightly up on previous year
Prosperity P5: Improve environment and competitiveness of venue.						
1 Make public areas more welcoming	Install adjustable mood lighting in the café area to improve the atmosphere	Oct-15		Communities and Assets	Michael Knight	Work to change lighting in café area are just being completed.
3 Public areas environment	Assess impact of adjustable café lighting and devise plans for changes to lighting and décor to improve the feel of the foyer and public areas and make adaptable to different event types.	Aug-16	secure funding undertake works	Communities and Assets	Keith Garrow	When café works are fully complete, the viability of extending such works can be assessed.
Technology	Keep abreast of industry developments and technological innovations to ensure appropriate planning for necessary investment to maintain and improve market position.	ongoing		Communities and Assets	Keith Garrow	KG attending industry networking meetings and reading trade press. Attending Cinema UK conference in Nov.
4 Internal Signage	Fit system of internal display screens to guide and help customers, promote events and offer advertising opportunities.	Jan-16	subject to funding	Communities and Assets	Keith Garrow	
5 Tannoy System	Replace loudspeaker system with more effective and flexible system to allow more effective announcements and zoning of music, etc.	Feb-16		Communities and Assets	Keith Garrow	This project will commence in Jan 16

Action list						
Initiative	Action	Timescale	Key milestones	Lead Portfolder Holder	Lead Officer	Progress
Prosperity P6: Maintain the value of the asset through a planned maintenance programme						
1	Maintenance Review and update 5 year Asset Management Plan and implement the required works to ensure proper maintenance of Dorking Halls.	Dec-15		Communities and Assets	Keith Garrow	A plan of works through to 2019 is in place.
Prosperity P7: explore opportunities for capital investment schemes which can reduce revenue costs.						
1	Additional Seating Explore feasibility and costs of providing additional seating by extending the balcony, to increase capacity and allow booking of bigger seats.	Aug-16		Communities and Assets	Keith Garrow	subject to further funding for the necessary exploratory works.
	Rear of Building Develop plans, costs and potential income forecasts for new space at rear of building	Aug-16		Communities and Assets	Keith Garrow	
	Foyer Extension Explore possibility and cost of adding an extension to provide a new entrance foyer on the front of the building to increase interior space.	Aug-16			Keith Garrow	
	Refurbishment Option Consider the above and other works aimed at improving facilities and increasing business, to see whether undertaking works as a major refurbishment is a worthwhile option.	Aug-16			Keith Garrow	
Prosperity P8: Maximise opportunities for marketing and promotion of facilities and events.						
1	website design Redesign and update Dorking Halls website and improve online ticket sales facility.	Oct 15 - Feb 16	agree timescale with IT commence project	Communities and Assets	Keith Garrow	A specification was passed to IT in April 2014. Design work is now underway and the first pages should be live soon. Changes to the ticketing system take place in Jan 16.
2	email addresses and direct mail Increase the number of email addresses for ticket buyers and begin to replace direct mail letters with emails	ongoing		Communities and Assets	Keith Garrow	Most accounts now have email addresses and letters are now only posted out to those people who have not provided emails.
3	Box Office Service Contact local arts organisations and other external events to offer a box office agency service.	Feb-16	compile database. Make Contact	Communities and Assets	Stuart Cole	Work is planned for the current year.
Prosperity P9: Improve the quality and service of the catering offering.						
1	Café and Bar Develop vision/brand for the café/bar area and make proposals for any investment necessary.	Feb-16		Communities and Assets	Keith Garrow	Currently recruiting a Food and Beverage Co-ordinator to head up the operation. This work will commence when that person is in post.

Action list						
Initiative	Action	Timescale	Key milestones	Lead Portfolder Holder	Lead Officer	Progress
2	Outside area look into costs and viability of putting more permanent seating and facilities on the forecourt outside the front entrance, so attract additional bar/café trade.	Aug-16			Keith Garrow	
3	cross promotions Look for opportunities to link events with catering promotions and special offers to increase sales.	immediate & Ongoing		Communities and Assets	Keith Garrow	Regular promotions are being offered, including Comedy and Curry, kids lunch boxes interval platters at Event Screenings. More will be explored now that we have full control over the catering.
Prosperity 10 Working with community organisations						
	Consult with concessionary groups on charges and use to help develop programmes that mutually support the business of the Halls and the Concessionary groups	Dec-15		Communities and Assets	Keith Garrow	As part of reviewing charges as part of budget process engage with community groups