

Strategy & Resources Committee

2 April 2019

Venues Restructure

Head of Service/Contact:	Mark Shephard, Head of Property and Regeneration
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Annexes/Appendices (attached):	None
Other available papers (not attached):	

Report summary

This report seeks approval of one off costs to implement the recently approved restructure of Venues.

Recommendations:

That Committee;

- 1) Is notified of the continued forecast overspend for 2018/19 on Venues salaries of £122k (due to staff overtime payments and addressed by the restructure).
- 2) Agrees one off costs of the Venues restructure of up to £85k be funded from the Corporate Project Reserve, to return the service to operating within budget.

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 This proposal supports the Council's four year Corporate Plan specifically focusing on two Key Priorities;
 - 1.1.1 "Supporting our Community" through the provision of cost effective local community services and,

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- 1.1.2 “Managing our Resources” by optimising returns from property assets.

2 Background

- 2.1 In November 2015 the Audit, Crime & Disorder and Scrutiny Committee agreed to undertake a service review of the following Venues:
 - 2.1.1 Epsom Playhouse
 - 2.1.2 Bourne Hall and Bourne Hall Museum
 - 2.1.3 Ewell Court House
 - 2.1.4 Hook Road Arena
- 2.2 A Scrutiny Task Group findings (in relation to Bourne Hall and Hook Road Arena), were presented and approved by the Audit, Crime & Disorder Scrutiny Committee on 11 October 2016. It was agreed that the Scrutiny Task Group would also consider the services provided by the Epsom Playhouse and Ewell Court House as subsequent phases of its work.
- 2.3 The Bourne Hall and Hook Road Arena Scrutiny Task Group findings were subsequently approved by Community & Wellbeing Committee on 8 November 2016.
- 2.4 Community & Wellbeing Committee approved the report of the Scrutiny Task Group’s findings on the Epsom Playhouse on 23 January 2018. This resulted in a Playhouse Theatre Action Plan being approved by Community & Wellbeing Committee on 9 October 2018.

3 Venues Restructure

- 3.1 Consultation with staff for a proposed Venues restructure began on 24 September 2018.
- 3.2 The Venues regularly experience a lack of appropriate staffing resource, as current contracts and rotas do not reflect nor support the operational requirements of the Venues. This resulted in the Council incurring significant overtime costs outside of the budget in order to run the Venues. The impact of this is evidenced by the forecast overspend for 2018/19 on venues salaries of £122k.
- 3.3 The drivers behind the Venues restructuring proposals were to ensure the Venues worked in a way which met the demands of their operation. This required a business review of how the service needed to operate to be effective. By doing so, the issues around overspends based on overtime needs could then be addressed and managed.

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- 3.4 The proposed Restructure is designed to ensure:
 - 3.4.1 More flexible roles in terms of responsibilities and hours and additional support for the onsite managers and teams; and
 - 3.4.2 An increase in the pool of available frontline staff for the buildings and a recognition that different types of work take place at different points in a working day / week.
- 3.5 The restructure has been designed to adopt a similar service model to what operates successfully in the wider events and venues sector. It proposes defined roles and working hours whereby staff are remunerated accordingly.
- 3.6 Staff training and support will become a focal point for change as the service will be encouraged to embrace a culture of enterprise and empowerment.
- 3.7 The restructure financially realigns the staff costs of the service. This is crucial to the long-term financial viability of the service as it allows a site's manager to adopt a long-term commercial focus i.e. genuinely compete with rivals on hire charges.
- 3.8 Efforts to encourage a more enterprising approach have already seen additional income generated above budget from the Venues in 2018/19. It is expected that once the restructure is fully implemented, the Venues will be able to develop further income generation opportunities.

4 Proposal

- 4.1 To fully implement the restructure proposals, there is a one off cost for managing change of up to £85k. The restructure will enable the service to:
 - 4.1.1 Remove dependency on staff overtime.
 - 4.1.2 Rebalance its staff costs in-line with the budget.
 - 4.1.3 Promote an enterprising culture and enhanced staff development.
 - 4.1.4 Reach new customers and pursue income generation opportunities.
- 4.2 The proposed changes will ensure that the current overspend on overtime for venues (c£122k for 2018/19) will be addressed and the service be delivered within the approved staffing budget for 2019/20.

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- 4.3 Progress is already being made in achieving additional income and it is expected that once the changes are implemented the service will be able to realise further growth in income. This will be monitored and reviewed as part of the budget process for 2020/21.

5 Financial and Manpower Implications

- 5.1 It is proposed that the one off restructure costs of up to £85k be met from the Corporate Project Reserve.
- 5.2 **Chief Finance Officer's comments:** Following the Council's withdrawal from the Ebbisham Centre, a restructure of the remaining Venues is required to re-align staff resources with operational requirements. The restructure is also necessary to ensure venues services are delivered within the agreed budget going forward.
- 5.3 *At 31/03/2019, the Corporate Project Reserve is projected to hold an unallocated balance of £2,586,470.*

6 Legal Implications (including implications for matters relating to equality)

- 6.1 None arising from the contents of this report.
- 6.2 **Monitoring Officer's comments:** none arising from the contents of this report.

7 Sustainability Policy and Community Safety Implications

- 7.1 None for the purposes of this report.

8 Partnerships

- 8.1 Not applicable.

9 Risk Assessment

- 9.1 The restructure rebalances the Venues service and places it on a financial footing to operate successfully in a competitive environment.
- 9.2 The risk to the Council of retaining the existing structure will be a continued reliance on overtime costs.
- 9.3 The existing structure provides limited opportunity for developing a business which can operate in a competitive environments. In the long term, increasing revenue and decreasing costs of provision will safeguard the service the venues provide.

10 Conclusion and Recommendations

- 10.1 The restructure will enable the service to:

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- 10.1.1 Remove dependency on staff overtime.
 - 10.1.2 Rebalance its staff costs in-line with the budget.
 - 10.1.3 Promote a more enterprising culture and enhanced staff development.
 - 10.1.4 Reach new customers and pursue new income generation opportunities.
- 10.2 It is recommended that Committee approves the one off restructure costs of up to £85k to be funded from the Corporate Project Reserve.

Ward(s) affected: All