

## **EWELL COURT HOUSE**

**Head of Service/Contact:** Damian Roberts, Chief Operating Officer  
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**Urgent Decision?(yes/no)**

**If yes, reason urgent decision required:**

**Annexes/Appendices (attached):** **Annex 1** – Plan of Ewell Court House  
**Annex 2** – Pictures of Ewell Court House

**Other available papers (not attached):**

### **Report summary**

This report sets out the action taken by the Council in recent months to increase bookings at Ewell Court House as part of the Council's agreed approach to enterprise and income generation. This approach aims to make discretionary Council activities more financially sustainable, ensuring that valued services continue to be available in both the short and longer term. Although the actions taken by the Council to date have led to some improvements in bookings, this has not been at a level needed to make the venue financially sustainable.

This report explores the opportunity and potential benefits from entering into a partnership with a specialist from the wedding and events sector to maximise the public and community use of this important and treasured building and recommends a way forward.

### **Recommendation (s)**

- (1) Agree to recommend to the Strategy and Resources Committee that the Council seek to enter into a partnership agreement with a specialist wedding venue company to increase bookings at Ewell Court House and put the building on a more sustainable footing.**

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

- 1.1 This report contributes to the priorities in the Council's Corporate Plan, namely, "Supporting our Community" and "Managing our Resources". The report also contributes directly to the Council's Enterprise and Income Generation Plan approved in 2018.

## **2 Background and history of the building**

- 2.1 Ewell Court House is a Grade II listed building owned by the Council and dating back to the late 1730s. In 1892 it was remodelled by the then owner to make it more suitable for grand Victorian entertaining. The building is licenced for wedding and civil ceremonies.
- 2.2 It is an imposing and characterful building with a grand reception area, decorative ceilings, wood panelling, polished wooden floors, stained glass windows and the tegula paved terrace overlooking the lake. **Annex 1** includes some relevant pictures. The building is set in the beautiful historic grounds of Ewell Court Park, which held the prestigious Green Flag status from 2012 with fountains, cascades, rock pools and its own secret grotto.
- 2.3 It is widely acknowledged that Ewell Court House has great potential as a venue for weddings and other important occasions as well as being a valued place for local community groups to meet. The building can accommodate 90 guests for a wedding breakfast and 120 guests for an evening party. It can also seat 100 for a wedding ceremony.
- 2.4 The building was refurbished and partly rebuilt by the Borough Council following a serious fire in December 2013 which destroyed 50% of the roof and various parts of the upper structure and resulted in severe water damage to ceilings, ornate plaster work and floors. Following the reconstruction works, the building reopened for bookings in November 2015.
- 2.5 The Council works closely with a local community group, Ewell Court House Organisation (ECHO), and they have also helped to promote the importance of the building and encourage its use.

## **3 The Council's Enterprise and Income Generation Plan**

- 3.1 In April 2018 the Strategy and Resources Committee agreed the Council's Enterprise and Income Generation Plan. This built on the positive thinking and practice that already exists within the Council along-side reinforcing the strong public service ethos that characterises the borough and which continues to put the borough's residents first.
- 3.2 Four specific work streams were identified in the plan:

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- identify market opportunities in both the short and medium term
- provide services that customers are prepared to pay for, which generates revenue that can be reinvested into Council services
- enable services to respond more quickly and efficiently to market opportunities.

3.3 In relation to venues such as Ewell Court House, the plan included a focus on increasing wedding bookings and other events at Ewell Court House and identified, effective marketing, sales and web site development as well as “exploring more partnership opportunities with local industry specialists”.

## **4 Efforts to improve bookings at Ewell Court House**

4.1 Since the reopening of Ewell Court House in November 2015 bookings have not reached expected levels. As a result in recent months the Borough Council has taken positive steps to encourage more events to be booked at Ewell Court House through improved marketing. This has included a new dedicated website <http://www.ewellcourthouse.org/> and the production of a new marketing brochure. Some of the pictures from this brochure are included in the Annex.

4.2 As a result of the Council's additional marketing activities, bookings and income levels have increased at Ewell Court House. However, there continues to be significant times when the building is unoccupied or partially unoccupied. This includes a number of Friday and Saturday evenings when larger celebration events would usually be expected to take place.

4.3 During the 2018/19 financial year, the Council took 49 booking for higher value celebration type events including engagement parties, wedding anniversaries, Christmas parties, birthdays and weddings, generating some £45,000 in income. This falls short of the potential of 92 events of this type that could have been accommodated at Ewell Court House on a Friday or Saturday evening alone. This would have generated closer to £85,000 in annual income in addition to the £22,000 from regular or ad hoc smaller hires that take place at other times of the week.

## **5 Options appraisal**

5.1 Three key options for the Council are set out below. All options considered are based on the Council retaining ownership of Ewell Court House as the long-term custodian of this important community building.

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Option	Description	Potential implications
<b>Option 1 – Continue as is</b>	Continue to utilise the in-house knowledge and expertise to try and increase bookings at Ewell Court House	<b>Benefit</b> Stability created by no change. <b>Disadvantages</b> - The building will remain underutilised, Local Tax payers will continue to subsidise the costs of bookings in the building offering no long-term financial sustainability.
<b>Option 2 – Additional staff and marketing budget</b>	Employ additional staff with experience and marketing expertise from the wedding sector and secure a larger budget for marketing and promotion.	<b>Benefit</b> - More marketing effort will lead to increased interest, some of which will convert into bookings <b>Disadvantages.-</b> Additional costs to the Council with the risk that insufficient additional bookings can be achieved to fully cover these costs.
<b>Option 3 – enter into a partnership with a specialist wedding and events company</b>	The full range of services associated with booking and supporting events at Ewell Court House would be undertaken on the Council's behalf by a partner with the expertise and track record in weddings and events.	<b>Benefit</b> - Some risk transfer Increased bookings and income to the Council Reduced running costs to the Council Higher levels of customer service and satisfaction More community use <b>Disadvantages –</b> It may not be possible to find an organisation that meets the Council's expectations.

- 5.2 The above options appraisal would suggest that the greatest potential benefit could be derived from Option 3 – to enter into a partnership with a specialist wedding and events company for the day to day operation of bookings and services at Ewell Court House.

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### **6 What could be achieved by working with a specialist partner**

- 6.1 For illustrative purposes, the type of outcomes the Council would seek to achieve by working with a specialist partner, say through a lease agreement of up to 15 years, could be as follows:
- A strong wedding and events offer for Ewell Court House, with effective marketing and end to end customer service
  - Higher levels of bookings being taken with associated improvement in overall building utilisation resulting from higher levels of customer satisfaction
  - Discounted community use of the building on certain days/times compared to what the community currently pay
  - Reduction in the staffing, running expenses and maintenance costs incurred by the Council
  - Capital investment by the partner organisation in the maintenance and further enhancement of the building (this would be subject to the Council's agreement and Planning permission where appropriate)
  - A guaranteed income to the Council that could enable the building to be put on a more sustainable financial footing
- 6.2 Through these arrangements, the Council would be transferring the operational financial risk to the partner organisation for the period of the agreement, with the partner then taking responsibility for the future pricing structure. In contrast, the subsidised rates for use of the building by local community groups would be agreed by the Council at the start of the partnership and could only be amended with the agreement of the Council. This is similar to the partnership arrangements that exists for the day to day operation of the Council's Rainbow Leisure Centre although on a much more modest scale, or more closely reflects the successful partnership type arrangement that operates at Nonsuch Mansion.
- 6.3 The Council would only enter into an agreement with a partner organisation if it offered an improved outcome in the net position on running costs and income and an improved subsidy/outcome for the local community groups that use the building.

### **7 What type of specialist partner would the Council seek to work with**

- 7.1 There are a number of criteria that could be used to select the best organisation for the Council to partner with and this would be tested through a formal procurement process in line with Council policy. This could include some or all of the following:
- A successful track record in the wedding and celebration events sector
  - A successful track record as a custodian of historic community buildings
  - A successful track record of building and maintaining positive relations with local community groups and public sector organisations

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- Ability to offer a comprehensive wedding service package including catering.
- Established strengths in marketing, end-to-end customer service, and the delivery of high quality digital communications (web sites, social media, etc).

### 8 Financial and Staffing Implications

- 8.1 The total direct costs associated with operating Ewell Court House as a venue is almost £131,000 and this is partially offset by £68,000 in income from bookings.

Staffing costs	76,580
Direct running expenses (excl central overheads)	54,211
<b>Total Costs</b>	<b>130,791</b>
Income from bookings	68,392
<b>Shortfall</b>	<b>-62,399</b>

- 8.2 In addition to the income from room lettings the site also generates in excess of £77,000 from commercial leases. The leases relate to the attached library, the café, Bambinis Nursery and the second floor space occupied by the company "Four Seasons".
- 8.3 Other costs of £95,271 currently charged to Ewell Court House, for works to the fabric of the building, apportionment of central overheads and capital charges are excluded as these costs are likely to be retained by the Council.
- 8.4 If it is agreed that events at Ewell Court House should be undertaken on the Council's behalf by a partner organisation then any implications as a result of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) will be explored as part of the tender process and, if applicable, could result in the Council working with the partner organisation to progress a consultation process with the member(s) of EEBC staff to whom TUPE regulations apply.
- 8.5 **Chief Finance Officer's comments:** The operating of Ewell Court House as a venue costs this Council in the region of £62,000 per annum. Any reduction in this subsidy can be used to mitigate the impact of future funding reductions for this Council.

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### 9 Legal Implications (including implications for matters relating to equality)

9.1 The legal implications are considered in the body of this report. If this proposal is agreed then the Council's Legal Team will need to continue to be involved in the preparation of the documentation for the tender process, consideration of TUPE implications and preparation of any resulting lease

9.2 **Monitoring Officer's comments:** None arising

### 10 Sustainability Policy and Community Safety Implications

10.1 Securing greater use of the building will help Ewell Court House to be more financially sustainable, and will help deter anti social behaviour that can sometimes arise in and around unoccupied or underutilised buildings.

### 11 Partnerships

11.1 The Council has a long and positive track record of working in partnership with specialist organisations to secure best value for the Council and for local residents. This recognises that as a relatively small Borough Council, with a modest workforce, it is not possible to build up or sustain high level of technical or specialist expertise in all areas.

11.2 The Council has entered into successful partnerships for the day to day operation of the Council's Rainbow Leisure Centre and the day to day management of Nonsuch House.

### 12 Risk Assessment

12.1 As with any change it is important to understand the potential risks and to address these were possible through actions that will mitigate those risks.

12.2 While there is a risk that the Council may be unable to find a suitable partner with the required expertise and track record to partner with, if one is found, the table explores the main risks associated with entering into a partnership and how these can be mitigated.

	<b>Risk Area</b>	<b>Mitigation</b>	<b>Risk</b>
1	Insufficient additional booking and associated income is generated	This risk would be transferred to the Council's partner, with the Council seeking a guaranteed level of income	Low
2	The partner may not have the necessary expertise to make this arrangement a success	The Council will only enter into a partnership with an organisation that has a clear track record of success in this area.	Low
3	The day to day condition of the building may not	Responsibility for the day to day maintenance of the building	Low

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	be maintained to the required standard	would transfer to the partner organisation and compliance will be closely monitored by the Council. There would also be a built in incentive for the partner to maintain the building to a very high standard in order to secure bookings.	
4	The community use of the building may suffer as a result of the increased booking for events	The level of subsidised community use would be formally agreed in advance and the subsidised prices fixed providing certainty to local community groups. This may mean that community use will need to be focused on the quieter times of the week (ie those times that would be less popular for weddings or big occasions)	Low
5	The partner may not be successful and run into financial trouble and need to withdraw from the partnership	The building would remain in Council ownership and the day to day operations would return to the Council if for any reason the partner was unable to continue.	Low
6	The partner organisation may be more successful than expected and as a result generate more income for themselves	There has to be a commercial incentive a partner organisation to come on board and to achieve positive outcomes. However, the Council would seek to put in place a mechanism to share in the benefit of any operating surpluses above a certain level alongside open book accounting to ensure there is complete transparency.	Low
7	Local Community Groups who use Ewell Court House may be concerned.	Early and open communication with relevant local community groups will take place before any partnership is entered into This will explore the significant community benefit of the approach as well as to the overall sustainability of the building and seek their input into defining the selection criteria for a new partner.	Low / Medium



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8	Bookings at other Council venues in the borough may suffer if bookings at Ewell Court House increases	The character, location, size, and condition of Ewell Court House means that it provides a specific niche offer which can be seen as different and complementary to the offer at other Council owned venues such as the Town Hall, Nonsuch Mansion, Community and Wellbeing Centre, Rainbow Leisure Centre and Bourne Hall .	Low / Medium

### 13 Conclusion and Recommendations

- 13.1 Entering into a partnership with a specialist wedding and event management organisation would enable the Council to increase bookings, put Ewell Court House on a more sustainable footing, and secure on-going subsidised access to the building at agreed times for local community groups.
- 13.2 It is therefore recommended that the Council seek to enter into a partnership with a suitable specialist organisation for the day to day running of Ewell Court House.

**Ward(s) Affected:** Ewell Court Ward;