



**WATFORD
BOROUGH
COUNCIL**

OUTSOURCED SERVICES SCRUTINY PANEL

2 November 2017

7.00 pm

Contact

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For information about attending meetings please visit the [council's website](#).

Publication date: 25 October 2017

Committee Membership

Councillor T Williams (Chair)

Councillor S Cavinder (Vice-Chair)

Councillors J Dhindsa, K Hastrick, M Hofman, P Kent and B Mauthoor

Agenda

Part A - Open to the Public

1. **Apologies for Absence/ Committee membership**
2. **Disclosures of interest**
3. **Minutes**

The [minutes](#) of the meeting held on 25 September 2017 to be submitted and signed.

4. **Scrutiny of the HQ Theatres' contract - Watford Colosseum (Pages 3 - 24)**

A report of the Head of Community and Environmental Services asking the panel to review the progress of the contract and consider whether any further action is required.

5. **Performance of New Watford Market (Pages 25 - 28)**

A report of the Section Head Property and Regeneration providing a summary of the current performance of New Watford Market and setting out future steps for further improvement.

The panel will also receive a presentation.

PART A

Report to: Outsourced Services Scrutiny Panel
Date of meeting: 2 November 2017
Report of: Head of Community & Environmental Services
Title: Scrutiny of the HQ Theatres' contract Watford Colosseum

1.0 SUMMARY

- 1.1 Outsourced Services Scrutiny Panel is responsible for reviewing those services outsourced by Watford Borough Council, which includes the contract with HQ Theatres for Watford Colosseum.
- 1.2 Following the Scrutiny Panel's visit to Watford Colosseum before the meeting, Members will have an opportunity to pose questions to representatives from HQ Theatres and the Council's Contract Management Team.
- 1.3 The report and attached appendix set out the following information that provide the panel with background information to support the scrutiny of the contract –
- Background information
 - Contractual and governance arrangements
 - Key Performance Indicators (KPI) and Social Value
 - HQ Theatres End of Year report 2016-2017 – Appendix 1
 - Workforce information - Appendix 2

2.0 RECOMMENDATIONS

- 2.1 To review the progress of the contract and consider whether any further action is required.

Contact Officer:

For further information on this report please contact:

Christopher Fennell - Leisure and Community Section Head: 01923-278317

chris.fennell@watford.gov.uk

Report approved by: Alan Gough Head of Community & Environmental Services

Nature of Risk	Consequence	Suggested Control Measures	Response <i>(Treat, tolerate, terminate, transfer)</i>	Risk Rating (the combination of severity and likelihood)
Contractor does not deliver contract and service specification	The facility is not available for residents and customer to use as a music and concert venue	Regular contract monitoring by the council to review the KPI'S and SLA requirement are being meet by the contractor alongside and scrutiny by elected members	Treat	Unlikely (2) x High (3) = rating of 6
Contractor goes into administration	As above	As above Regular review of contractors accounts and credit rating	Tolerate	Unlikely (2) x High (3) = rating of 6
Contractor is taken over by another company	Could have no impact on the service Or New company tries to alters the SLA and KPIs which impacts on the performance programme	As above Option to terminate the contract early	Tolerate	Unlikely (2) x High (3) = rating of 6
Death or injury to a customer/user or member of staff	Distress to injured parties Reputational risk to council and contractor is failing in health and safety compliance is identified	Regular contract monitoring by the council to review the health and safety and SLA requirement are being meet and reviewed by the contractor	Treat	Unlikely (2) x High (3) = rating of 6

4.0 **Background information**

- 4.1 The Watford Colosseum is a high profile front facing public service which helps to deliver the Council corporate objectives and links to the authority's wider social and cultural agenda. In 2010 the Council invested £5.5 million to refurbish and extend the facility.
- 4.2 In 2009 HQ Theatres were awarded a 10 year contract to operate the Watford Colosseum Theatre. HQ Theatres currently operate 11 venues across England including G-Live in Guildford, Wycombe Swan and Wyvern Theatre in Swindon. The current contract expires in August 2021.
- 4.3 Watford Colosseum, is home to the BBC Concert Orchestra, has been used to record the soundtracks of Lord of the Rings, The Sound of Music and Star Wars. In 1995, Pavarotti recorded Verdi's Inno delle Nazioni with the Philharmonia Chorus.

5.0 **Contractual and Governance arrangements**

- 5.1 The quality of services commissioned by the Council is monitored by the Leisure and Community Services Team on a regular basis. A rolling programme of reports and presentations to Portfolio Holders and the Scrutiny Committees has been agreed to ensure that Elected Members and Leadership Team are kept informed and updated regarding the progress and performance of the Watford Colosseum Theatre contract.
- 5.2 The Council pay HQ Theatres a management fee which is subject to annual changes in line with inflation. The management fee:

Year	Management Fee
2014-2015	£156,862
2015-2016	£159,273
2016-2017	£161,678
2017-2018	£165,190

6.0 **Key Performance Indicators (KPI) and Social Value**

- 6.1 Each of the major contracts (SLM for the leisure centres and HQ Theatres for Watford Colosseum) has a bespoke Service Specification which details the KPIs required by the Council. Alongside the KPIs, understanding the wider Social Value and the positive outcomes of the major contract investment is important to the Council. The authority has already started to capture the workforce and volunteering information.
- 6.2 During 2017-2018 additional research will be conducted to establish a baseline dataset on the following topics (1) reducing the Carbon Footprint and evaluation of the wider supply chain and the economic benefit (2) local firms/companies employed by the major contracts to deliver services.

7.0 **Legal Comments**

There are no specific legal implications in this report.

8.0 **Finance Comments**

The management fee will increase by inflation for each of the remaining years of the contract. This is contractual and the budget will be increased in line with this during annual budget setting. The Council receives no income from the contract.

9.0 Equalities/Human Rights

The facility operates an open access policy to all residents and customers.

The building complies with Part M of the building regulations (old Disability Discrimination Act DDA).

10.0 Staffing

N/A

11.0 Accommodation

The facility is owned by WBC and managed by HQT under a contract and lease arrangement. The building is inspected by the operator and its specialist contractors on regular basis and complies with all Health and Safety and statutory certification requirements.

12.0 Community Safety/Crime and Disorder

As a live music and concert venue the operator (HQT) corresponds on a regular basis with the council licencing department and local police to minimise potential discord and promote community safety.

13.0 Sustainability

N/A

Appendices

- Appendix 1 – HQ Theatres End of Year Report 2016-2017
- Appendix 2 – HQ Theatres workforce information

WATFORD **COLOSSEUM**

WATFORD COLOSSEUM ANNUAL REPORT 2016/17 **CONTRACT YEAR 6**



WATFORD
BOROUGH
COUNCIL

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1. Purpose of Report
2. Introduction & Executive Summary
3. Programme Balance and Range
4. Community Use
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6. People and Structure
7. Customer Satisfaction Information
8. Buildings and Health & Safety

1. PURPOSE OF REPORT

This report is a summary of Watford Colosseum's sixth full year of activity and sets out the Venue's performance against the indicative performance indicators in the agreement between HQ Theatres & Hospitality (HQT&H) and Watford Borough Council (WBC).

The reporting period is 1st September 2016 to 31st August 2017, inclusive.

The basis of the report is the performance, community and corporate events activity as reported to WBC at the monthly meetings held since the commencement of the contract.

The Venue Director for the Watford Colosseum has presented quarterly summary reports as follows;

- The live programme, including final ticket sales
- Financial Summary for the wider business
- Creative Learning / Community activity
- Marketing activity
- A summary of future programme challenges and opportunities
- Building related issues and health & safety

In addition, the 'live' programme, broken down by genre against the Operator Agreement KPI has been reported at the quarterly review meetings between HQT&H and WBC. This process is concluded each year with the Annual Review Meeting and the presentation of this Annual Report to WBC's Executive and Scrutiny Committees.

2. INTRODUCTION & EXECUTIVE SUMMARY

Undertaking competitor and SWOT analysis of the venue and surrounding area, we have been able to construct a business plan reflective of the venues strengths and work within these parameters. This business plan has been instrumental in the encouraging position we find ourselves.

Watford Colosseum's 6th year of operation has seen a performance increase of all areas monitored within the contract, including areas that are not contractual. From programming to financial, KPI's to positive feedback; tangible results have been achieved.

The **Live Music** programme has gone from strength to strength with equally encouraging future programming. Heavily sold or sell out named acts include *Christie Moore, Paul Weller, Level 42, Jools Holland, Shakin' Stevens, The Osmond's, Alexander O'Neal, Adam Ant* and *Shane Filan*.

Comedy continues to be exceptionally popular for both performer and customer alike with healthy sales and sold out shows including *Al Murray, Omid Djalili, Sean Lock, Steward Lee, Jimmy Carr* and *Ricky Gervais*.

Following in last year's trajectory, our **Family** entertainment programme has proved to again be extremely popular, especially product that has current television presence. *Mr Bloom's Nursery, Mister Maker* and *Milkshake Live* have sold incredibly well whilst we have enjoyed a record breaking year for our annual children's offering of the '*Santa Claus*' trilogy. In addition, we had unprecedented sales for *Justin's House*.

Watford Colosseum continued to work closely with producers in order to circumnavigate potential challenges concerning programming. Great strides have been achieved with connecting with new producers and similarly in reconnecting with reluctant returning producers.

The Venue's headline strategic marketing activity has been reported within the monthly meetings with Watford Borough Council and the within the Marketing Annual Report. Significant changes have been made to the marketing strategy of the venue in which the first phase of 'product led digital' programming has achieved great success. As we navigate into phase two of the digital marketing plan, 'Venue led digital', we are expecting equally pleasing results. Initial success indicators of this second phase are very encouraging.

3. PROGRAMME BALANCE AND RANGE – MAIN HALL

Highlights

- The Colosseum challenged its programming focus from 'Regional Theatre' to 'Event Venue'; aligning with large scale London venues such as the Apollo and Troxy
- Digital marketing strategy introduced
- Strong **Live Music** profile with increased presence on gig scene and knowledge from promoters
- High profile **Comedy** acts with performers attracted to the Colosseum that would usually perform at larger venues such as Eventim Apollo
- 35 **hospitality events** were held across the year including our popular *Tropicana Nights*, *Tea Dances* and *Only Fools & Three Courses* dining experiences and introducing *Big Fish Little Fish* and *Guilty Pleasures*
- The venue maintained a strong number of **community hires** and extended its reach of Asian and Jewish event programming.
- **Coral Snooker Shoot Out** was broadcast live on ITV over 4 exciting match days. The venue was transformed into a fully-fledged sporting arena, which included Practice Rooms, Players' Lounge, VIP Areas, Main Arena and TV Centre along with Live Streaming.
- The Venue was bestowed the honour of a 'Blue Plaque' for its contribution of music history. The Blue Plaque was celebrated with an afternoon of music from the BBC Concert Orchestra and speeches from the elected Mayor and Chairman of HQ Theatres and Hospitality. The ceremony was live broadcast throughout the day on BBC 3- Counties radio

TICKETS SOLD

72,217

NUMBER OF
PERFORMANCES

210

NUMBER OF
HOSPITALITY
EVENTS

35

NUMBER OF
CONFERENCE or
MEETING HIRES

90

4. COMMUNITY USE

- 1 Wedding
- 5 Schools community hires
- 7 Asian community hires
- 2 Jewish community hires
- 14 Orchestral hires

Wellness in Watford - Watford Colosseum hosted a Fun and Wellness week to encourage staff members and other businesses to engage and get involved with a weeklong schedule of activities based around wellbeing and work-life balance. Working in partnership with Everyone Active, classes were held at the venue and opened up to selected partners

Involvement in 'Watford Big Wordfest'; working with several local schools to design an enchanted forest interactive art installation in main foyer

Involvement in 'Watford Lit Fest'; our pre show 'Lobby Live' community programme moved from music to spoken word/poetry for several performances including Russell Brand

Involvement in 'Watford Big Beach', 'Festive Folk' – a recycled art workshop, 'Winter in Watford' and 'Watford Weekender'



5. KEY PERFORMANCE INDICATORS



Increase the percentage of total orders transacted online to an average of 73%

- 2015/16 - 69%
- 2016/17 - 76%



Achieve a Hospitality spend per head of £4.49

- 2015/16 - average achieved £4.50
- 2016/17 - average achieved £4.59



Increase the number of database records by a minimum of 10% in 2016/17

- 2015/16 - database 77,764
- 2016/17 - database 85,349 [9.75% increase]



Community events to make up 20% of total events

- 2015/16 - 26%
- 2016/17 - 24%



Number of Dark Days not to exceed 84 per year

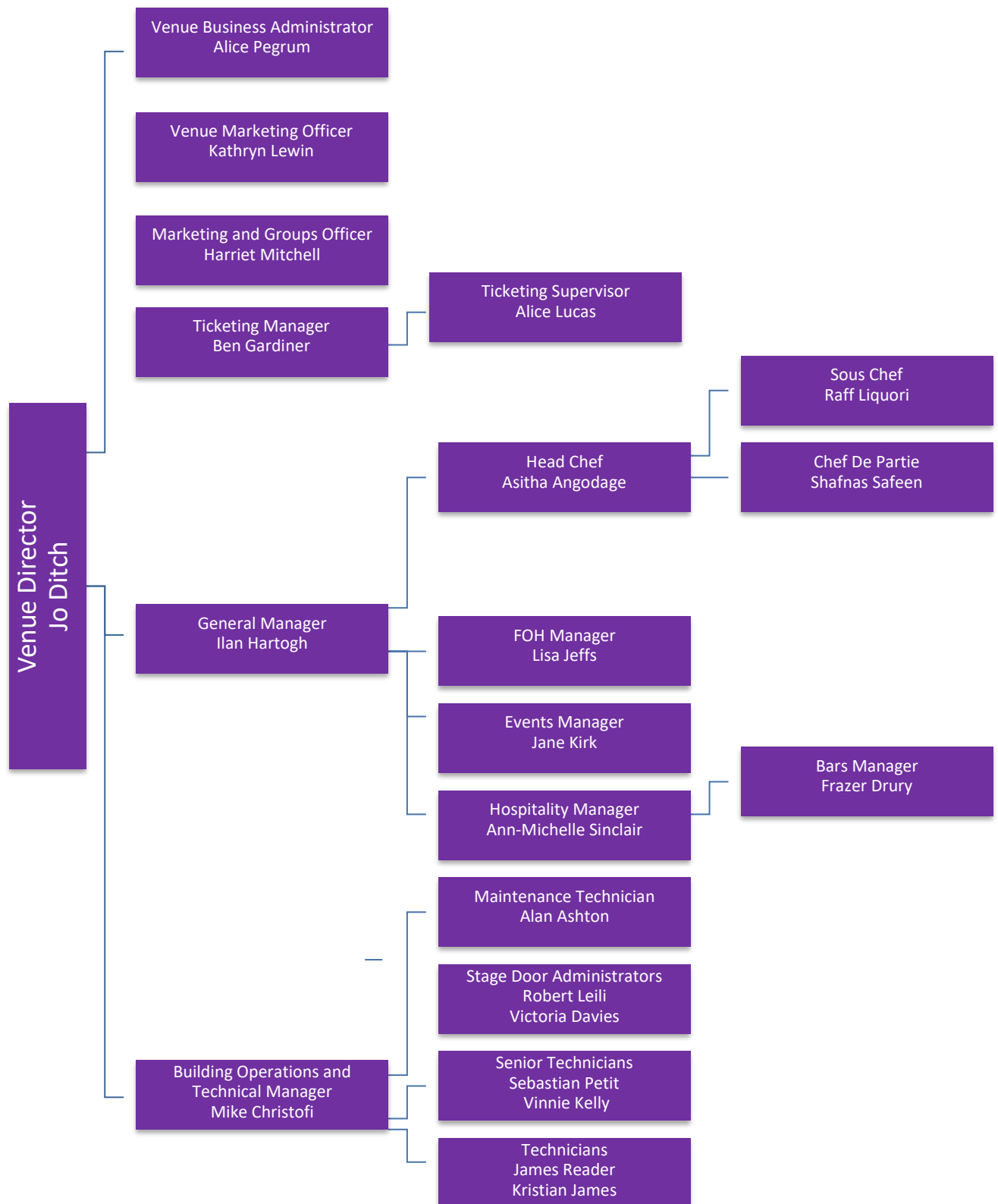
- 2015/16 - 81
- 2016/17 - 67

Actions from Scrutiny Committee 2016

Further **Asian ticketed performances** to complement the Colosseums regular dance school productions; 4 additional ticketed productions have been added to the programme for 2017/18.

Proactive **gathering of feedback** has been undertaken; Annual survey was distributed and results reviewed. Post visit, an e-mail asking for feedback is now sent to all bookers. Feedback slips have been presented with the bills in the restaurant. This feedback is used to better all areas of the venue.

6. PEOPLE AND STRUCTURE



6. PEOPLE AND STRUCTURE *CONT.*

This year we welcomed the following to our team:

Lisa Jeffs as Front of House Manager

Robert Leili as Stage Door Administrator

This year we congratulated the following promotions and role changes:

Kathryn Lewin from Marketing Assistant to Venue Marketing Officer

Harriet Mitchell from Groups & Business Development Administrator to Marketing and Groups Officer

Ben Gardiner from permanent Box Office Assistant to Ticketing Manager

Alice Lucas from permanent Box Office Assistant to Ticketing Supervisor

Employee Highlights

GREAT ORMOND STREET HOSPITAL

For 8 years HQ Theatres, alongside sister company Qdos Entertainment have been avid fundraisers supporting the Theatres for Theatres appeal, in aid of GOSH. We have helped raise in excess of £1 Million - helping to fund a suite of operating theatres. Activities included 'Guess the Name of the Teddy' at a recent Family Fun Day, Bake sales and sponsored Bad Hair Day!

This level of fundraising has led to HQT&H being awarded the highest form of recognition that GOSH can bestow on its supporters; The Friends of Adeona

HQ THEATRES & HOSPITALITY SUMMIT

This year Watford Colosseum attended the group wide annual summit for 2017, 'The Celebration of Excellence'. The venue was shortlisted for several awards and won two.

'Innovation in Hospitality' for the creation and implementation of the 'Halloween Screaming'. An immersive cinema screening within the Forum

'Venue of the Year'. This award is chosen by the HQT&H Board and was assessed from various KPIs across all core business areas (including but not exclusively as follows)

Business Plan Objectives results; H.GEM Mystery Shopper Overall Report average results for the period; H.GEM Sales Through Service average results for the period; H&S annual audit score; Social Media/ Public profile ; (Twitter plus Facebook over paid ticketed attendance);

7. CUSTOMER SATISFACTION INFORMATION

Awarded the Trip Advisor 2017 Certificate of Excellence for consistent high rating reviews on their website

Examples of complaints include sound issues, car park provision and occasionally show content

Examples of compliments include customer service, food, acoustics and variety of shows

Examples of compliments

"Venue was spotless.. Staff were excellent"

"Venues in London could learn a lot from the Watford Colosseum! Thank you for a great night"

"Watford is really lucky to have such a superb venue with a great reputation run by a highly professional company that is so inclusive with not only the variety in its events but also the great efforts it makes to link up with the wider community "

"Lovely welcoming venue and despite a full house of over 1,000 people, staff were friendly and welcoming"

Examples of complaints

"Too hot" or "Too cold"

"Spoken word cannot be heard in circle of auditorium"

"Disappointed sightlines for wheelchair patrons"

"too few vegetables with main meal in restaurant"

Categories:	Description:	Performance Measures:	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Total
Policy	All matters relating to Policy issues including Programming	No of compliments	4	18	9	9	2	42
		No of complaints	1	4	8	4	2	19
Service Delivery	Including: ➤ Failure to deliver services ➤ Poor quality of service ➤ Delay in the delivery of service	No of compliments	3	15	9	15	1	43
		No of complaints	8	15	14	8	2	47
Customer Services	Including: ➤ Incorrect information given ➤ No response to customer enquiry ➤ Unfair treatment of customer ➤ Staff attitude ➤ Car park	No of compliments	4	6	5	16	4	34
		No of complaints	3	6	5	7	4	25
		Total no of compliments	11	39	23*	40*	7*	120
		Total no of complaints	12	25	27	19	8	91

*Only compliments with an explanation were included in overall results. Additional 43 compliments Jan – March, 74 April – June and 16 July - August

GEM (Great Experience Management) is a mystery shopper report that is a monthly audit of a customer journey. It covers two areas; one being the customer journey from liaising with the box office and booking tickets to their arrival, greeting, venue signage, cleanliness, the show itself and exit flyering. Alongside that is a restaurant report going into further detail of the customer experience when dining with us. From entrance, table set up, ordering, upselling, staff knowledge and food quality and presentation as well as billing and overall experience.

September 2016	87%
October 2016	87%
November 2016	91%
December 2016	91%
January 2017	93%
February 2017	75%
March 2017	89%
April 2017	72%
May 2017	82%
June 2017	85%
July 2017	89%
August 2017	N/A

Included within the report is a recorded audio clip of the Box Office team member's conversation with the customer.

Due to the unique 360-degree critique, GEM is an invaluable training tool for all the team with each topic achieving a score rating culminating in a percentage score alongside the customer's comments.

For year 2016/2017 Hospitality and Front of House teams will undergo customer journey training, steps of service training with new and existing staff in November and upselling training prior to each shift. Team incentives will be in place for upselling and Team Supervisors will receive additional support of mentoring with Hospitality Managers and Bars Managers. HQ Theatres and Hospitality are rolling out training at 4 pilot venues and aimed to embed the ethos of great customer service across the organisation

Always wanting to seek out opportunities to improve, we proactively contact our customers with a post event questionnaire in which they are invited to share their views

In our most recent annual survey, 55% of our customers rated their overall experience of the venue as 'Very Good' whilst 35% of customers rated their experience as 'Excellent'

8. BUILDINGS AND HEALTH & SAFETY

Watford Colosseums Building and Technical Manager leads on Health and Safety of the Venue. RB H&S Ltd are our retained external H&S consultants who provide an annual audit, alongside quarterly inspections. Subsequent delivery of a prioritised action plan is then managed and actioned by the local on site.

Within the annual and quarterly inspections, a thorough review is undertaken of all operational areas from staff training records; for example, Manual Handling and First Aid, to documentation held within the HQT&H group H&S portal pertaining to risk assessments and compliance with legislation for Legionella, COSHH, Accident and Incident reporting and electrical testing etc.

"A very positive audit with ongoing improvements clearly visible in this venue"

RB H&S Ltd

Building and Plant Machinery updates are provided at the monthly and quarterly meetings. Below is an overview from RB H&S Ltd audits. Column A is the priority order; Column B is the number of actions required; Column C is the number completed; Column D is the number outstanding

Priority Order	Number of Actions Required	Number Completed	Number Outstanding
High – 1 Month	0	0	0
Medium – 3 Months	26	26	0
Low – 6 Months	2	2	0

September-December 2016

No RIDDORS.	Main rigging and LOLER inspections took place and up to date	September - Medium and low risk actions being worked on.	Various non serious accident forms – no serious.	Main building FOH training Fire + Security training 80% of staff trained.	October - Low risk actions being worked on.	November - New inspection flagged up 9 medium/low risk recommendations – these are being worked on.	Incident regarding telescope in storage – WBC delivery lorry reversed into it, no serious damage caused, re inspected and passed to use.	One RIDDOR – lady fell over at a Christmas party fracturing her ankle – reports/ investigations completed.	December - Only 1 medium/low risk recommendation still outstanding but still within timescales.
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- No high risk audit or inspection recommendations found September – December 2016.

January-March 2017

Only 1 medium/low recommendation still outstanding but within agreed timescales.	Rat discovered in main kitchen – Entrance place found, filled and Rentokil confirmed we are clear.	Fire Doors work commenced – 40% through main auditorium doors – going well	Carpet seems have deteriorated a little – now a H+S risk. Contractor found and work to make seems safe starts in Feb.	Project Griffin Training took place with Herts Police – very informative.	Fire Doors contractor work complete, just waiting on a few parts for our in house maintenance man to fit to finish off.	Repairs to ops office/FOH carpets complete.
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- No high risk audit or inspection recommendations found January – March 2017.

April-June 2017

All Audit recommendations now complete for this quarter.	Fire Doors contractor work complete.	Various non serious accident and incident forms – No serious.	No RIDDORS	New Audit took place – awaiting report.	Security level raised to Critical so all training reviewed with staff working and security arranged for each event. Work commenced on MIP.	Unsatisfactory reading on water quality – treatment taken place and now resolved.	Security level lowered back to severe. Critical security procedures still in place for a further 2 week period.
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- No high risk audit or inspection recommendations found April – June 2017.

July-August 2017

Annual planned EHO Visit	Venue wide PAT Testing underway, to be continued into August.	Kitchen extract clean took place.	Venue H+S meetings proving successful in lowering our H+S audit recommendations quickly.	Various minor accidents involving customers or staff – No serious.	No RIDDORS	Venue wide PAT Testing now complete. All Office and theatre technical equipment.	Venue H+S recommendations complete.	New 1 st year Audit taken place – 3 high risk recommendations picked up and being worked on. Money being sourced for urgent repair of outdoor lighting.
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Plant & Machinery Maintenance

- Ongoing works with WBC regarding BMS, pumps, heaters and roof works. Project has been launched and contractor appointed. Now waiting on a specification and start date.

September-December 2016

Various PPM Servicing took place – up to date.	Main filters and bags changed in all AHU's.	Leak on closed water heating system - now complete	Door heaters faulty - Warrentee repaired	Serious maintenance issues with FOH Lift – Safety was maintained at all times – now fixed.	WBC work commenced on forum corridor – Not yet finished.	Summer roof/BMS project work launched this month – target date summer 2017.	BMS system contactor replaced to add heat into auditorium.
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January-March 2017

WBC work still ongoing on forum corridor – completion date due in Feb	Plant maintenance – leak in central heating system in main plant room, this has been resolved.	Emergency lighting issues – now complete	Faulty stage lift rams - 30 day notice issued to be fixed by March.	2 x overnight fire alarm call outs – faulty MCP.	Main toilets vandalised by blocking pipe – Now fixed.	Broken carpark barrier now repaired. Cause by lorry knocking it.	Various Sink and toilets damaged/vandalised again in main toilets – Now fixed.
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April-August 2017

CCTV improvement CAPEX work now complete	BMS report arrived with worrying recommendations - working with WBC to resolve	Vandalised toilets again – Now fixed.	Insurance inspections undertaken with Allianz	Ongoing issues with BMS report advising us to switch off.	Vandalised bollards (x2), toilets blockages (x3) and broken window	MCP in Ops office replaced.	BMS works taken place by Watford Council so now deemed 'safe' so can use on manual again	Vandalised bollards, toilets blockages and minor accidental damages to building	Major failure of air cellar cooling unit, resolved using external contractor within 2 working days.	Kitchen cooker failed – resolved
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Workforce Overview - COMMISSIONED ORGANISATIONS & MAJOR CONTRACTS

Workforce	Subject Area	COMMISSIONING FRAMEWORK								MAJOR CONTRACTS			TOTALS	
		COMISSIONED ORGANISATIONS			COMMUNITY CENTRES									
		CAB	W3RT	WPT	SHOPMOBILITY	HOLYWELL	WWCA	ORBITAL	CENTREPOINT	MERIDEN	COLOSSEUM	CENTRAL		WOODSIDE
	No. of full-time staff	2	10	29	0	8	1	3	0	3	16	17	33	122
	No. of part-time staff	9	24	61	3	34	3	2	3	3	7	55	45	249
	No. of Casual staff	0	0	0	0	0	0	0	0	0	81	20	99	200
	No. of apprentice	1	0	0	0	0	0	0	0	0	0	1	3	5
	No. of self-employed	0	1	0	0	1	1	0	0	0	0	34	54	91
	No. of volunteers	45	24	31	40	34	57	2	3	4	88	1	0	329
	No. of trustees/board members	8	7	14	12	Same board as W3RT	13	10	0	9				73
Estimated cash value for volunteer hours	£468,919	£0	£4,650	£1,037	£0	£0	£0		£0	£0	£0	£0	£474,606	
Subject Area	CAB	W3RT	WPT	SHOPMOBILITY	HOLYWELL	WWCA	ORBITAL	CENTREPOINT	MERIDEN	COLOSSEUM	CENTRAL	WOODSIDE	TOTALS	
No. of male staff	4	10	56	0	14	0	2	0	2	90	61	86	325	
No. of female staff	7	24	65	3	29	4	5	3	6	102	67	148	463	
No. of staff who are WBC residents	7	24	29	2	19	4	6	2	4	101	82	79	359	
No. of staff aged under 25 years	0	1	73	0	0	0	0	0	1	60	77	11	223	
No. of staff aged over 65 years	0	3	1	2	5	0	0	0	0	24	2	2	39	
TOTAL WORKFORCE	65	66	135	55	77	75	17	6	19	192	128	234	1069	

PART A

Report to: Outsourced Services Scrutiny Panel
Date of meeting: 2 November 2017
Report of: Section Head Property and Regeneration
Title: Performance of New Watford Market

1.0 Summary

1.1 The report provides a summary of the current performance of New Watford Market and sets out future steps for further improvement

2.0 Risk

2.1

Nature of Risk	Consequence	Suggested Control Measures	Response <i>(Treat, tolerate, terminate, transfer)</i>	Risk Rating (the combination of severity and likelihood)
Dirty and dated market stalls	Negative public perception	Purchase new canopies	Treat	6
Confused branding with the WBC logo on the parade stalls and the New Watford Branding used in the covered market	Visitors to the market not understanding that the parade and covered market are part of the same market	Include New Watford Market branding in the new gazebos	Treat	4

3.0 **Recommendations**

3.1 OSSP is asked to note the report.

Contact Officer:

For further information on this report please contact:

Hannah Heinemann telephone extension: 8212

email: Hannah.Heinemann@watford.gov.uk

Report approved by: Deputy Managing Director

4.0 **Detailed Proposal**

4.1 **Background Information**

4.1.1 New Watford Market was developed out of the need for market traders to move out of the old Watford Market to enable the redevelopment of Charter Place. As such it functioned as a relocation opportunity for a range of traders. As part of the move in October 2014 to the new build market, the decision was also made that the management should be outsourced. The Council is not a market specialist and would not have been able to draw on wider experience of markets as a specialist market management company can. Town & Country Markets (TCM) was appointed to manage the market following a competitive open tender. The term of the agreement with TCM is 10 years and expires on 16 October 2024. There is also a break clause in May 2019. TCM are responsible for the day-to-day management of the market.

4.1.2 Since the opening a range of improvements have been taken place that include the wrap around the market, graphics on the shutters of the units, additional signage as well as the recent addition of little seating areas in the market.

4.2 **Governance Structure**

4.2.1 The day-to-day operation is monitored by the contract manager on a regular basis. Formal reporting is done at the Market Steering Group that meets on a quarterly basis to review performance against KPIs. Strategic decisions are made at the Strategic Market Board which meets twice a year.

4.3 **Partnership Working and BID**

4.3.1 TCM is currently considering whether to become a voluntary levy payer and join the BID. Partnership working is already established with traders having participated in the Food & Drink Week in September 2017 as well as "little" events put on in the market complementing the Council's Big Events.

4.4 **Occupancy & Trader Mix**

4.4.1 The move of the market to a new location was always anticipated to be difficult and in the first 2 years of trading TCM focused on increasing the occupancy rates and raising the quality

of the products and services. New Watford Market now has an occupancy rate of 94% with only 2 vacant units. The covered market continues to operate predominately four days a week (Tuesday, Thursday, Friday and Saturday) with increasingly more traders opting to open on a Wednesday.

- 4.4.2 Efforts on trader recruitment have concentrated on bespoke services and food & beverage traders, which tend to act as anchor stalls and complement the existing offer. Recruitment has been achieved through social media advertising, onsite promotion, and targeted sales calls. As such TCM has focused on “destination” trades such as the beauty and hair salon. The top floor is fully occupied with food traders with one or two additional food traders on the ground floor level. Along the parade there are a range of regular traders with the number of traders fluctuating between 8 and 18 depending on the season and weekday. When comparing occupancy rates with other markets it becomes evident that New Watford Market is well above the national average of occupancy rates which fluctuate between 70% - 80%.

4.5 Future Steps

- 4.5.1 TCM are looking to improve the look of the Parade stalls by working with traders to improve the display and merchandising. The Council together with TCM is also looking to replace the existing gazebos which are now dated and worn. The new gazebos will include the New Watford Market branding which will visually tie the parade stalls to the covered market. Working with partners will continue to achieve a vibrant and well-presented market that ties in with the wider High Street improvements and the opening of the Intu extension at the end of 2018.

5.0 Implications

5.1 Financial

The Head of Finance comments that the planned expenditure is already included in the budget and there are no other direct financial implications.

5.2 Legal Issues (Monitoring Officer)

The Head of Democracy and Governance comments there are no legal implications in this report.

5.3 Equalities/Human Rights

N/A

5.4 Staffing

N/A

5.5 Accommodation

N/A

5.6 **Community Safety/Crime and Disorder**

CCTV is in operation throughout the market and monitored.

5.7 **Sustainability**

N/A