

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.

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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