

Part A

Report to: Outsourced Services Panel (OSSP)

Date of meeting: 12 December 2018

Report author: Head of Community & Environmental Services

Title: End of Year 7 Report 2017-2018: Watford Colosseum HQ Theatres

1.0 Summary

1.1 In 2010 the council invested over £5 million to refurbish and extend the facility. In 2009 HQ Theatres were awarded a 10 year contract to operate the Watford Colosseum Theatre. Elected Members of the OSSP are responsible for reviewing those services outsourced by Watford Borough Council, which includes the contract with HQ Theatres for the operation of Watford Colosseum.

1.2 The attached appendices set out the following information that provides Elected Members the with background information to support the scrutiny of the contract –

1. End of Year 7 Report by HQ Theatres (2017 – 2018)
2. Financial information for Years 1- 7 of the Colosseum contract

2.0 Risks

2.1

| Nature of risk | Consequence | Suggested Control Measures | Response (treat, tolerate, terminate or transfer) | Risk Rating (combination of severity and likelihood) |
|--|---|---|---|--|
| Contractors do not deliver contract and agreed service specification | The facility or services is not available for residents and customer to use the venue | Regular contract monitoring by the council to review the contract and KPI'S requirement are being met by the contractor alongside scrutiny by senior officers and Cllrs | Treat | Unlikely (2) x High (3) = rating of 6 |
| Contractor has financial viability issues, enters into a CVA or goes into administration | As above | As above Regular review of contractors accounts | Tolerate | Unlikely (2) x High (3) = rating of 6 |
| Contractor is taken over by another company | Could have no impact on the service | As above Option to terminate the contract early | Tolerate | Unlikely (2) x High (3) = rating of 6 |

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|---|---|--|-------|--|
| | Or New company tries to alter the contract/SLA and KPI's which impacts on the programme or service delivery | | | |
| Contractor fails to achieve the forecasted/ stated levels of income in their business plan | Contractor tries to increase the level of management fee paid by the council Potential reduction in income share to the council | Regular review of contractors accounts and credit rating Regular contract monitoring by the council to review the impact of new facilities entering the local market and the potential impact on the sustainability of the venue | Treat | Unlikely (2) x High (3) = rating of 6 |
| Death or injury to a customer/user or member of staff e.g. failure of structure or poor repair and maintenance of the building or equipment/plant | Distress to injured parties Reputational risk to council and contractor in failings in health and safety compliance is identified Closure of the facility due to incident or injury | Regular contract monitoring by the council to review the health and safety and contract requirements are being met and reviewed by the contractor Update stock condition survey on property and annual landlord compliance inspection | Treat | Unlikely (2) x High (3) = rating of 6 |

3.0 Recommendations

- 3.1 To review the End of Year 7 report (Appendix 1) of the Watford Colosseum contract, delivered in partnership with HQ Theatres and consider whether any further action is required.

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

4.0 Detailed proposal

- 4.1 The Colosseum are a high profile front facing public service which helps to deliver the council corporate objectives and links to the authority's wider social and evening economy agenda.
- 4.2 In 2009 HQ Theatres were awarded a 10 year contract to operate the Watford Colosseum Theatre. The current contract expires in August 2021. HQ Theatres currently operate 11 venues across England including G-Live in Guildford, Wycombe Swan and Wyvern Theatre in Swindon.
- 4.3 The council pays HQ Theatres a management fee, which is subject to annual changes in line with inflation. The management fee for 2018-2019 is £169,937.
- 4.4 There is also a profit share arrangement where any surplus will be apportioned between the parties. Following a review of the business rates HQ Theatres have now paid WBC a profit share of £5,062 (plus VAT) for the operating years 5 & 6 of the contract.
- 4.5 Each of the major contracts (SLM for the Leisure Centres, Veolia for the Waste, Streets and Parks and HQ Theatres for Watford Colosseum) has a bespoke service specification which details the KPIs required by the council. The current KPIs are much based upon a first generation contract and service specification. Council officers will continue to work with HQ Theatres to promote the venue in the town and surrounding area, alongside monitoring performance against the contract service specification, impacts of changes in key personnel and their long term management of the asset.

5.0 Implications

5.1 Financial

- 5.1.1 There are no financial implications or issues identified in this report.

5.2 Legal Issues

- 5.2.1 There are no legal implications or issues identified in this report.

5.3 Equalities, Human Rights and Data Protection

- 5.3.1 There are no Equalities, Human Rights and Data Protection implications or issues identified in this report.

5.4 Staffing

- 5.4.1 There are no changes to WBC staffing arrangements identified in this report.

5.5 **Accommodation**

5.5.1 There are no changes identified in this report relating to WBC office/town hall accommodation.

5.6 **Community Safety/Crime and Disorder**

5.6.1 There are no Community Safety/Crime and Disorder implications identified in this report.

Appendices

1. End of Year 7 Report by HQ Theatres (2017 – 2018)
2. Financial information for Years 1- 7 of the Colosseum contract (Part B – not for publication)
3. Presentation by HQ Theatres (to follow)