



**WATFORD
BOROUGH
COUNCIL**

WATFORD COLOSSEUM TASK GROUP

Wednesday, 18 September 2019

6.30 pm

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Contact

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Agenda

Councillor Councillor Richard Smith (Chair)

Members Councillor Keith Crout, Councillor Amanda Grimston, Councillor Rabi Martins and Councillor Maggie Parker

Officers: Chris Fennell, Julietta Federico, Alan Garside and Ian Smith

Also present:

1. Apologies
2. Disclosure of Interests
3. Background to and purpose of the scrutiny (Pages 3 - 12)

The Head of Leisure and Environmental Services to provide the task group with the background to and purpose of the scrutiny.

4. Exclusion of press and public

The Chair to move: that, under Section 100A (4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during consideration of the item there would be disclosure to them of exempt information as defined in Section 100(1) of the Act for the reasons stated below in terms of Schedule 12A.

Note: if approved, the Chair will ask members of the press and public to leave the meeting at this point.

5. Feedback from theatre operators (Pages 13 - 28)

Members to discuss the feedback from the theatre operators in questions 1 to 7 of the appended document and make recommendations.

Watford Colosseum Management Contract

Background

Watford Colosseum is a high profile front facing public service which helps to deliver the council corporate objectives and delivers important services linked to the authorities' wider social and cultural policies.

In 2009 Watford Council awarded a 10 year (2011 - 2021) management contract to HQ Theatres and Hospitality.

In 2011 the Colosseum underwent a £5.5 million refurbishment to bring it up to the standard of a world class venue it once was and comprises the following:

- Main auditorium which has a 1,280 seat capacity
- Café bar and Forum Restaurant
- The Grand Lobby and a number of smaller bars
- Office accommodation and staff meeting and changing rooms

The current contract expires in 14 March 2021, and the council has started the preplanning for the retendering process. Experience of contract management shows that early planning for retendering is critical to successful delivery and that time allowed 'up front' in terms of planning, soft market testing, engagement with relevant stakeholders etc to ensure optimum outcomes are achieved.

Subsequent to the capital investment in 2010 – 2011, the council has recently undertaken a full stock condition survey of the venue and has identified a number of areas that now require further attention. The plan is to undertake the upgrading and refurbishment to the facility, this will include works to roof, windows and plant and equipment across the venue during March to November 2021.

Running parallel to the building works the council will conduct a tender exercise to select a new partner to operate the venue from November 2021.

Current contractual arrangements

1. Under the arrangements the council pays the operator a management fee contractor to operate the facilities
2. At present the council has a landlord and tenant split for maintenance and capital replacement of key plant and equipment under a lease arrangement with the operator, WBC also has responsibility for the structure of the buildings
3. The contractor is responsible for energy and water consumption

Project Objectives

The overall aim of the project is to successfully retender the Watford Colosseum management contract achieving the following criteria:

1. To deliver the procurement of the new second generation contract using the council's adopted project management, monitoring and evaluation methodology
2. To manage and mitigate the risks identified in the project risk log
3. The new contract actively contributes to Watford Borough Council's stated vision and corporate objectives (policy through procurement ethos)
4. To deliver the procurement of the contract project on time and within the budget allocation

Council aspirations for the new Watford Colosseum contract

1. To reduce or eliminate any need for a subsidy for the facility and if possible to move towards a positive management fee payment to the council
2. Transfer of risk on asset management – (repair, maintenance and lifecycle replacement) to be achieved through a full repairing lease arrangement with the new contractor
3. The contractor will be responsible for all utility costs and any other charges linked to the operation of the venue for the whole contract period
4. To provide a venue that delivers a balanced and varied programme and cultural activity opportunities to encourage greater participation, alongside developing a greater outreach programme with key partners in the borough

Phasing plan

Phase	Workstream	Subject Area	Timeframe
Phase 1	Workstreams 1 - 4	Pre procurement planning and document preparation	August 2019 – January 2020
Phase 2	Workstream 5	Procurement stage	February – April
Phase 3	Workstream 6	Evaluation and selection process	May – June
Phase 4	Workstream 6	Award contract	July 2020
Phase 5	Workstream 6	Mobilisation period and Year 1 implementation	TBC November 2021 – October 22

Watford Colosseum Management Contract Watford Borough Council

Direct Market Engagement



Watford Colosseum Opportunity Document

Watford Borough Council would like to invite suitable and experienced organisations, to participate in a Direct Market Engagement Exercise. This process will involve discussions regarding the proposed development works and new management contract of the council's receiving and touring theatre called Watford Colosseum.

The council have developed this Opportunity Document to provide theatre operators with some background information regarding the venue and the future building and contract plans.

Introduction to Watford

Watford is an urban borough in South West Hertfordshire, on the edge of the East of England region, and to the north-west of London. It covers 2,142 hectares (8.3 square miles), and is the only non-metropolitan borough wholly contained within the M25. Watford is the largest town in Hertfordshire and the centre of a sub-region serving over 500,000 people, living within a 20 minute travelling time who look to Watford as the go to place for shopping, leisure, culture and entertainment. We are also home to around 5,000 businesses and 100,000 jobs. This brings an amazing energy to the borough

Whilst it does not have a common boundary with London, in terms of its regional profile and its young and diverse population (currently circa 96,700 - Office for National Statistics (ONS): 2017 mid-year estimate), the borough has much in common with the energy and dynamism of the capital. However, one of Watford's key strengths is that retains its own strong identity, with a long and varied history as a market town and a much-loved premier league football team.

The borough has excellent transport links with mainline rail connections to London, the Midlands and the North, underground and overground connections to London, its north-west suburbs and the rural Chilterns, community rail connections to St Albans, coach services to Heathrow airport, bus services to Luton airport and convenient road connections via the M1, M25 and A41.

Watford Borough Council has invested heavily into its leisure and cultural facilities in recent years as part of a commitment to provide high quality, accessible facilities for the people who live, work and study in the borough. The Colosseum is one of three theatres or cultural venues in the town. The Watford Palace Theatre is a sub-region production house and is an Arts Council funded National Portfolio Organisation. The third facility in the area is the Pump House Theatre which is a grass roots venue operated by local volunteers. The nearest receiving/touring house theatre is The Arena and is located in St Albans.

Background information on the Colosseum and current facility mix

The council's receiving house theatre (Watford Colosseum) is a high profile public service contributing to a range of key corporate objectives and helping to meet wider social, and wellbeing outcomes. The service is high on the agenda of the Elected Mayor, senior officers and Councillors who recognise the importance of increasing engagement in cultural facilities supporting the town's evening economy.

In 2011 the Colosseum underwent a £5.5 million refurbishment to bring it up to the standard of a world class venue it once was and comprises the following:

- Main auditorium which has a 1,280 seat capacity
- Café bar and Forum Restaurant
- The Grand Lobby and a number of smaller bars
- Office accommodation and staff meeting room
- Changing rooms

History of the Colosseum

Watford's premier concert venue is world renowned for its acoustic qualities. Julian Lloyd Webber described Watford Colosseum as "the finest recording venue in the world" and it has been used to record the soundtracks of Lord of the Rings, The Sound of Music and Star Wars. In 1995, Pavarotti came to Watford Colosseum to record Verdi's Inno delle Nazioni with the Philharmonia Chorus. More recently, recordings from BBC Concert Orchestra have taken place in the auditorium

During 2017 – 2018 (Year 7 of the contract period) 65,181 tickets were sold at the venue which included live sport, music, and comedy alongside 40 corporate events.

Current contract arrangements

The existing management contract with HQ Theatres commenced in August 2010 and will expire in March 2021. The council has begun the process of re-procuring a new management contract and is currently undertaking work as part of Phase 1: Pre-Procurement.

This Direct Market Engagement exercise is designed to secure early engagement with the market and to test some of the council's initial thinking on key elements of the new contract in order to inform the development of a clear Procurement Strategy.

The exercise seeks to draw upon the expertise of the operator market in exploring innovative approaches to additional services which extend the scope of the contract to better meet the council's wider priorities.

The Opportunity to manage and operate Watford Colosseum

Subsequent to the capital investment in 2010 – 2011, the council has recently undertaken a full stock condition survey of the venue and has identified a number of areas that now require further attention. The plan is to undertake the upgrading and refurbishment to the facility, this will include works to roof, windows and plant and equipment across the venue during March to November 2021.

Running parallel to the building works the council will conduct a tender exercise to select a new partner to operate the venue from November 2021. As part of this Direct Market Engagement exercise, the council wish to seek the views of the market to inform an innovative approach to development of the services specification and potential changes to the venue's facility mix to maximise participation and revenue once the venue has reopened in November 2021.

This document provides some high level information on the opportunity, the facilities in scope, and the indicative timescale for the procurement. Importantly, it also provides an opportunity for your organisation to complete a short survey (please see below) containing questions that the council would like to test with the operator market.

Please note that this Direct Market Engagement exercise is not part of the formal procurement process and all responses will be treated confidentially and used solely to inform the council's approach to the new contract and any potential changes to the facility mix at the venue. The Council may follow up some responses with a further telephone discussion or meeting where it would be helpful to do so. Please indicate if you are willing to be contacted further.

Next Steps in the tender process

It is the ambition of the council to seek confidential responses from operators to a brief set of questions which explore potential partnership options. This will inform the council's approach to the development of its Procurement Strategy and contract documents.

Please submit your responses to the questions via email by **Monday 1 July 2019**. Please therefore provide contact details of a named representative in Question 14 of the survey.

The council intends to hold an **Open Day on Tuesday 9 July between 10 am – 1pm 2019**, where potential operators will have the opportunity to tour the venue, discuss the planned works and meet with officers who will be conducting the procurement and tender exercise.

Therefore I would be grateful if you could confirm if you would like to attend the Open Day by Tuesday 2 July 2019.

Thank you in advance for your assistance and we look forward to receiving your responses.

Indicative Procurement Timetable

Table 1 Indicative timetable for the new management contract

Project Phase	Indicative Dates
Phase 1: Pre- Procurement planning and document preparation	June – December 2019
Phase 2: Procurement stage	January – April 2020
Phase 3: Evaluation and selection process	May – September 2020
Phase 4: Contract Award	October 2020 - January 2021
Phase 5: Mobilisation period	October - November 2021
Phase 6: Commencement of Year 1 of the new contract	November 2021

Watford Colosseum - Direct Market Engagement Questions

Q1. The council is currently considering a 10-year or 15-year contract. What would be your preferred contract term and why?

Q.2 What changes to the current Colosseum's current facility mix would your organisation suggest in order to maximise greater usage of the theatre, increase participation/sales and drive greater revenue at the venue?

Q.3 The council is considering the use of an Income Share / Profit Share mechanism. What are your observations on such mechanisms and are you aware of any alternative methods of providing a shared benefit to the client?

Q.4 The council intends to deal with any loss of income incurred by the operator as a result of circumstances beyond their control through a 'no better, no worse' open book review. Would this be acceptable to you and are you aware of alternative models being used in the market?

Q.5 The council is considering transferring all risk on maintenance and repair of buildings and assets including lifecycle replacement of assets to the operator. Would such an arrangement be acceptable to your organisation and what do you see as the advantages and disadvantages of this approach?

Q6. The council is keen to explore additional opportunities to extend the reach and impact of the service/venue beyond the facilities the wider community. Can your organisation provide any suggestions as to how this could be achieved?

Q.7 Please explain the contractual arrangements you have for similar services and which elements have worked well and those which have not.

Q.8 What are your comments on current market trends and how these might impact in the short and medium terms?

Q.9 What (range of) delivery models would you recommend and why? What are the key cost and other drivers for each model? What is your view on your and/or the market's ability to make investment in the service early on in the contract to generate savings and service improvement?

Q.10 What are your views on potential procurement procedures that would be attractive to the market, which procedure is likely to provide the best outcomes for the council and why?

Q.11 How should the service be specified, in what level of detail and by reference to which standards?

Q.12 How could the council make this proposal as attractive as possible to the market?

Q.13 Do you have any advice on potential Social Value opportunities relating to the Social, Economic and Environmental interest of the local community?

Q.14 Contact details including name, title/role, email and telephone number

Watford Borough Council - Contact Details

Please send your responses to and for further information regarding the opportunity, please contact:

Christopher Fennell

Head of Leisure & Environmental Services

Email: chris.fennell@watford.gov.uk

Telephone: 0774 8920 868

Please note I am on annual leave from Thursday 30 May to Friday 14 June and I will respond to any questions or requests to attend the Open Day upon my return



Scrutiny proposal – Watford Colosseum

1	<p>What topic / issue would you like scrutinised and why?</p> <p>To consider the future facility mix and contract management arrangements for Watford Colosseum Theatre.</p> <p>During July 2019 WBC conducted an open day with experienced theatre operators to visit site, talk to officers responsible for the retender and complete a short questionnaire.</p>
2	<p>What outcomes would you like to see from this review?</p> <p>The results and feedback from the questionnaire will help the authority to shape and inform the future plans for the venue and the new management contract. Non-executive councillors are asked to review this information and provide senior leaders with a set of recommendations based upon current best practice, trends that are affecting the local authority touring theatres and put forward a considered response.</p>
3	<p>Does the suggestion support any of the council’s priorities?</p> <ul style="list-style-type: none"> • Manage the bough’s housing needs • Enable a thriving local economy • Enable a sustainable town and council • Celebrate and support our communities <p>Or not applicable</p> <ul style="list-style-type: none"> • Enable a thriving local economy the Watford Colosseum makes a valuable contribution to the town’s cultural offer • Enable a sustainable town and council the venue plays an important part in the town’s evening economy and draws customers from the town and wider sub-regional area • Celebrate and support our communities the venue’s activities and events programme allows local residents to attend shows that support and promote their individual cultures and beliefs alongside allowing people to participate in a valuable social activity