

**Policy
Development
Scrutiny
Committee**

**Report on the
Future of the
Colosseum**

**Final draft
January 2007**

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Policy Scrutiny Committee

Colosseum Review 2006/07

Final Draft Report – January 2007

1. Introduction

1.1. Background

- 1.1.1. At its meeting on 11 July 2006 the Policy Development Scrutiny Committee resolved to undertake a review of the future of the Colosseum both as a building and a facility.
- 1.1.2. The decision was taken because members considered the Colosseum to be a major Council asset and felt that the question marks over its future use and management needed resolving. Members were also conscious that there was significant public interest in the future of the Colosseum following the failure of the contract operator two years ago.

1.2. Scope

- 1.2.1. In considering the scope of its review, the Committee wished to review the current use of the Colosseum, to assess public attitudes to its current use and its future, and to examine options for its long-term use and operational management. The Committee hoped it would be able to make a recommendation on the best way forward, taking into account the outstanding characteristics of the building, the demand for its use and cost to the Council.
- 1.2.2. The full scope and terms of reference are attached at **Appendix 1**.

1.3. Review Process

- 1.3.1. The Committee's approach has been one of investigation through a series of meetings and site visits.
- 1.3.2. The committee has considered evidence from officers and members, listened to the considered views of various interest groups and tried as far as possible, within the context of its meetings in public, to hear the views of the general public.
- 1.3.3. The Committee held five meetings on the subject of the Colosseum:

- 4 September – to consider documentary evidence and discuss the process of the review.
- 18 September – to hear from members and officers of the Council and some public views. (See **Appendix 2** for full report of this meeting).
- 23 October – to hear from members of the public and interested organisations. (See **Appendix 3** for full report of this meeting).
- 07 November – to review further documentary evidence and to start to frame some conclusions around options.
- 08 January – to agree findings and conclusions and consider draft report.

1.3.4. In order to gain information about different models for the management and operation of local authority venues similar to the Colosseum, the Committee made three site visits:

- 26 September – The Corn Exchange, Cambridge. (See **Appendix 4** for full report of visit to a venue managed in-house by the Council).
- 5 October – The Guildhall, Southampton. (See **Appendix 5** for full report of visit to a venue managed by a commercial contractor).
- 12 December 2006 – The Anvil, Basingstoke. (See **Appendix 6** for full report of visit to a venue managed by a not-for-profit trust).

Apart from the reports contained in Appendices 4, 5 and 6, also available are range of brochures, business plans and strategies prepared by these three authorities.

1.3.5. Additionally, the Committee considered a range of documentary evidence which included:

- the 2006 Watford Residents' Survey,
- the 2004 report on issues around the liquidation of Watford Colosseum Limited,
- the 2004 consultants' report on the future of the Colosseum,
- the development of the Council's cultural strategy,
- issues of finances.

2. Summary of Main Conclusions

- 2.1 There is overwhelming support amongst community stakeholders, interested residents, the music profession and national broadcasting, film and recording industries for the retention of the Colosseum as a public-performance venue, music rehearsal and film/recording venue, exhibition and conference venue, and social event venue.
- 2.2 Three models for the long term management and operation of the venue are identified by the committee:
- i. In-house (Cambridge model)
 - ii. Contract to an external commercial operator (Southampton Model)
 - iii. Contract or lease to a local charitable trust (Basingstoke model).
- A table comparing population, demographics, ethnic mix etc. between Cambridge, Watford and other authorities visited is set out in **Appendix 8**.
- 2.3 The Committee rejects the Cambridge model as being likely to be the least cost effective. It views local authority operation as unlikely to attract the professional performing arts entrepreneurship and management skills needed to operate and programme a successful public-performance venue.
- 2.4 The Committee agreed a preference for the long-term management and operation the venue between the Basingstoke model and the Southampton model. The choice should be tested on the basis of the strength of the management and business plans of interested potential operators and the risk to which the Council is exposed.
- 2.5 The Committee recognises that venues like the Colosseum cannot be run as public-performance venues without some level of revenue support from the local authority.
- 2.6 In deciding on its level of revenue support for the Colosseum venue, the Council must clearly distinguish between support for operation of the venue and support for its programme of events and community use since the level of the latter two will significantly affect the Council's exposure to risk and the total revenue support required.
- 2.7 The Committee believes that restoration of the Colosseum to a fully-functioning public-performance venue with a regular programme of diverse entertainment and music events appealing across the age and interest ranges, similar to the programming at Cambridge and Southampton, would make a significant

contribution to the Council's cultural policy and vision for a family friendly town centre.

- 2.8** The Council must guard against allowing the needs of the BBC for a rehearsal space for the BBC Concert Orchestra to dictate the future of the Colosseum venue and crowd out its use as a public-performance venue with a regular programme of events.
- 2.9** The Committee accepts the overwhelming view of consultees that the name of the venue should be changed.

3. Recommendations

The Committee makes the following recommendations:

- 3.1. That the restoration as soon as possible of the Colosseum venue as a fully operational public performance venue with a regular wide-ranging programme of events be adopted as a significant element of the Council's cultural policy.
- 3.2. That a new name be adopted for the re-launch, with majority preference for **Watford Town Hall** and minority preference for something with a more modern feel.
- 3.3. That the options to be considered for the management and operation of the venue when re-launched should be the Southampton and Basingstoke models and that value for money and mitigation of risk should be significant considerations.

4. Findings

4.1 Background

- 4.1.1. Until 1994 the Colosseum venue was managed and operated in-house by the Council itself. Following the *Assembly Halls Review* in 1993, the Council decided to close down the in-house operation of the venue effective 1 April 1994 on account of its high cost and to seek a more financially sustainable way of operating it through a contract with an outside operator.
- 4.1.2. After seeking expressions of interest through press advertising, the Council granted a lease for operation of the premises to Watford Colosseum Limited in August 1994. Initially Watford Country Club was involved in the management of this company but the ownership and management of the company changed around 2000. The company continued operating the Colosseum under the terms of its lease until it failed and was put into administration in June 2004. The Council then took back possession of the premises and operation of the venue.

4.2. The Executive's position

- 4.2.1. At its meeting on 18 September the Committee listened to an outline of the Executive's position on the Colosseum from the Portfolio Holder for Leisure and from officers with managerial responsibility for the venue.
- 4.2.2. The Executive's position at the date of the meeting was that, because of other priorities and work still in process on the Council's cultural strategy, it had not yet formulated a view of what the future of the Colosseum should be. The Executive had taken advantage of the BBC contract to keep the venue ticking over, pending full consideration of the Colosseum's long-term future in due course. The 2004 Consultants Report was likely to inform a future decision. Key issues would be finances, value for money and the level of subsidy required from the Council.
- 4.2.3. The Executive saw public opinion as a key factor, both in terms of demand for the facility and costs of continued operation, which will fall upon council-tax payers. The Executive is keen to hear the views of people who live in Watford on these matters.
- 4.2.4. Regarding the timescale to move forward decisions on the long-term future of the asset, it was the Executive's position that as the BBC contract runs until April 2008 there was now time to look at are two aspects:
 - what do we want to see at the Colosseum after then;
 - how much do we need and how much do we have to spend.

The Executive had planned to look at these matters at the end of 2006 / beginning of 2007 because until then the leisure centres had been the main priority. The Executive was now coming up to the stage where they would need to see business options to be able to form opinions and make a decision on the future use, management and operation of the Colosseum.

- 4.2.5. The Committee noted that the actual net cost to the Council of operation of the Colosseum under the present arrangements for the year 2005/2006 was £63,000, with 47% utilisation of available days. Officers hoped to improve on this for 2006/2007 with a utilisation of 77%.
- 4.2.6. The Committee noted that the BBC has indicated that it may seek to extend its contract for use of the Colosseum for a further two years until 2010.
- 4.2.7. The Committee is concerned that the interests of the BBC should not drive decision-making in respect of the future of the Colosseum. The BBC hire income provides a good income-stream on which to move forward but the interests of the people of Watford regarding the future use of the venue should be paramount. The BBC hire should not be allowed to crowd out use of the venue for event programming appealing to audiences across the age groups and interest groups. The BBC contract need not inhibit any moves to a new long-term management and operational arrangement for the venue since the BBC contract could be passed on to any new venue management.

4.3. The Consultant's Report

- 4.3.1. The Consultant's comments on options for the future management and operation of the Colosseum are dealt with later in this report.
- 4.3.2. Regarding capital spending options detailed in the Consultant's Report, the Committee feel that expenditure at the proposed minimum level may be adequate to restore the Colosseum as a fit for purpose fully functioning public performance venue.
- 4.3.3. The Committee's visits to Cambridge and Southampton confirmed that motorised retractable tiered seating for the back part of the flat floor of the auditorium is highly desirable. Both venues had relatively new installations of this type and praised their effectiveness in improving the audience experience. Basingstoke's venue standard set-up was raked audience seating. However, the Committee is mindful of the rare acoustic qualities of the Colosseum and recommends caution in any future plans to change its existing layout.

4.4. The views of the Public and Interest Groups

- 4.4.1. At its meetings on 18 September and 23 November the Committee listened to the views of members of the public and people representing organisations with an interest in the future of the Colosseum. A list of people and organisations that contributed to the discussions is given in **Appendix 9**.
- 4.4.2. The discussions were wide ranging and covered a number of issues. However, some common views and concerns could be identified and are summarised under the following headings.

Acoustic Quality

- 4.4.3. There was unanimous agreement that a unique asset of the Colosseum is its acoustic. Almost every speaker referred to it as “exceptional”/ “amazing”/ “among the best in the country”.
- 4.4.4. The Committee noted a recent article in the *Daily Telegraph* by the international cellist Julian Lloyd Webber praising the acoustic quality of the Colosseum.
- 4.4.5. The Committee agrees that this unique acoustic characteristic should not be wasted. It should be used as a selling point in promoting the venue to put Watford on the entertainment and cultural map of the country. Music events should be a significant part of the venue public performance programme.
- 4.4.6. The Classic Concerts Trust had used the Colosseum since 1994 until full operation ceased in 2004. Their representative said that although in his view there was nothing special about the visual impact of the building either inside or out, its acoustic was rare and special and beyond price. The building was an excellent concert hall. He said the Consultants Report looked at the Colosseum too scientifically, and had not sufficiently appreciated the importance of its acoustic.
- 4.4.7. A member of the public said that the acoustic of the building was a miracle and should not be put in danger. He said that he had booked the Colosseum for an international performer who had said that he had never played anywhere with such outstanding acoustic qualities.

Use of the venue

- 4.4.8. There was general agreement that the building was designed for multi-purpose use and that it should be made available for a wide range of purposes, including music events, light entertainment, trade fairs, dances, recording/broadcasting, dinners and weddings. The performance programming should

be for all audiences across the age ranges and interest groups. However, because of the outstanding acoustic of the venue, music events should be a core activity.

- 4.4.9. It was felt that the hire demand for large events such as dinners and weddings would require renovation of the kitchen which was included in option 1 of the capital programme recommended in the Consultants' Report.
- 4.4.10. It was understood that community groups wanting to use the venue would probably not be able to afford the rate card hire charges and would seek subsidised rates. Whatever option is chosen for the future management of the venue, the council will need to have a clear policy about the amount and type of community use it is prepared to subsidise.
- 4.4.11. A number of speakers suggested that the installation of a day-time café in the Colosseum would help to attract audiences and raise public awareness of the programme of events the venue was offering.

Recordings and broadcasting

- 4.4.12. Three officers of the Musicians Union (MU) attended the public/stakeholders meeting to represent the interests of their members who cover the whole gamut of music from pop, through jazz, to classical.
- 4.4.13. There are now only two recording studios in London suitable for large-scale orchestral film and CD recordings – AIR studio and Abbey Road. (There were four. One in Soho closed recently for land redevelopment and another in Wembley closed because of the Wembley Stadium redevelopment). The remaining two cannot meet demand from the film and recording industries and so business is being lost to other places in Europe. The Colosseum is the only suitable alternative facility to the two London facilities. It is an important industry asset and the MU is committed to do all it can to help sustain its availability.
- 4.4.14. The Colosseum's reputation has been enhanced by having been used for high profile film recordings such as *The Lord of the Rings*. The MU believes it has a huge income generating potential if it is marketed properly. UK Trade and Investment are making a big push overseas about the use of UK recording facilities, but the two existing London studios for large film/orchestral recordings are fully booked for two years in advance.
- 4.4.15. The Musicians Union are committed to the Colosseum as a recording venue providing work for their members. They are

prepared to give practical help to promote and market the venue to the film and recording industries both at home and abroad, and they are also prepared to help market the venue to promoters for live music events. The detailed proposals of the MU are included at **Appendix 7**.

- 4.4.16. The Committee appreciates the income-generating capacity of the Colosseum for recordings, but is concerned that, as with use of the venue as a rehearsal space for the BBC Concert Orchestra, this activity should not crowd out use of the venue for regular performance programming of live events for Watford audiences.

Box Office, Promotion and Advertising

- 4.4.17. A number of people commented that there is a general perception amongst residents that the Colosseum is currently closed. This is because there is currently no regular programme of public performance events. And even for those public performance events that do take place there is little publicity and no box office facility.
- 4.4.18. A suggestion was made that for future operations consideration should be given to incorporating the Colosseum box office with that of the Palace Theatre. This would produce economies in costs as well as offering a better service to potential audiences.
- 4.4.19. It was generally felt that a big weakness in the past had been the lack of publicity for events and that proper marketing and publicity would be essential for the future success of the venue.

Venue amenities and facilities

- 4.4.20. A number of stakeholders commented on the back stage facilities for artists and felt that they needed refurbishment. The Manager of the BBC Concert Orchestra said that they avoided using top rank soloists in concerts being rehearsed/recorded at the Colosseum because the back stage facilities are not acceptable for artists of this standing.
- 4.4.21. There were a number of comments about the Town Hall car park facilities which users found confusing. Also the access from the car park to the Colosseum entrance was not signed and was poorly lit. Also, there was no drop off point at the front of the building for disabled people. The Colosseum was a potential venue for trade fairs and exhibitions, but the car parking arrangements for visitors to such events were poor. Comments were made that the Council's car park was full of Councillors and employees' cars during the day so that there was nowhere for the public to park when there for daytime events.

- 4.4.22. Regarding car parking, the Committee noted that none of the venues visited had their own dedicated car parks. Patrons were expected to use nearby public car parks.

Venue name

- 4.4.23. At the public meeting there was overwhelming support for dropping the name Colosseum for the venue. Preference seemed to be for a reversal to “Watford Town Hall” or “The Assembly Halls”.

4.5. NIGHT VISION – Town centres for all

- 4.5.1. The Committee considered the future of the Colosseum in the context of the recent (October 2006) Civic Trust research report on the kind of town centres wanted in the future, and how to make them happen.
- 4.5.2. The report concluded that many town centres are currently dominated by after hours commercial eating and drinking venues. This description could fit Watford.
- 4.5.3. The Committee agrees with the Civic Trust that the following statement is an imperative for the future success of Watford town centre and should underpin decision-making with regard to the future of the Colosseum:

“Vision and strategy

Replace the policy vacuum with positive visions and strategies for a more diverse future. Develop a new agenda, with the aim of ensuring a greater balance of venues, more variety of choice and accessibility for all. Our vision is of town centres where everyone should be able to go out at any hour – young and old, families and children. Town centres should not be a no-go area for anyone at any time”.

- 4.5.4. The committee believes that restoration of the Colosseum to a fully-functioning performance venue with a regular programme of diverse entertainment and music events appealing across the age and interest ranges would make a significant contribution to attaining the Civic Trust vision for town centres of the future.

5. Options for future management and operation of the Colosseum

5.1. The Consultant's report identified four options for the future of the Colosseum:

- i. Close and mothball it – at an estimated cost of £60,000 per annum.
- ii. Spend about £1.5 million on renewals and refurbishments which would largely maintain the hall at its current standard but introduce new seating and improved access.
- iii. Spend £3.5 million on renewals and refurbishments but also include retractable tiered seating, flexible stage layout and the operation of the small hall as a second auditorium for small scale events and a cinema.
- iv. Spend up to £6.0 million to “completely restore and bring the hall to state-of-the-art standards”.

The report concludes that the Council should adopt Option iii and transfer the operation to a charitable trust with £250,000 of revenue support from the Council.

5.2. The committee identified three other options to be added to the four above:

- v. Continue current restricted in-house operation taking advantage of existing contracts and seeking others.
- vi. Develop to full operation but with in-house management.
- vii. Transfer management and operation to commercial operator under contract.

5.3. Closure and mothballing

5.3.1. Reasons for:
Low cost and low risk option.

5.3.2. Reasons against:

- It is likely to cost more to keep the venue in mothballs than it does to run the current restricted operation (£60,000 in 2005/2006).
- It fails to meet the overwhelming aspiration of the people consulted that the venue should be restored to full operation as a fully functioning public performance venue with a regular programme of wide-ranging entertainment and music events, as well as being a venue for hire for rehearsal, recording and other purposes.
- It does nothing to contribute to the vision of a family friendly town centre less dominated for relaxation and entertainment on eating and drinking venues.

- The interior decoration will continue to deteriorate and become more costly to repair should the Council wish to do so in the future.
- Any exterior maintenance work required as a result of the stock condition survey will still be needed.

5.3.3. The Committee does not support this option

5.4. Continue current restricted operation

5.4.1. This option would seek to extend the BBC arrangement and other similar bookings, but without major performance and promotion facilities and with a minimum of maintenance and other expenditure.

5.4.2. Reasons for:

- Keeps the building open and accessible for community use.
- Good market for hire for recording and other without large expenditure on advertising and promotion.
- Potential for making venue self financing.

5.4.3. Reasons against:

- Fails to meet the overwhelming aspiration of the people consulted that the venue should be restored to full operation as a fully functioning public performance venue with a regular programme of wide-ranging entertainment and music events, as well as being a venue for hire for other purposes.
- It does nothing to contribute to the vision of a family friendly town centre less dominated for relaxation and entertainment by eating and drinking venues.
- The building and its interior decoration will continue to deteriorate.

5.4.4. The Committee does not support this option

5.5. Develop along lines of current operation

5.5.1. This would also seek to extend the BBC arrangement and also concentrate on building up the recording market as proposed by the Musicians Union.

5.5.2. Reasons for:

- Cautious, step by step, approach would not commit the Council to any capital expenditure in the short term beyond essential maintenance.
- Would build the reputation of the Colosseum and its attractiveness as a recording venue.

- Could be achieved without large expenditure on advertising and promotion.
- If successful, surplus generated could be reinvested in the building and its decoration.
- Keeps the building open and accessible for some community use and if successful capacity for community use can be increased over time.
- Immediate revenue costs to the Council should be no greater than at present.

5.5.3. Reasons against:

- Fails to meet the overwhelming aspiration of the people consulted that the venue should be restored to full operation as a fully functioning public performance venue with a regular programme of wide-ranging entertainment and music events, as well as being a venue for hire for other purposes.
- It does nothing to contribute to the vision of a family friendly town centre less dominated for relaxation and entertainment by eating and drinking venues.
- It serves the needs of the film and recording industry more than the needs of the people of Watford.

5.5.4. The Committee does not support this option.

5.6. Develop to full operation on in-house basis

5.6.1. The facility would be managed and operated in-house by the Council as a multi-purpose performance venue with a regular programme of public performance entertainment and music events, as well as being a venue for hire for recordings, trade fairs, weddings etc. It would seek collaboration with Watford Palace Theatre in respect of box office facilities and possibly joint presentation.

5.6.2. Reasons for:

- Meets the overwhelming aspiration of the people consulted that the venue should be restored to full operation as a fully functioning public performance venue with a regular programme of wide-ranging entertainment and music events, as well as being a venue for hire for rehearsal, recording and other purposes.
- Contributes to the vision of a family friendly town centre less dominated for relaxation and entertainment on eating and drinking venues.
- Maximises the use of the building both in terms of capacity and in terms of variety of use.
- The programme of events would be entirely controlled by the Council.

- Would quickly re-instate a major entertainment and meeting facility within the town.

5.6.3. Reasons against:

- Both Southampton and Basingstoke Councils said that one of their main reasons for rejecting the in-house option for managing and operating their venues was the cost and inflexibility of local authority terms and conditions of service for operations demanding flexible working hours, often in the evenings and at week-ends. Southampton changed from in-house operation in 2000 because of budget problems and the need to save money on the operation of their venue. Basingstoke decided from the outset when they built The Anvil in 1994 that leasing the venue to a not-for-profit trust to manage and operate was the most cost effective option.
- In 1994 Watford Council wound up its in-house management and operation of the Colosseum (then called *The Assembly Halls*) in favour of the more financially viable option of leasing the venue for operation by an outside company.
- This option is likely to be expensive. The revenue cost of the Cambridge operation is around £500,000 per year.
- Difficulty of recruiting a management team with the professional experience and entrepreneur qualities needed for managing a successful entertainment and music venue and programme.

5.6.4. The Committee does not support this option.

5.7. Develop to full operation by entering into management contract with an outside commercial operator (Southampton model)

5.7.1. Reasons for:

- Meets the overwhelming aspiration of the people consulted that the venue should be restored to full operation as a fully functioning public performance venue with a regular programme of wide-ranging entertainment and music events, as well as being a venue for hire for rehearsal, recording and other purposes.
- Contributes to the vision of a family friendly town centre less dominated for relaxation and entertainment on eating and drinking venues.
- Maximises the use of the building both in terms of capacity and variety of use.
- Would quickly re-instate a major entertainment and meeting facility within the Town.
- Minimises the Council's risk (the Council could set a fixed subsidy level within the contract).

- Dependent upon contract negotiations, the Council might expect some capital investment by the contractor. (Live Nation made a substantial capital investment in The Guildhall at the start of the ten year contract).
- Brings in commercial management and professional operational experience to the venue.
- Allows flexible entertainment industry terms and conditions of employment to be used.
- Would provide a cap on Council financial support for the venue. The net subsidy paid by Southampton is around £200,000 per annum.

5.7.2. Reasons against:

- This option would almost certainly require some subsidy by the Council, although less than the in-house option. The net subsidy paid by Southampton is around £200,000 per annum.
- The Council would have less control over the programme of events, although the contract could contain general provisions about the mix of programming.
- The contractor would look for commercially successful bookings in order to maximise his returns.

5.7.3. The Committee supports this option as one of two preferred alternatives.

5.8. Develop to full operation by leasing the venue for management and operation by a not-for profit organisation (Basingstoke model)

5.8.1 The Watford Musical Heritage Trust expressed great interest in being the vehicle for this option.

5.8.2 Reasons for:

- Meets the overwhelming aspiration of the people consulted that the venue should be restored to full operation as a fully functioning public performance venue with a regular programme of wide-ranging entertainment and music events, as well as being a venue for hire for rehearsal, recording and other purposes.
- Contributes to the vision of a family friendly town centre less dominated for relaxation and entertainment on eating and drinking venues.
- Utilises enthusiasm and commitment of local people and local knowledge in the management of the venue.
- Less commercial pressure on the type of programming offered by the venue.

- Allows flexible entertainment industry terms and conditions of employment to be used.

5.8.3 Reasons against:

- This option is likely to be expensive because of the type of programming a not-for profit organisation would aspire to. In order to sustain the operation and programme of The Anvil, Basingstoke Council makes a revenue grant to The Anvil Trust of £750,000 per year.
- Difficulty of recruiting board members with the right knowledge and expertise to oversee a large venue management operation.
- Need of organisation to recruit a professional management and operation team from scratch.

5.8.4 The Committee supports this option as one of two preferred alternatives.

- END -

The Policy Development Committee 2006/07
Councillors: Derbyshire (Chair) P Mortimer (Vice Chair) Greenslade, Khan,
Mahmood, McGovern and Mrs Punter.

Appendix 1

Policy Development Scrutiny Committee – Colosseum Project

Scope and terms of reference for the Colosseum building

Agreed at its meeting on 11 July 2006

Why undertake this review?

Members regard the Colosseum as a major Council asset. They are conscious that there has been uncertainty about its future since the failure of the contract operator two years ago, and they are aware that it has a doubtful future because of question marks over its use and funding. There is significant public interest in its future.

Objectives & Outcomes

Objectives

- i) To determine how the Colosseum does, or could, fit in with the Council's Cultural Strategy and what part it plays.
- ii) To determine the extent to which current use meets the desires of the people who live in Watford.
- iii) To assess the potential for increasing the use of the Colosseum and the resulting benefits for the Town.
- iv) To examine the range of potential uses for this capital asset.
- v) To assess the potential for increasing the use of the Colosseum and the resulting benefits for the Town.
- vi) To examine options for the operational alternatives for ownership, management and development of the Colosseum for the maximum benefit of the people of Watford.
- vii) In the case of an "in-house" option, to determine the current and future costs to the Council of supporting the Colosseum under the options available to it, and whether they are likely to provide value for money.

Outcomes

To provide a recommendation on the best future use of the Colosseum, taking into account the building and the facility.

Tasks/Terms of Reference

- To conduct a scrutiny review of all issues surrounding the Colosseum.
- To look at past and current uses of the Colosseum compared to its capacity and potential.
- To examine current and assess potential uses for the Colosseum.
- To review the place of the Colosseum in the Council's cultural strategy

- To examine Council policy for the maintenance and renovation of the Colosseum.
- To visit successful venues owned by other councils but managed in different ways, particularly in-house, by transfer to trust responsibility or by a commercial operator.
- To examine the consultants report (November 2004) on the Colosseum and to assess progress of its recommendations.
- To examine the current funding for the Colosseum and longer term funding issues.
- To seek public opinion on the options, uses and costs for the Colosseum.
- Involve representatives of the community to ensure that members of the public have shared their views on the potential uses for the Colosseum.
- To consider existing and future policy for subsidised use of the Colosseum by community organisations.

Appendix 2

Colosseum Project

Notes of 18 September 2006 Committee Meeting

COLOSSEUM REVIEW

The Chair explained that the purpose of this meeting was for Members of the Committee to ask questions of the Portfolio Holder and officers. The main opportunity to get the opinions of the public would be at the meeting on the 23 October, but the Chair said he would also give the public some chance to ask questions and give opinions at this meeting also.

The Chair asked the Portfolio Holder for Leisure what her vision was for the Colosseum. The Portfolio Holder for Leisure said that she was keen to hear the views of the people of Watford. She said that any vision would be limited by financial constraints and value for money and said that she was pleased that the Committee had chosen to look at this topic.

The Chair also commented that the previous management company had folded in the summer of 2004 and asked what the timescale was to move forward as at present the asset was underused. The Portfolio Holder for Leisure stated that the BBC contract ran until April 2008 and that there were two aspects to look at; what do we want to see at the Colosseum and how much do we need and have to spend. She said that the Executive had planned to look at this matter at the end of 2006/beginning of 2007 as until now, the leisure centres had been the main priority. They were now coming up to the stage where they would need to see business options to be able to form opinions and make a decision on the future of the Colosseum.

The Chair asked what had been done since the results of the consultants' report. The Portfolio Holder for Leisure said that only minor health and safety issues and minor improvements had been made. There had been no other progress with the report. Another Member asked why nothing had been done and said that there had been no work looking at risk management in terms of the risk of lack of use or a major problem with the building occurring. The Portfolio Holder for Leisure said that risk management had been looked at and some work had been carried out.

Another Member asked about the option from the report to do nothing with the Colosseum. The Portfolio Holder for Leisure said that this option would cost closer to £200,000 per year if the Council did not have a contract with the BBC and that she thought that the majority of opinion would be to keep it open.

The Chair invited Members of the public to ask questions of the Portfolio Holder for Leisure. One member of the public asked if the Council had looked into other funding such as BBC restoration grants or lottery grants. The

Portfolio Holder for Leisure said that the Council were limited to what they could do as a local authority but that they were working with the Watford Musical Heritage Trust.

Another member of the public commented that the building was not designed originally purely for entertainment, but for multi purposes and that the public relied on Councillors who were better informed to reach sensible conclusions. Another member of the public said that the unique asset of the Colosseum was the sound quality, but that it was impossible for people to use it as there was no advertising facility or box office.

The Chair then invited questions from Members of the Committee to the officers. The Chair asked the Head of Leisure and Community Services what she saw as the main challenges in moving the Colosseum to a multiuse venue. The Head of Leisure and Community Services said that the state of the building would need updating to bring it up to the standard of other venues but that the constraints would be capital availability and how the Colosseum fitted in with the Medium Term Plan. In terms of the Cultural Strategy, the Colosseum could come under two strands; people participating in local activities and for people to be audience at high quality events.

Another Member questioned if the development of the two leisure centres would leave any capital for any development of the Colosseum. The Portfolio Holder for Leisure said that it was not necessarily the case that there was no capital, but that until they knew what was left from the contingency fund for the leisure centre developments, it was impossible to know the amount. She said that they would know more once the developments were underway.

Another Member asked if it was possible to take a more organic approach to building up usage and have a box office. The Head of Leisure and Community Services said that a box office could be considered as an interim arrangement and that the BBC's contract ran until 2008. Any further extension of contract could be renegotiated and agreed by Cabinet.

The Chair commented that the motto of One Watford was a town to be proud of, but could the town be proud without an operational venue as the regional centre in Hertfordshire and that other towns and cities run successful venues. The Head of Leisure and Community Services said that a balance was needed between the aspiration and what was realistic in terms of available funds and other priorities. The Chair said that the aspiration would be for a fully functioning multi purpose venue with a box office, but that it seemed that the current situation was being driven by the BBC contract.

One Member asked about the utilisation figures of the Colosseum. The Service Manager explained that in 2005/06, the Colosseum was open for 335 days of the year, due to some closure following the liquidation, of those 335 days, 47% of days were used. From bookings to date, 2006/07 had a potential usage of 77% which equated to approximately only one in five days with nothing booked. He said it would be useful to learn the usage of other venues from the planned visits and that they would struggle to cope with any further

usage with the current staffing levels. The Member asked if the usage was already that high, what benefit the refurbishment would bring. The Service Manager stated that some of the refurbishment was necessary, roof repairs, for example. He said that they had issued a tender to a property services company to carry out a stock condition survey which would identify the exact costs of the refurbishments.

One Member questioned if the Colosseum was worthwhile as local people could not use it. Another Member said that as a small borough, the tax payer could not be expected to fund the Colosseum and that the Council had managed to run the building when consultants said it was not possible. He said that the building looked better than it had done for a long time but felt that to move forward they would need to think outside the box and was keen to get the opinions of the members of the public.

The Chair commented that the Council was currently subsidising the running of the Colosseum and asked if the officers had considered looking at the BBC contract in order to minimise this subsidy. The Head of Leisure and Community Services explained that the one year extension until 2008 had been part of the original contract at a fixed rate, but that any further extension would be negotiated. The Service Manager explained that an internal charge was made when the Council used the venue.

The Chair then invited comments and questions from the public. One person said that the venue should be used for the community with resources to promote young artists and musicians. He said that a café or bar could also be opened up draw in the public. Another member of the public said that there was a perceived local apathy as it was generally thought that the venue had been shut. One person suggested that a box office could be run through an external agent. A further comment was made that the Council could look at and learn from other venues which were run successfully. The Chair explained that two visits to other venues were planned with a potential third visit to look at venues which were run by a Council, contracted to a commercial agent and run by a not for profit organisation.

A member of the public said that the Colosseum had amazing acoustics and that the BBC were getting value for money as there were very few venues as acoustically good. He said there was an opportunity to put Watford on the cultural map and that it should therefore not be closed down.

Another member of the public said that knowledge of the financial situation was necessary in order to look at possible future options. The capital expenditure needed to be considered in relation to the revenue expenditure. He said that the dream was for more opportunities to be available and used for a wide range of performances and purposes. He said that a successfully run Colosseum could increase the business coming into the town. He also felt that the Colosseum was an inappropriate name for the venue and denoted failure. He said that a full clear policy on where the Colosseum was heading was necessary.

One Member said that when the Council took over the running of the venue, a pre booked comedy performance was honoured and was successful. The Portfolio Holder for Leisure said that at the time, there would have been a lot of costs associated with running the venue commercially, but that they were now at the stage where this option could be viable. The Head of Leisure and Community Services pointed out that a few commercial events were held at the Colosseum. Another Member questioned the design of the brochure and commented that it was not very inspiring.

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Appendix 3

Colosseum Project

Notes of 23rd October 2006 Committee Meeting

COLOSSEUM REVIEW - EVIDENCE FROM PUBLIC

Mr Gordon Higham, Chairman of the Watford Philharmonic Society, said that the Colosseum was an internationally renowned concert hall, with one of the best acoustics in the country. The Society holds four concerts per year at the Colosseum and attracts an overall audience of 2000 people. Although they do not require the full audience space the Colosseum provided, it is the only local venue which had a stage big enough to accommodate both a choir and an orchestra. Nevertheless, the Society still has to spend £1000 per concert for installation of temporary staging for the choir as the Colosseum's fixed choir staging had been removed in 1994. They also have to spend an additional £300 at each concert for an extension to provide extra room at the front of the stage.

Mr Higham said he saw three possible options for the future of the Colosseum: leasing it to a private contractor – which, given the failure of the previous contractor, he did not see as a viable option; continued operation by Watford Borough Council - which was his preferred option as he felt it was run very well currently; or management by an external trust. He said that a trust would need to be widely based and represent all types of entertainment. He added that the status of the last contractor as a tenant had fettered the Council in having any influence in the running of the venue. He said that the building needed refurbishment to make a better quality experience back stage for artists as well front of house as for the audience. He said that the Town Hall car park was confusing and that access from the car park to the Colosseum entrance was through dark alleyways. He pointed out that there was no drop off point at the front for disabled people. Mr Higham also said that the name of the venue should be changed back to "Watford Town Hall". Finally he stressed the importance of the continued operation of venues like the Colosseum for the future of live music.

Mr Higham said that about 60% of ticket sales for Society concerts were to Watford residents. Asked if the Watford Philharmonic Society would be willing to pay higher hire charges if the Colosseum was returned to full operation, Mr Higham said that if the Society were relieved of having to pay the additional £1300 per concert staging costs, then they would be able to pay more for the hire of the venue.

Mr Jonathan Brett, a concert promoter from Classic Concerts Trust, said he had used the Colosseum from 1994 until full operation ceased in 2005. Mr Brett said that although he found nothing special about the visual impact of the building either inside or out, its acoustics were very rare and special and

beyond price. He said the building was an excellent concert hall. In his view the report of the consultants commissioned by the Council report had looked at the Colosseum too scientifically, and not sufficiently appreciated the importance of its acoustics. He felt the best way to exploit the asset was to develop it as a concert hall and music education centre. He recognised that this would be expensive, but instanced the Anvil in Basingstoke and the Sage in Gateshead as being successful models for this type of venture. He said that the consultants had identified that 2 million people lived within a 12-mile radius of the Colosseum. There was therefore a potential annual audience of at least 615,000 people. He said that people travel up to 26 miles for concerts and so the 615,000 figure could be doubled. He said that to sell the Colosseum site to a commercial developer for redevelopment was unthinkable. He also felt that to give the management to a commercial operator or a trust could also have negative results. Finally he said that in his view £12 million would be needed to be spent on renovation, and that this was now was an opportunity to develop a world class music venue.

Asked what he felt were the main deficiencies of the Colosseum as a concert venue Mr Brett said that the stage was not big enough. The installation of an opera pit would also help to attract large audiences. He said that the seats needed improvement, although an acoustic expert should be consulted when making any changes. He said that two floors could be built above the small hall, with the large hall sealed so that more than one thing could go on at once when recordings were taking place. Mr Brett said that without a fully functioning box office, it was very difficult for promoters to get an audience sufficient to fill the venue.

Mr Norman Tyrwhitt of the Watford Musical Heritage Trust, referring to the aim of Watford "to be a town to be proud of", spoke of three major venues which in the Town made which made it that: the Palace Theatre, the Colosseum and the Museum. He said that like many public leisure activities, they did not make money but were important to the life of the town notwithstanding. He said that one option was for the future management the Colosseum to give it to a Trust, which could then apply for funding from other sources. He gave as an example the financial support of the Arts Council for the refurbishment of the Palace Theatre. He mentioned the need for a box office for the Colosseum and the expense of these services. He suggested joint operation of the box office in partnership with the Palace Theatre as a way of keeping costs down.

Asked about the status of the Watford Musical Heritage Trust, Mr Tyrwhitt said that it was a registered company limited by guarantee and also had charitable status. Asked about the new facility for Watford Music School on the site of Watford Boys Grammar School he said that it would have a lot of rehearsal rooms as well as a small concert hall for an audience of about 300 people. He saw this as complementary to the Colosseum. He said that he saw a Trust working with the Council to encourage community events as well as concerts and other multipurpose uses. He also understood the commercial need to hire the venue out for events such as large weddings and said that the kitchens may need renovating to develop more of this and other similar uses. He said that community use always involved some form of subsidy.

Mr Nigel McEwan, Head of Media; Mr Alex Mann, Officer for the South region; and Mr Pete Tomms, Sessions Organiser for the Musicians Union spoke next. Mr McEwan said that there were now only two studios in London suitable for large-scale orchestral film and CD recordings – AIR studio and Abbey Road. (One in Soho closed recently for land redevelopment and another in Wembley closed because of the Wembley Stadium redevelopment). The remaining two cannot meet demand from the film and recording industries and so business is being lost to other places in Europe. Mr McEwan said that the Colosseum had a reputation for having been used for high profile film recordings such as *The Lord of the Rings* and that it had a huge income generation potential if it was marketed properly. He said that UK Trade and Investment were making a big push overseas about the use of UK recording facilities, but the two existing London studios for large film/orchestral recordings were fully booked for two years in advance. Mr Tomms said that there were a lot of people in Hollywood who loved working in the UK because many of the best musicians were in the UK, but they were being forced elsewhere, such as to Eastern Europe, by lack of recording studio availability. Mr Mann said that there was a huge demand for recording facilities in the UK and there was a very good long term potential.

Asked why two studios had closed down if there was so much demand, Mr McEwan said that one studio had been forced to close down because of the redevelopment of Wembley stadium. In the other case the lease on the premises had run out and the landowner decided to take advantage of the redevelopment potential of the site in the West End. He said that the two remaining studios were booked for two years and that this demonstrated the demand. He said that the Musician's Union had excellent relations with fixers who booked recording sessions and that the Union would be willing to work with the Council to market the Colosseum as a recording facility. He said that they could put a questionnaire to the fixers on the Council's behalf and then help put some bespoke publicity together. In response to a question from another Member, Mr McEwan said that the Musician's Union had members from all sections of the music industry from pop musicians to classical orchestral players.

Mr Graham Mordue, also of the Watford Musical Heritage Trust, said that the Colosseum had been built as a multipurpose venue and that is where the future lay. He said the issues were around the finances and the way it would be managed in the future. He felt that it would be better run by a Trust than the Council itself because of the financial and other constraints of in-house Council management. A Trust would have greater potential to take initiatives forward and it would be easier for a Trust to attract specialised high quality personnel. Mr Mordue said that if a Trust were to be successful, it would need a clear lead, support and policy direction from the Council.

A member of the public said that the acoustics of the building were a miracle and should not be put in danger. He said that he had booked the Colosseum for a performer who had said that he had never played anywhere with such outstanding acoustic qualities.

Another person said that the Colosseum should be used for more than music. She said that it had in the past been used for bazaars, antique shows and boxing as well as music and other community uses. She said if it had been successful before and it could be successful again.

Another person said that the Sage in Gateshead and the Bridgewater Hall in Manchester had both intended to house resident classical orchestras. Both venues, however, had come to realise that they could not survive on classical concerts alone and had developed excellent profiles in jazz, folk and pop music. He said that the age profile of audiences was changing and that people now expected good facilities.

A Member said that classical music would need underpinning and that the Council needed to look at broader programming options financially. She said that visits to other venues had showed that the backstage facilities generally were no better than at the Colosseum.

Mr Andrew Collier, General Manager of the BBC Concert Orchestra introduced himself. He said that the Colosseum suited the Orchestra and they were happy to be there for 90 days per year. He said the BBC was looking at other long-term options for a home for the Orchestra but that no decision had yet been made. He said that if high profile solo artists were to be persuaded to perform at the Colosseum, then there would need to be better dressing-room facilities since the existing facilities were not of an acceptable standard for top performers. He said the BBC Concert Orchestra would do more public performances at the Colosseum if the back-stage facilities for top-name solo artists were improved.

A member of the public said that the Colosseum was a potential venue for exhibitions, but that the car parking arrangements were poor. Another member of the public agreed and said that the Council's car park was full of Councillors and employees' cars during the day so that there was nowhere for the public to park when there were day time events in the Colosseum.

It was pointed out that the parking issue was currently being addressed in the context of the development of the building of the new leisure centre on the Central Baths site. Attention was drawn to the availability of town centre parking and that a lot of town centre venues - like the Palace Theatre - did not have their own parking facilities.

Several members of the public felt that the Colosseum should and could be used as a multipurpose venue, but that its focus should be as a concert hall.

There was general agreement when a member of the public said that the name of the venue should be changed back to "Watford Town Hall".

A member of the public felt that a big weakness of the Colosseum was the lack of publicity for events and said that proper publicity was essential if the venue was to be a success.

Another person said that the audience chairs were not comfortable and that the experience was not great. Another member of the public - a recording engineer – said that fixed seating should not be considered as it would change the acoustics and removable seating is needed to allow for recordings in the centre of the hall.

Another person said that they had been involved in a recording of a choir and orchestra at the Colosseum, generating £20,000 income for the town from fees for hiring of the hall and overnight accommodation in the town.

Another member of the public said that a joint town box office should be considered, which would help promote the excellent reputation for culture that attracts people to the town.

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Appendix 4

POLICY SCRUTINY COMMITTEE

Colosseum Project

Report of visit to *The Corn Exchange*, Cambridge

1. Introduction

- 1.1. As part of its review of the future of the Colosseum the Committee made visits to other similar sized local authority venues. They were all fully-operational multi-purpose venues but operated under different management systems. This enabled the Committee to compare the different modes of operation and to learn from the experience of others.
- 1.2. Three Committee Members (Councillors Derbyshire, Greenslade and Mrs Punter) attended the visit to The Corn Exchange in Cambridge together with an officer, Andy Pickard, from the service department.

2. Cambridge City

- 2.1. Cambridge city is a second tier authority within Cambridgeshire County.
- 2.2. It has a resident population of some 95,000 and 42,500 households of all tenure.
- 2.3. A table comparing population, demographics, ethnic mix etc. between Cambridge, Watford and other authorities visited is set out in **Appendix 8**.

3. *The Corn Exchange* – Development and Background

- 3.1. *The Corn Exchange* is owned and managed, both as a building and a leisure facility by Cambridge City Council. It is a multi purpose entertainment venue similar in size and facilities to the Colosseum; the main auditorium is 16.5m by 55m and has a seated capacity of 1400. It has gone through periods of great uncertainty about its future and the Council has had to make some difficult decisions in order to keep it running.
- 3.2. In 1982 builders started the first stage of a conversion to update the building to a modern, multi purpose, entertainment venue. Due to financial over-runs and unexpected problems (rotten roof timbers) the renovated building was finally completed in 1984 at a cost of

roughly £4million. The renovated building attracted a range of events well attended by the public and by 1987 extra staff were engaged as bookings were up by 30% on expectations.

- 3.3. In 1988 consultants recommended a radical reorganisation in which the venue management was given more independence and control over how it ran, especially its finances. A new post of Director was created to lead a more self-sufficient management and staff. However the staff still remained Council employees.
- 3.4. By 1998 The Corn Exchange was described by the local media as a priceless public asset. Since 1988 it had increased audiences by 50% and reduced its running cost by 30%. It has twice won a Charter Mark for excellence in public service and is regionally and nationally renowned for its new music and contemporary events programme. It is regularly grant-aided by the Arts Council of England, Eastern Arts Board, Eastern Orchestral Board and New Audiences Fund.
- 3.5. However the 2002-2005 Business Plan for the venue noted that during the period 1998 to 2001 there was repeated failure to adhere to the Business Plan's budgets due to:
 - Over-budgeting of orchestral concerts;
 - Under-budgeting of profitable popular events;
 - Significant losses in jazz, opera and some musicals.
- 3.6. The 2002-2005 Business Plan had this to say about the future status of the venue:

“The Corn Exchange is operated as part of the City Council, and whilst various reviews of preferred control have been undertaken, the BVFSR concluded it preferable to retain council status for the immediate future.”

4. Findings from the Visit

- 4.1. Although *The Corn Exchange* is owned and managed by the City Council, the café and licensed bar are run on contract by a commercial operator. The operator pays the Council a fee for the use of the premises on a three-year contract. It is understood that the café does not make money but any loss on the café operation is more than offset by profits from the licensed bar operation. The operator has made a significant investment in the café and bar areas. The bar investment has been aimed at increasing serving capacity during busy periods when there are public performances in the venue. The café opens during the day (not just when a booking is playing) for the use of the public.

- 4.2. The Corn Exchange management has recently invested in new retractable motorised seating system for the rear part of the flat floor of the venue. The capital cost of the system was high but this will be recovered through savings in labour over the lifetime of the seating. There are limitations with the Corn Exchange building which present challenges for some productions, the main one being having only five dressing rooms for performers.
- 4.3. Within the City there is little competition for the Corn Exchange although there are similar (competitive) venues in Norwich and Ipswich. The City provides a catchment population of about 130,000 for the Corn Exchange. The City is also a major regional centre and draws in tourists and people from the surrounding area that adds greatly to the catchment area of the venue.
- 4.4. Opposite the Corn Exchange is the Cambridge Arts Theatre. This is of similar size to the Watford Palace Theatre. It is run by a trust and grant aided by the Council with a grant of £55,000 per year. The theatre concentrates on fully staged dramatic productions which are not suitable for The Corn Exchange and so their programming is complementary rather than competitive.
- 4.5. The Corn Exchange currently sells 250 days of bookings per year from a target of 280. The balance of days during the year is allocated for the Council's use and for venue maintenance work.
- 4.6. Responsibility for bookings and promotions lies within the management team. The Council operates its own box office that also sells tickets on behalf of other venues in the town.
- 4.7. Bookings for use of the Corn Exchange can be:
 - by a promoter who pays a fee for the use of the building, takes the box office receipts and accepts the risk;
 - by the Council which promotes the event, takes the box office receipts and accepts the risk;
 - a joint venture between the Council and a promoter on a shared risk basis;
 - a booking for a private function which is covered by a straight fee.
- 4.8. There is no published "rate card" for hiring of the venue as such. The Corn Exchange operates with an internal price guide which is subject to negotiation with hirers.
- 4.9. The management team meets every two weeks to discuss bookings and how to draw in new promotions.
- 4.10. The Council consults people who live in the City annually on their views on the Corn Exchange and the entertainment it offers. The Council requires that a mix of entertainment be offered over the

year to suit a range of audiences. The results of the consultation contribute to the Business Plan.

- 4.11. Details of hirers and users are kept on an active mailing list and are regularly kept up to date with what is happening at the Corn Exchange. The Council also keeps a profile of users in terms of their ethnicity, age, locality etc. Events are published in local papers, the Council's free paper and on the Council's website which has a section set aside for the Corn Exchange.
- 4.12. The finances of the Corn Exchange are set out in the Business Plan; this prescribes the projected expenditure over the period of the Plan year and income targets. The balance of income and expenditure in terms of revenue currently projects a £500,000 per year deficit although the management team are working to reduce this over future years. Capital expenditure, such as the recent seating installation, is met from available Council capital funds rather than revenue.
- 4.13. The operating deficit represents the Council subsidy for the operation of the venue. In justifying the level of subsidy the Council says that the Corn Exchange is a major, high profile, regional asset which provides an extensive range of top quality entertainment for the people of the City. Without the subsidy, the Corn Exchange would not be able to operate as a multi-purpose venue.

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Appendix 5

POLICY SCRUTINY COMMITTEE

Colosseum Project

Report of visit to *The Guildhall*, Southampton

1. Introduction

- 1.1. As part of its review of the future of the Colosseum the Committee made visits to other similar sized local authority venues. They were all fully operational multi-purpose venues but operated under different management systems. This enabled the Committee to compare the different modes of operation and to learn from the experience of others.
- 1.2. Two Committee Members (Councillors Derbyshire and Mrs Punter) and one other Member (Councillor McQuire) attended the visit to The Guildhall in Southampton together with an officer from the service department (Andy Pickard).

2. Southampton City

- 2.1. Southampton City is a unitary authority.
- 2.2. It has a resident population of some 217,500 and 91,200 households of all tenure.)
- 2.3. A table comparing population, demographics, ethnic mix etc. between Southampton, Watford and other authorities visited is set out in **Appendix 8**.

3. *The Guildhall* – Development and Background

- 3.1. *The Guildhall* is owned by Southampton Council and, like Watford, the building is physically an integral part of the town hall (Civic Centre) complex.
- 3.2. *The Guildhall* is a multi-purpose venue. It is operated on behalf of the Council under a management contract by one of the country's leading commercial venue operators – Live Nation (formerly Clear Channel). Under the contract the maintenance responsibility for the building is shared between the Council and Live Nation.
- 3.3. Prior to 2001 the venue was operated in-house by the Council itself with Council staff. The operating deficit in 2001 was £750,000 per annum and the Council set up a strategy review group to consider

alternative options for the operation of the venue with a view to reducing its operating cost. The review resulted in the decision to contract out the operation of the venue to Live Nation.

- 3.4. *The Guildhall* is a multi-purpose entertainment venue similar in size and facilities to the Colosseum and the *Corn Exchange* in Cambridge. The main auditorium is 1032 sq.m. and has a capacity of 1279 seated and 1749 standing.

4. Findings from the Visit

- 4.1. Financial problems came to a head in the year 2000 because of a squeeze on leisure services budgets. Up until this time the Council had run the Guildhall. The operating deficit in 2000/01 was £750,000. Steps were initially taken to reduce the loss. The main measure was to cut a number of posts with highly graded salaries. This reduced the deficit to £285,000 but left the Guildhall with an uncertain future.
- 4.2. A cross party steering group, including trade union and officer representation, was set up to look at options for the future operation of the Guildhall. This included considering its alternate use as an art gallery or closing the hall completely. The final outcome was a strong desire to maintain *The Guildhall* as a multi purpose entertainment venue.
- 4.3. Two options for this emerged:
- giving the operation over to a trust;
 - contracting the operation to a commercial operator.
- 4.4. The trust option was discarded because of the problems and costs associated with the setting up of a new trust. Southampton had previous experience of a trust operation with its Mayflower Theatre. Contracting with a commercial operator was agreed as the preferred option. The Council's main consideration at this time was that a commercial contract would allow the Council to limit its financial commitment to the running of *The Guildhall*.
- 4.5. The Council carried out some "soft" market testing and found six companies that might be interested in a contract. During the procurement process the Council received four expressions of interest; two were rejected at an early stage and two taken forward for detailed consideration. During this second phase, one of the companies withdrew leaving Live Nation (Clear Channel) as the only bidder.
- 4.6. A contract was eventually agreed for a ten year period, with a break clause by either party after five years. The "bottom line" was a management fee payment by the Council to Live Nation of

£350,000 per year inflated annually by RPI. The contract required that the Council maintain the outside structure of the building and its services to ensure it is fit for business. There was no capital expenditure required by the Council.

- 4.7. Other provisions of the contract included:
- all non building fabric improvements, such as bar refurbishment, to carried out by Live Nation at their cost;
 - a monthly payment to the Council to cover building costs such as power, rates etc;
 - a number of free lets to the Council for its own use plus release for elections as and when required;
 - a community fund of £10,000 is available for community use.
- 4.8. Taking into account profit the Council makes on its supply of energy to Live Nation and on provision of security services, the Council estimates that its net annual costs (subsidy) for operation of the venue is around £215,000.
- 4.9. Since taking on the contract, Live Nation have invested approximately £200,000 in improvements, including refurbishing the three bars, DDA adaptive improvements and the installation of a new motorised retractable seating system (similar to the Cambridge *Corn Exchange*).
- 4.10. The contract is approaching its five year review period and neither party has indicated a wish to exercise the break clause. Live Nation has indicated a willingness to make further capital investment next year of £200,000 to be spent on stage equipment, new auditorium carpets and a new in-house PA.
- 4.11. The contract partly prescribes the programming mix in the contract but for the majority of letting days leaves programming decisions to the commercial discretion of the contractor. The degree of programming freedom left to the contractor was part of the contract negotiation and impacted on the final fee agreement.
- 4.12. In reply to the question “what does the Council get for its subsidy”, the Council representative responded:
- “A regionally important centre for entertainment, drawing in people from within and outside the city. It enables a high profile (sometimes televised) events and a major regional presence.”
- 4.13. Regarding competition, within the region there are similar and larger venues in Bournemouth, Portsmouth and Southampton itself.

- 4.14. Live Nation operates the box office through Ticketmaster for the Guildhall and all other Council events, as well as for other venues in the town.
- 4.15. Live Nation publishes a detailed rate card for hire of the venue. Advertising and promotion of events is the responsibility of the event promoter. Live Nation's target is to let 80% of available days (about the same as Cambridge).
- 4.16. Bookings for use of *The Guildhall* can be:
- by a promoter who pays a fee for the use of the building and takes the box office receipts, and accepts the risk;
 - by the contractor which promotes the event takes the box office receipts, and accepts the risk;
 - joint venture between the contractor and a promoter;
 - a booking for a private function which is covered by a straight fee.
- 4.17. The contractor has the licensed bar concession as part of his contract. Profits from the bar operation are a critical element of the venue operator's income stream and underpin the financial viability of the operation of the venue. There is no café directly attached to the Guildhall. All catering for functions in the Guildhall is prepared offsite and brought into the building when required.
- 4.18. Unlike Cambridge, Southampton does not consult widely on the events programme which is largely down to the commercial judgment of the contractor. The Council did however consult at the time the contract was let to identify a range of events to include in the contract document.

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Appendix 6

POLICY SCRUTINY COMMITTEE

Colosseum Project

Report of a visit to *The Anvil*, Basingstoke & Deane

1. Introduction

- 1.1. As part of its review of the future of the Colosseum the Committee made visits to other similar sized local authority venues. They are all fully-operational multi-purpose venues but operated under different management systems. This enabled the Committee to compare the different modes of operation and to learn from the experience of others.
- 1.2. Two Committee Members (Councillors Derbyshire and Mrs Punter) and one other Member (Councillor McQuire) attended the visit to The Anvil together with officers from the service department, Dave Cobb and Andy Pickard.

2. Basingstoke & Deane

- 2.1. Basingstoke & Deane Borough is a second tier authority. The Borough is over 245 square miles in area and has a population approaching 160,000 of which some 93,000 live in Basingstoke Town.
- 2.2. Basingstoke Town itself is a thriving regional centre for commerce, shopping and leisure pursuits. This reputation is welcomed, encouraged and promoted by the Council and the Anvil is a prestige entertainments venue which fits in with the Council's picture of how it wishes the Town to be seen.
- 2.3. A table comparing population, demographics, ethnic mix etc. between Basingstoke, Watford and other authorities visited is set out in **Appendix 8**.

3. *The Anvil* – Development and Background

- 3.1. *The Anvil* is owned by Basingstoke & Deane Borough Council and it was built in 1994 as part of a major town centre development. The Council made the decision at the outset to operate the venue via a trust (company limited guarantee) and passed the building over to the trust on a 20 year lease. It is the responsibility of the Council to maintain the external fabric of the building and the Trust to maintain

the interior decoration and assets. Major works requiring capital expenditure (such as carpeting and seating) are a “grey” area and subject to negotiation between the Trust and the Council. Nevertheless, the Council has agreed to fund certain major capital improvements over the years.

- 3.2. *The Anvil* is nominally a multi-purpose venue. However the raked auditorium with its motorised lifting floor discourages its use in flat floor format and so there is little use made of the venue for events which require a large flat floor such as exhibitions, trade fairs and large dinners/weddings.
- 3.3. The *Anvil* has a diverse programme of events designed to attract a range of audiences, the main variant being age. However it does see itself as a major music venue and is particularly proud of its focus as being the regional centre for the presentation of classical orchestral concerts by leading national and international orchestras. It has a policy that, in keeping with the desire to maintain the status of *The Anvil*, all performers or acts are of the highest standard within their particular field.
- 3.4. After the first 3 years of trust operation a Council review decided that *The Anvil* was not being operated within the agreed financial constraints. As a consequence a new Chief Executive and management team was appointed and over a period of time following the management changes a number of people on the board of trustees were replaced. Since this time *The Anvil* has operated successfully both in terms of meeting financial targets and in measures of programme content and audience size.
- 3.5. *The Anvil* is a multi-purpose entertainment venue similar in audience size to the *Colosseum* and the other two venues visited. However, being a much newer, purpose built venue, the stage of *The Anvil* is more flexible and can therefore more easily accommodate a wider variety of performances.
- 3.6. *The Anvil* describes itself as follows.

“With its state-of-the-art design, incorporating some of the finest acoustics in the country, The Anvil has firmly established itself as one of the South’s leading venues for high quality live music. Located in the town centre this prestigious concert hall offers a varied programme of classical, jazz, country, folk and popular music that has inspired, delighted and attracted audiences from far and wide. It is also a popular comedy venue.”

“Orchestral music is the flagship function of The Anvil, specialising in big name soloists, conductors and composers. Such is The Anvil’s reputation, that even the lesser-known performers are popular among a highly discerning local audience.”

“In recent years some of the biggest names in pop and stand-up comedy have included *The Anvil* in their tour schedules beside big city venues like London, Manchester and Birmingham. Because of this jewel in Basingstoke’s crown, the reputation of the town, and the quality of performances offered local audiences continue to rise.”

4. Findings from the Visit

- 4.1. The decision to build *The Anvil* was taken to address what was seen as a “cultural desert “ in and around Basingstoke. The Council also wished to raise the profile of the Borough and establish it as a major regional centre with a range of first class facilities.
- 4.2. The decision to opt for trust status was taken largely on the grounds of finance. The Council considered that:
 - a trust would limit its financial commitment to a level which it could decide and control
 - allow the management greater freedom and flexibility to operate
 - a trust can raise income from sources not open the Council
 - reduce staffing costs in a service area where time and working hours flexibility are essential (not tied into JNC conditions).It is noted that although the Council’s financial commitment is nominally limited, problems still tend to be referred back to it. See the comment in paragraph 3.1 of this paper.
- 4.3. In 1994 the whole board of trustees were councillors. However, since this time councillor representation has been reduced to one out of a total eight directors. The Council came round to the view that there was a problem with councillors sitting on the trust because of conflicts of interest. It also concluded that board members need to bring specialist knowledge and skills to assist the development and success of the trust.
- 4.4. *The Anvil* has found difficulty in the past in finding good trust members who meet these requirements. Consequently, trustees are now appointed by a recruitment board which sets standards and assesses applicants against them. Another issue which trustees have to face, and may deter some applicants, is the financial liability which comes with the position.
- 4.5. The board of trustees is non-executive, setting direction and policy. It delegates full operational and programming responsibility to the Chief Executive and her team. *The Anvil* is run by a management team of four, the Chief Executive, an Operations Manager, a Marketing Manager and a part time Accountant. Below them are four functional areas:
 - box office – 1 f/t staff plus p/t and casual effort
 - technical team – 5 f/t staff plus casual effort
 - front of house – 3 f/t staff plus casual effort
 - marketing – 3 f/t staff.

- 4.6. To compensate for its minority representation on the board of trustees, the Council now negotiates an annual service plan/agreement with *The Anvil*. This is not prescriptive in the programming to be presented, but it does require a diverse range of events for all age groups and tastes. The agreement also specifies a range of performance targets and measures which the success of *The Anvil* is assessed against.
- 4.7. The Council gives *The Anvil* an annual cash grant towards its revenue operations. For 2006/07 this grant is £775,562. Additionally, the Council, as landlord, subsidises the Anvil's rent to the amount of £153,448 per annum. This one of the highest levels of second tier local authority grant/subsidy for the operation of this type of venue in the country. In addition it receives £25,000 from the County Council and £45,000 from the Arts Council for its programming of contemporary music, jazz and opera. It is noted that the additional funding attracted because of trust status is very small compared to overall costs and other income streams.
- 4.8. Another financial matter to be considered is the question of VAT. Purchases by the Council do not attract VAT whereas purchases by *The Anvil* Trust do.
- 4.9. The Council decided at the outset it wanted *The Anvil*, to be a first class concert hall, rivalling the best in the country for content and quality. It was aware that such a standard could not be bought cheaply and hence agreed the level of subsidy it currently awards.
- 4.10. To put the subsidy in context, the Anvil's total turnover for 2005/06 was £3.5 million. It is also noted that that £100,000 of the grant is committed by the Anvil to the education programme. Regardless of the Council's financial support, *The Anvil's* management is conscious of the need to drive costs down and work continually to achieve efficiencies.
- 4.11. The board has developed a £200,000 plus ring fenced fund to bring in prestige orchestras from around the world. The philosophy is that success grows a reputation and as the reputation grows so it becomes easier to attract the best.
- 4.12. In its early days the café in *The Anvil* provided a useful source of additional income. However the footfall for custom of *The Anvil's* daytime catering was hit badly by the opening nearby of the new shopping centre and has now ceased.
- 4.13. It was pointed out that *The Anvil* has a smaller capacity (1,200 seats) compared with other venues which stage a similar programme. Major performers will not usually play venues of less

than 1,400 seats but *The Anvil* is an exception because of the reputation it has developed.

- 4.14. The Anvil does not operate as a venue for hire for professional programmes. It always acts as joint presenter of all its professional programme, taking 20% of the box office risk with the professional promoter taking the other 80% of the risk. Management are very selective about booked performances and will not compromise on quality; most events sell very well. Over all performances, the level of subsidy is approximately £5.50 per seat sold.
- 4.15. The Anvil operates its own box office and sees this as an advantage as it has now acquired expertise in this function. It also uses box office customer details to send out information.
- 4.16. The venue is available however for hire by amateur music groups. The hire charge is £1,650 to £2,000 for an evening performance. The hirer is also charged 10% box office commission. As part of the service level agreement with the Council, The Mayors Charity Concert gets free use of the venue once a year.
- 4.17. Regarding competition, the Hexagon in Reading is the closest but people also travel to Southampton and other places further away for their entertainment.
- 4.18. *The Anvil* opens six evenings per week (closed on Monday) and on average the venue is booked out for five nights per week. It closes for maintenance for the month of in August and for a week in January.
- 4.19. The Council carries out regular surveys of residents which seek views on the satisfaction with and perceived benefit of key local venues including *The Anvil*. Survey results for *The Anvil* have consistently recorded a score of 4 + on a scale of 1 – 5 (where 5 is the highest) for both satisfaction and benefit.
- 4.20. As part of a review of arts funded organisations undertaken in 2004/05 that included support for *The Anvil*, the Council conducted three focus groups, one of frequent users, one of infrequent users and one of non-users. All three agreed that *The Anvil* is good for the Borough and worth supporting even though costs are amongst the highest in the country. *The Anvil* analyses its bookings for the periodic statistical reports it makes. These show that usage is approximately 50/50 of people from inside and outside the Borough.
- 4.21. The Council also owns a theatre in the town, *The Haymarket*. This is also run by a trust and has been receiving a £416,000 annual subsidy from the Council and £260,000 from The Arts Council. However, both funders have recently lost confidence in the ability of the trust to run the theatre. They have therefore withdrawn their

funding and the theatre has temporarily closed down. The Council has decided and the Arts Council has also agreed that the management and operation of the theatre should be transferred to The Anvil trust and incorporated into its operations. The advantages of this move are seen as:

- proven management success of *The Anvil*
- successful board operation of *The Anvil*
- economies of scale in operations
- reduction in the overall level of Council subsidy.

4.22. Financial Indicators

- 4.22.1. The Council requires quarterly financial reports showing actual income and expenditure compared to budget profile. The Report also shows the adjusted expected out-turn figures for the end of the financial year.
- 4.22.2. The report will be cost-centred to show the above figures for those activities funded by BDBC. This will include all grants and sponsorship income with BDBC grants shown separately
- 4.22.3. Where there is a significant variation (greater than 10%) between original budgets and actual, explanatory notes will be given and/or the specific points discussed with either the Lead Officer or Planning and Performance Officer. Should action be required the Lead Officer will be informed of this, and/or will be involved in discussions as appropriate.

4.23. Quantitative Indicators

- 4.23.1. Total numbers of admissions and total numbers of admissions compared to target.
- 4.23.2. Percentage of actual houses compared to target percentages.
- 4.23.3. Total number of performances.
- 4.23.4. Total number of education activities /opportunities and attendance.

Note: the above will be analysed into categories, e.g. film, opera, ballet, etc. as currently in operation for the Board.

- 4.23.5. Attendance analysed by post code.

4.24. Qualitative Indicators

- 4.24.1. Analysis of workshops, education or community activities.
- 4.24.2. Annual Report – to be provided by 30 September.
- 4.24.3. Annual Audited Accounts - to be provided by 30 September.
- 4.24.4. Service Plan – provided by 30 November.
- 4.24.5. It is a condition of BDBC funding that a completed copy of BDBC's Company Monitoring Form be returned quarterly. (NOTE: quarterly payments will not be issued until this form has been returned).

- END -

Appendix 7

POLICY SCRUTINY COMMITTEE

Colosseum Project

Musicians Union Proposals

Having addressed the Policy Development Scrutiny Committee at the meeting of 23rd October 2006, the Musicians Union (MU) made a number of suggestions and proposals for the development of Watford Colosseum as a venue for both recording and live music.

The MU has agreed to work with the committee to this end, and have produced a number of actions and recommendations in order to move forward.

1. MU to send a 'contractors bulletin' for those involved in session work for music, TV and film in the New Year – this will go out to around 60 contractors. This could include details of the hall and its facilities, an outline of the consultation process and a questionnaire regarding future use.
2. An article on Watford Colosseum and the surrounding issues has been included in the current issue of 'Musician' magazine, which is circulated to all MU members quarterly.
3. A site visit to be made to Watford Colosseum by principle UK session fixers. (To be arranged between the media department of the MU and the committee).
4. Pete Thoms and Nigel McCune have had meetings with UK producers during w/c 20th November 2006. The issues surrounding Watford Colosseum were raised at this meeting.
5. Nigel McCune will be meeting with UK Trade and Investment regarding overseas promotion opportunities for the venue and bringing in international work.
6. The MU will help to stimulate interest in the Colosseum as a live venue as well as a recording facility. Nigel McCune has contacts with Metropolis Music who are key music promoters in the UK. In order to move forward with this, we would need the following from the committee:
 - A contact at Watford to arrange meetings with
 - Flexibility around time, date and place of meetings
 - A Schedule for Watford Colosseum bookings so they can see this in use.
7. MU to contact Naxos, Chandos and Decca who make use of the venue to help establish future ways of working.
8. Questionnaire to be produced for key users of the venue. If the committee could produce this, MU can provide a list of users we are aware of.
9. Does the committee recognise the financial commitment made by the LPO (London Philharmonic Orchestra) – we feel that this is a very significant relationship and there would be considerable value in continuing it.

- END -

Appendix 8 - The Colosseum Project

Statistical comparisons between Watford and the three authorities visited as part of the Colosseum review

	Resident Population	Ethnicity				
		White	Asian	Black	Mixed	Chinese and Other
Watford Borough Council	79,726	85.90%	8.20%	2.70%	2.10%	1.10%
Cambridge City Council	95,050	89.43%	3.75%	1.34%	1.97%	3.51%
Basingstoke and Deane Borough Council	152,573	96.56%	1.23%	0.57%	1.03%	0.61%
Southampton City Council	217,445	92.37%	3.79%	1.03%	1.50%	1.31%
	All households	Housing Tenure				
		Owner occupied	Rented social housing	Privately rented housing	Other	
Watford Borough Council	35,350	73.00%	16.20%	9.00%	1.80%	
Cambridge City Council	42,657	53.50%	23.60%	22.90%		
Basingstoke and Deane Borough Council	61,722	73.48%	17.41%	5.87%	3.24%	
Southampton City Council	91,217	57.56%	24.14%	15.56%	2.74%	

Source: 2001 Census

Appendix 9

POLICY SCRUTINY COMMITTEE

Colosseum Project

Acknowledgements

The Committee wishes to express its thanks to the following people and organisations who contributed to this report and its conclusions:

Mr Gordon Higham, Chairman of the Watford Philharmonic Society

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Mr Norman Tyrwhitt of the Watford Musical Heritage Trust

Mr Nigel McEwan, Head of Media for the Musicians Union

Mr Alex Mann, Officer for the South region of the Musicians Union

Mr Pete Tomms, Sessions Organiser for the Musicians Union.

Mr Graham Mordue of the Watford Musical Heritage Trust.

Mr Andrew Collier, General Manager of the BBC Concert Orchestra.

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