

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Officer – Citizen, Culture & Facilities

Cultural Committee: 29 November 2021

Subject: Exploring the Clydebank Town Hall moving away from being a commercial venue

1. Purpose

- 1.1 The purpose of this report is to respond to a request from the Cultural Committee to prepare a report that examined the Clydebank Town Hall moving away from being a commercially focussed service.

2. Recommendations

- 2.1. It is recommended that the Committee:

- notes the content of this report;
- agrees that officers continue with Option 1 - the existing commercial approach but with fewer events as outlined at 4.7; and
- agrees that the additional revenue cost for the service is considered by Council in setting the revenue budget for 2022/23.

3. Background

- 3.1 At the meeting of the Cultural Committee on 23 August 2021 Committee agreed the following motion:

“That a report to come to a future Cultural Committee meeting examining options to move away from a commercially focussed venue.”

- 3.2 Clydebank Town Hall was designed by James Millar and officially opened on 4 April, 1902. Its original layout comprised reception halls, municipal offices, council chambers, a library, a court room, and a police station.

- 3.3 In the intervening years Clydebank Town Hall has undergone a number of programmes of modernisation, the first of which commenced in 1935 with the transformation of the Main Hall. In 1980 a series of inter-linked rooms within the Town Hall complex was dedicated to the addition of a museum space.

- 3.4 In 2011-2013 a £3.6m restoration and renovation project at Clydebank Town Hall was undertaken jointly by the Scottish Government, Scottish Enterprise and West Dunbartonshire Council. The project was managed by the Clydebank Rebuilt organisation and was based on a proposal to change the Town Hall into a commercially-focused venue for the Council and local area. Amongst other changes, this refurbishment created the Clydebank Museum and Gallery, the

Garden Gallery and garden, a coffee shop, as well as installed ship replicas in the atrium space.

- 3.5** The changes were supported by an Outline Business Case called Clydebank Civic Heart which was prepared by UK consultants Frontline in 2009. This set out a vision for a venue which generated significantly increased income from weddings and conferences with the ultimate aim of reducing costs to the Council for operating the historic building.
- 3.6** In March 2013 Council noted a report on the Town Hall business case and charging structure. The report highlighted that the Town Hall refurbishment project was designed to:
- upgrade the building to enable it to be utilised more widely and effectively
 - supply much needed attractive space for conferences, meetings, shows and events
 - increase the revenue generating potential of the Town Hall
 - make the building more energy efficient
 - preserve a heritage asset for use by the local community and visitors

The report highlighted that prior to the refurbishment the Council received income of approximately £58,000 from lets in the Town Hall during 2008-09. The ambition for the re-opened facility was for income of £150,000 per year. It also recorded that the development of the Town Hall as a venue would result in a significantly different type of use than previously. There was a requirement to promote a vast range of events, functions and shows at the Town Hall in order to generate income.

- 3.7** Since re-opening in 2013/14 the B-listed building has been considered as the Council's premier events venue, providing bespoke space for a range of corporate, civic and cultural events and also hosting a museum, gallery and coffee shop.
- 3.8** In May 2018 the Cultural Committee agreed a report on the Scale of Charges at the Clydebank Town Hall. As well as increasing fees to the market rate, the report also outlined the introduction of a step change in strategy to optimise the income potential of the Town Hall and reduce Council costs. This involved a clear plan to make the Town Hall a commercially successful venue that appealed to the wedding, conference and corporate event market. Following approval of this report the income target was increased as part of the annual estimates process until 2020/21 when it reached £300,000.
- 3.9** In February 2021 Cultural Committee agreed to invest £950,000 in a refurbishment of the building to make it a place the people of Clydebank could be proud of. In August 2021 and September 2021 Cultural Committee agreed motions that made a number of revisions to these plans.

4. Main Issues

- 4.1** The Covid-19 pandemic has caused major disruption to the hospitality industry. In the Town Hall's case this has led to numerous cancellations as well as a rescheduling of existing bookings in 2020/21 and 2021/22 into future years. In addition during these two financial years it has not been possible to promote the Town Hall to new bookings in the normal way with on-site visits and Wedding and Event fairs. As a result the current level of bookings for future years are far below what we would normally expect.
- 4.2** In addition at a Special Meeting of the Cultural Committee in July 2021 Committee agreed a motion that future bookings stop being taken at the Town Hall until all proposed refurbishment works had been completed, or until 31 December 2021. As a result officers have not been able to secure any future bookings since July 2021 for future years. A look ahead to the 2022/23 diary shows only 13 bookings at this point, and 1 booking for 2023/24. There is a risk that refurbishment works could continue into January 2022 and it is not clear at this point if that would lead to Committee extending the restriction on future bookings. Either way the position in 2022/23 and 2023/24 will be far from business as usual with regard to bookings.
- 4.3** Furthermore, the Cultural Committee directed officers in August 2021 to use the Garden Gallery room as a gallery. The Garden Gallery has been a highly desirable and popular space for weddings and other events – often for drinks and canapes between the ceremony and the reception – and is a key element of the events package offered by the venue. Removing this room from such a use to make into a gallery space reduces income opportunities for the building moving forward.
- 4.4** The Clydebank Town Hall currently has an annual income target to achieve of £300,000 per year – equivalent to approximately £6,000 per week. Given the points raised at 4.1, 4.2, and 4.3 it will not be possible to achieve this income target in the coming year/s. This presents a risk to the Council of a significant budget overspend unless steps are taken to mitigate the situation.
- 4.5** As noted in the 2021/22 Citizen, Culture and Facilities Delivery Plan, officers have undertaken a review of staffing levels at the Town Hall. This included removing the two catering assistant posts in response to the February 2021 Committee decision to replace the coffee shop with a self-service kiosk. The employees were to be supported with redeployment through the Council's SWITCH policy. Under these plans the new structure would have costed approximately £168,000 in 2022/23 which is significantly lower than previous years. If this structure had been implemented along with a revised income target of £120,000 to take account of points 4.1, 4.2, and 4.3 then there would have been a zero impact on the revenue budget to the Council in 2022/23 as illustrated in the following table:

Officer Restructure Costs/Income	2022/23
Employee costs	£168,000
Casual employee costs	£40,000
Other expenditure	£255,000
Income target	£120,000
Total budget	£343,000
Total additional cost on Council Revenue Budget	£0

- 4.6 At the Special Cultural Committee on 1 October 2021 Committee agreed a motion to re-introduce a staffed coffee shop at the Town Hall instead of the self-service option. Adding these staffing and food costs back into the Town Hall budget creates a £40,000 additional revenue cost on the Council as illustrated below:

Officer Restructure with a staffed coffee shop Costs/Income	2022/23
Employee costs	£202,000
Casual employee costs	£40,000
Other expenditure	£264,000
Income target	£123,000
Total budget	£383,000
Total additional cost on Council Revenue Budget	+£40,000

- 4.7 These financial projections assume that officers continue to operate events with a commercial focus as has been the case to date – this includes internal wedding dressing, no restrictions on advance bookings, wedding packages for multiple rooms within the Town Hall, internal bars, and dressings in the atrium and entrance hall etc. There would clearly be fewer events held in 2022/23 and 2023/24 than in previous years as a result of the impacts highlighted at 4.1, 4.2, and 4.3. This may assist to reassure the Town Hall Working Group which had concerns over the volume of events taking place in previous years. The estimated level of activity using this approach in the coming two years would be around 15 commercial wedding receptions per year, a small number of dance shows and the biannual Clydebank Musical Society performances.

Moving away from a commercial approach

- 4.8 Historically, in order to meet the annual £300,000 income target for the Town Hall officers used a number of different commercial approaches, and sought to maximise occupancy in the rooms available for hire. During 2019 and 2020 the Cultural Committee and Town Hall Working Group expressed concerns over the focus officers were giving to wedding receptions. For example, such events required considerable preparation by the Town Hall team and so employees

would often begin dressing the Main Hall for a reception two to three days before the actual event. In addition, in an effort to maximise income, officers developed and promoted a wedding package that included wedding parties using a number of rooms within the Town Hall including the Main Hall, Lesser Hall, the Garden Gallery and the Bridal Room. Officers also accommodated requests from brides and grooms to have gift tables and other displays in the Town Hall atrium to make their day more special. Concerns were raised by the Town Hall Working Group about the way this approach changed the civic nature of the building.

- 4.9** The Town Hall Working Group also indicated that it wanted to see Council teams pass responsibility for the dressing of wedding receptions to private contractors hired directly by the wedding parties. It was suggested that these contractors should set up and clear the venue on the day of the reception in order that the character of the building was not prioritised to weddings. If this was not possible due to time-pressures or other factors then in a further change the bridal party would be charged for the additional days required for set-up and clear-down. It is unlikely that contractors would be able to regularly undertake set-up and clear-away on the same day as receptions – with bookings often finishing at midnight. It would also present challenges from a Working Time Directive perspective for Council officers to be present at the venue into the early hours of the morning to supervise reception clear-away by contractors. As a result it is likely that additional days would need to be charged to the bridal party for this purpose. This is likely to make booking a wedding reception at the Town Hall expensive in comparison to other venues and for bookings to fall as a result. This will also have an impact on the commercial potential of the building. It should also be factored in that this approach will reduce the income potential for the Town Hall as officers would no longer be providing the wedding dressing service.
- 4.10** In addition feedback at the Town Hall Working Group has suggested that accommodating civic activity of the Council – such as Civic Receptions or Anniversary ceremonies – should be the priority for the Town Hall. Concerns have been raised that historic bookings in the diary from external individuals and organisations can reduce the flexibility in accommodating such events. The Town Hall Working Group has also found that the flexibility to make decisions relating to the Town Hall can be restricted by historic bookings which the Council has a contract in place to fulfil. This means that these bookings must be fulfilled before any decisions that change the strategy or approach of the Town Hall can be implemented in full. It is not clear how this could be mitigated against unless Cultural Committee wanted to introduce a new approach where no external booking could be made at the Town Hall beyond a certain date in advance – for example 6 months. This would ensure the diary was typically free to accommodate any and all civic bookings within the Main and Lesser Halls as and when required, and that Strategic decisions at Committee could be implemented within the next 12 months. Such a move would inevitably lead to a reduction in bookings and income at the Town Hall because external parties will often seek to make bookings up to two years in advance to ensure they have the date they wish.
- 4.11** The Town Hall Working Group has suggested the model of business they feel comfortable with is more similar to the civic Municipal Buildings in Dumbarton.

The Municipal Buildings only have a modest income target attached to it, linked to wedding ceremonies in the Chambers and Leven Suite in line with demand. The Working Group is similarly supporting of wedding ceremonies at the Town Hall, and believe the Ceremony Room should be exclusively protected for this purpose. Wedding receptions would also be welcomed with the caveats outlined at 4.8,4.9 and 4.10. If this approach was to be introduced then officers estimate a realistic income target for the Clydebank Town Hall would be approximately £53,000 per year. This is based on holding approximately 10 limited wedding receptions contained in the Main Hall only, a small number of dance shows and the biannual Clydebank Musical Society performances. This approach would have the following £80,000 revenue impact on the Council for 2022/23.

Civic Centre/Municipal Buildings Approach Costs/Income	2022/23
Employee costs	£202,000
Casual employee costs	£10,000
Other expenditure	£264,000
Income target	£53,000
Total budget	£423,000
Total additional cost on Council Revenue Budget	+£80,000

- 4.12** It is important to highlight to Committee that the Council has a contractual obligation to deliver a number of bookings that are currently in the Clydebank Town Hall diary. These would need to be done on the basis of the terms agreed at the time the bookings were made. Therefore if Committee wished to pursue a new approach as outlined at 4.11 then this would apply only to new bookings from the date of the Committee decision and not existing ones.

Options Appraisal

- 4.13** Officers undertook an options appraisal to consider the options available. Option 1 was to retain the commercial focus but with an anticipated reduction in the number of events, while Option 2 was to move to a civic model similar to the Municipal Buildings.

- 4.14** The options were assessed on a range of measures including fulfilment of civic commitments, empowerment of Committee to implement decisions, local resident and group demand, impact on the Council revenue budget, and employee relations. The results of the Options Appraisal are listed below and illustrate that on this criteria Option 1 was the best option to progress:

Option	Score
Option 1 (Commercial but fewer events)	125
Option 2 (Civic Centre/Municipal Buildings)	115

5 People Implications

5.1 There are no direct people implications arising from the recommendations of this report. Management has already undertaken a restructure that creates a smaller and more efficient team at the Clydebank Town Hall. The costs for this team have been included in projections linked to this report.

6 Financial & Procurement Implications

6.1 Option 1 would lead to an additional revenue cost on the Council of £40,000. In time as bookings increased it is expected that income levels will increase and this additional revenue cost could be reduced.

6.2 Moving to the Civic Centre approach outlined in Option 2 would lead to an additional revenue cost on the Council of £80,000. It is not expected that occupancy levels could ever be achieved at the Town Hall that would negate this revenue cost.

6.3 If Committee agrees to either option then the additional cost arising from the decision requires to be considered by Council in setting the revenue budget for 2022/23.

6.4 There are no procurement implications with this report.

7 Risk Analysis

7.1 There is a risk that if Committee does not lift the restriction on new bookings in January 2022 that the additional revenue cost on the Council could increase in 2022/23 beyond the figures quoted in this report.

7.2 There is a risk that Covid-19 restrictions could be re-introduced by the Scottish Government if there are any future spikes in infection levels. This would have a further impact on the income forecasts contained in this report and the resulting additional cost on the Council – depending on what Covid-19 funding remains available.

7.3 There is a risk that adding revenue cost to the Council, at the same time as underutilising a Council asset by reducing its commercial potential, could be viewed as failing to deliver Best Value.

7.4 There is a risk that if a clear purpose and vision for the Town Hall is not decisively agreed at Committee then its future operation could be affected. Its multi-functional nature, with hall hire, civic activity, Elected Member accommodation, museum and gallery, coffee shop, wedding ceremonies, and Committee and Council business, creates a complex and competing environment. Without a clear prioritisation then there is a risk that officers will fail to deliver upon the aspirations of Cultural Committee.

8 Equalities Impact Assessment (EIA)

8.1 There is minimal impact from the recommendation of the report.

8.2 If Committee chose Option 2, a model similar to the Municipal Buildings, Dumbarton, this could result in a reduced number of events and therefore provide fewer opportunities to access the building by the community. This could potentially have a negative impact, particularly on groups which are less likely to be digitally included and for whom physical spaces are of greater importance, such as older or disabled people.

9 Consultation

9.1 This report has been consulted on with Legal Services, Procurement and Finance. Officers from HR also assisted on the Options Appraisal.

10 Strategic Assessment

10.1 The proposals within this report are linked to the following strategic priorities:

- Efficient and effective frontline services that improve the everyday lives of residents.

Malcolm Bennie
Chief Officer – Citizen, Culture & Facilities
Date: 26 October 2021

Person to Contact: **Malcolm Bennie**
Chief Officer for Citizen, Culture & Facilities
16 Church Street
Dumbarton, G82 1QL
Malcolm.bennie@west-dunbarton.gov.uk

Appendix: **Equality Impact Assessment**

Background Papers: **N/A**

Wards Affected: **All wards**