



## Cabinet 14 September 2011

### The Apex Business Plan (Sep11/06)

#### 1. Summary and Reasons for Recommendations

- 1.1 The Apex in Bury St Edmunds opened in October 2010 and its first year of operation has demonstrated its potential as both an artistic and community venue. This paper looks at some of the key lessons learned and presents proposals to Cabinet to take The Apex project forward into its next stages.

#### 2. Recommendations

It is **RECOMMENDED** that:-

- 2.1 the refreshed vision for The Apex, as detailed in paragraph 4.2 of this report, be approved and the summary of the Venue Director's proposals for business development, as detailed in paragraph 4.7, be noted;
- 2.2 it also be noted that a catering contractor for The Apex (and other town centre venues) will be appointed in December 2011;
- 2.3 subject to the approval of full Council, an additional capital budget of up to £35,000 be allocated to allow a supplementary scheme of works to the frontage, signage and foyer of The Apex to be implemented;
- 2.4 subject to the consent of the Fire Service, plans for the inclusion of a permanent bar/café counter in the foyer area be developed;
- 2.5 subject to the approval of full Council, a further sum of up to £50,000 be allocated as a contingency in the capital programme for the provision of the new bar if the Chief Finance Officer assesses that there is a greater return for the taxpayer through the Council making this investment rather than the new catering contractor; and
- 2.6 in consultation with the Portfolio Holder for Economy & Asset Management, Culture & Sport, the Corporate Directors for Community Services and Economy & Environment, as appropriate, be authorised to seek the necessary consents for and approve the final details and implementation of any additional works to the frontage, signage and foyer of The Apex, within agreed budgets.

### **3. Corporate Objectives**

3.1 The recommendations meet the following as contained within the Corporate Plan:-

- (a) Corporate Priorities : raise corporate standards and efficiency;  
improve the well being of the community; and  
create a prosperous local economy; and
- (b) Cabinet Commitments : Recognise the social, economic and health benefits that  
thriving leisure, heritage and cultural services, such as  
our parks, open spaces, sporting facilities, museums and  
public halls, provide for residents.

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## **4. Key Issues**

### **4.1 The First Year**

The first year of The Apex has been a tremendous success. The Auditorium has been particularly outstanding in delivering a highly successful artistic programme. It has developed a local, regional, national and international reputation for acoustic excellence and a huge range of musical activity. It is already a fixture on educational and amateur calendars.

### **4.2 Refreshing the Vision**

Having operated for a year it is appropriate to refresh the vision for The Apex to reflect the future priorities. It is proposed that the new vision be:-

- (a) to offer a world-class venue in which local people can perform and hold events;
- (b) to offer a full range of high-quality music to local and national audiences;
- (c) to be a regional leader in the day conference market for up to 500 delegates;
- (d) through activity inside and outside of the building, to work with the arc to make Charter Square and St Andrew Street South unique, modern and exciting places which complement the historic town centre;
- (e) to work with other arts organisations in the borough to make culture and heritage a key driver for the local economy;
- (f) to be an integral part of bringing all of the Borough Council's leisure services to an even wider audience, and reducing the public subsidy required for those services; and
- (g) to collaborate with other organisations in Bury St Edmunds, and Bid4Bury, on complementary programming, marketing and support services.

### **4.3 Catering**

The Apex catering service has in the first year focused on providing a bar service during intervals to support events and a food service through external operators for functions. The first floor area has provided a well received but limited café service. Alongside The Apex, the opportunity has been taken to review the catering offer at other Council sites in Bury St Edmunds Town Centre. Consequently, a contract has been advertised to provide in The Apex a bar service, function catering and a bistro/café, in the Athenaeum a function service, in Moyses Hall an occasional function service and in the Abbey Gardens a food and beverage service. This opportunity has attracted significant interest from potential catering operators, locally and nationally. It is anticipated that the Contract will be awarded in December 2011.

### **4.4 The frontage**

There has been concern expressed about the blandness of the open space immediately outside The Apex. In response to this, designs have been developed which provide for new external signage, information boards, seating areas and accompanying planting, as well as canopies and umbrellas. The proposed designs are being consulted upon with ING, who manage the arc, and will be presented to Cabinet on 14 September 2011 for approval. Advertisement consent will also be needed for the new signage. It is estimated that these improvements will cost up to £140,000, although a large proportion of this funding is already in place in existing budgets. Section 9 of this report sets out

the additional funding requirement.

#### **4.5 The foyer area**

The Apex staff are particularly keen to make more use of the space in the foyer/reception area in response to comments from users. The Fire Management Plan requires this area to be kept clear and determines what is allowed to take place and be placed in this area for different events. In consultation with the Fire Officer we have been exploring ways in which this area could potentially be used for more activities and also made more attractive. Plans being developed include lighting, artwork, seating and point of sale units to assist with merchandising at concerts and with conference management. Better signage is also needed to help customers find their way around the building, so additional signs within the Foyer and in the stairwells have been designed. The total cost of these additions to the foyer is estimated at £30,000 (see Section 9 below).

#### **4.6 Foyer bar**

It is also proposed to liaise with the new catering operator around the provision of an enhanced permanent bar/catering unit in the Foyer instead of the mobile units envisaged in the original business plan. A foyer bar is important for pre-concert and interval drinks sales and, if it were of a permanent construction, would also provide additional catering options inside and outside of the building. Work on this option is underway with our fire consultants prior to consultation with the Fire Service. The Council has already budgeted £20,000 for a mobile bar to serve the foyer, and it is estimated that the cost of installing a permanent bar, if permitted, would be an additional £30,000 i.e. £50,000 in total. It is likely that the Borough Council may require the new caterer to invest in installing the bar. However, if a better financial return is achieved from the catering contract by the Borough Council making the investment itself, it is suggested that a contingency sum of £50,000 is allocated in the capital programme to meet these costs.

#### **4.7 Business Development - summary**

The next stage in our development will build on the success of our first year of operation. The events programme from September 2011 to the end of the calendar year will feature 27 performances. Christmas parties are selling strongly. We should also start to see a significant increase in conference and meetings bookings on the back of the public relation campaigns that have been run over the past three months. The selection of a catering partner will be finalised and contracts will be drawn up, which should assist further in promoting The Apex and Athenaeum. In November 2011 we will launch The Apex Gallery which will feature works that we will sell on a commission basis. The gallery's 'unique selling point' is that it will showcase professional art that portrays a musical theme.

### **5. Other Options considered**

5.1 It is important that opportunities to further develop The Apex are continually brought forward to ensure that the building and service it provides meet the expectations of customers. The original business plan approved by the Borough Council provided for a full review of the management and business plan of The Apex after two years of operation i.e. after October 2012.

### **6. Community impact** *(including Section 17 of the Crime and Disorder Act 1998 and diversity issues)*

#### **6.1 General**

6.1.1 The programme of activities is designed to offer activities that will appeal to all in the community.

<p>6.2 <b>Diversity and Equality Impact</b> <i>(including the findings of the Equality Impact Assessment)</i></p> <p>6.2.1 In diversity and equality terms, the proposals contained in this report strengthen the original business plan for The Apex which envisaged use of the building by the whole community. Any changes to the building will comply fully with disability guidelines.</p>
<p>7. <b>Sustainability Impact</b> <i>(including environmental or social impact on the local area or beyond the Borough)</i></p> <p>7.1 The proposed changes to the frontage will enhance this element of the arc, as well as The Apex itself. Changes to the building will be consistent with the building's existing environmental credentials.</p>
<p>8. <b>Consultation</b></p> <p>8.1 Customers have indicated strongly in feedback that they would welcome an enhanced frontage to the building and more use to be made of the Reception area. Consultation with the Fire Service and ING, the owners of the arc, is integral to the delivery of these proposals.</p>
<p>9. <b>Resource implications</b> <i>(including asset management implications)</i></p> <p>9.1 The intended additions to the frontage and foyer of the building are intended to assist in delivering the full commercial potential of The Apex, and should be regarded as 'invest to save' proposals. The total estimated cost of the works (excluding the new bar) is £170,000. £100,000 of this cost can be accommodated within the existing capital budget. A further £35,000 of the requirement is already directly provided for in existing budgets for signage and display equipment, or can be vired from the allocation in the fit-out budget for mobile bars (see below). This leaves an additional requirement of £35,000. Although a large capital sum in itself, in revenue terms this investment represents an additional cost of £525 per annum in lost interest (which equates to one pence to a Band D Council Tax Payer). Therefore, Cabinet is being asked to allocate, subject to the approval of full Council, this additional sum in the Capital Programme to enable these important works, requested by users, to be completed.</p> <p>9.2 The cost of installing a permanent foyer bar (if permitted by the Fire Service) may be met by the new caterer, along with any other investment required for catering on the first floor. On this basis, it is suggested that the £20,000 in the existing capital programme for the purchase of mobile bars be re-allocated by virement to the general costs of improving the frontage and foyer outlined above. However, the tender process may demonstrate an improved financial arrangement for the taxpayer if the Borough Council installed this bar itself (and achieve, in return, a greater revenue return on the catering contract). To provide for this eventuality, it is suggested that, subject to the approval of full council, a contingency of £50,000 be also earmarked in the Capital Programme temporarily (until April 2012) to provide for this eventuality. Any such decision would be based on the assessment of the Chief Finance Officer.</p>

**10. Risk Assessment** *(potential hazards or opportunities affecting corporate, service or project objectives)*

Risk Area	Inherent level of Risk	Controls	Residual Risk
Usage and income are not maximised because The Apex fails to respond to the needs of customers.	High	After one year of operation its is important to review these needs, and to adapt the building accordingly.	Low
Catering income is not maximised.	High	A catering contract will be let.	Medium
The Apex frontage and signage does not sufficiently 'sell' The Apex.	High	An enhanced frontage and signage system will be put in place.	Low
Relevant consents are not obtained (eg planning, Fire Officer, lease requirements)	Medium	Involve those concerned in the development programme and address problems at early stage.	Low

**11. Legal or policy implications**

11.1 The terms of the lease and underlease which apply to the arc and Apex contain provisions to control activities in Charter Square and changes to the appearance of the Apex. Some of the proposals above may require the consent of the leaseholder, as well as advertisement consent and the approval of the Fire Service.

<b>Wards affected</b>	All	<b>Portfolio Holder</b>	Culture and Sport and Economy and Asset Management
<b>Background Papers</b>	Papers to the Public Venue (Apex) Working Party, 2010/11.	<b>Subject Area</b>	Property Management Leisure, Sport, Arts and Culture