

# Performance and Audit Scrutiny Committee



St Edmundsbury  
BOROUGH COUNCIL

<b>Title of Report:</b>	<b>Annual Performance Report for The Apex – 2016-2017</b>	
<b>Report No:</b>	<b>PAS/SE/17/018</b>	
<b>Report to and date:</b>	<b>Performance and Audit Scrutiny Committee</b>	27 July 2017
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<b>Purpose of report:</b>	To provide members of the Performance and Audit Scrutiny Committee with details about the performance of the Apex in financial year 2016-2017.	
<b>Recommendation:</b>	<b>Performance and Audit Scrutiny Committee:</b>  <b>It is <u>RECOMMENDED</u> that, the Annual Performance Report 2016-2017 for The Apex be <u>noted</u>.</b>	
<b>Key Decision:</b>  <i>(Check the appropriate box and delete all those that <b>do not</b> apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>	
<b>Consultation:</b>	<ul style="list-style-type: none"> <li>Is not required as this is a saving</li> </ul>	

<b>Alternative option(s):</b>		•	
<b>Implications:</b> Other than a straight forward saving there are no implications			
Are there any <b>financial</b> implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
Are there any <b>staffing</b> implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
Are there any <b>ICT</b> implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
Are there any <b>legal and/or policy</b> implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
Are there any <b>equality</b> implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
<b>Risk/opportunity assessment:</b>		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
<b>Risk area</b>	<b>Inherent level of risk</b> (before controls)	<b>Controls</b>	<b>Residual risk</b> (after controls)
Risk of poor performance, subject to current market condition	medium	Apex Panel and budget monitoring	Low
Market conditions	Medium	Constant review of the programme and Apex marketing increased	Low
<b>Ward(s) affected:</b>		All Wards	
<b>Background papers:</b> <i>(all background papers are to be published on the website and a link included)</i>		<a href="#">Annual report for the Apex 2015-2016</a> <a href="#">Annual report for the Apex 2014-2015</a> <a href="#">Annual report for the Apex 2013/14</a>	
<b>Documents attached:</b>		<b>Annex 1</b> - Additional facts and information about those attending ticketed events at the Apex	

## **Key issues and reasons for recommendation(s)**

### **1. Overview**

- 1.1 **The Apex** is an award-winning cultural venue in Bury St Edmunds, Suffolk, known for its acoustic excellence and home to a diverse programme of live music and events; from classical concerts to pop, rock, jazz, blues, world, country and folk, plus comedy and dance performances through to community and social clubs. The Apex's reputation has grown rapidly and it is now seen as an important part of the national touring circuit, regularly attracting artists of an international renown.
- 1.2 This report covers the financial year from 1 April 2016 to 31 March 2017. The Apex budget 2016-2017 was set at £652,337. The Apex continues to develop as an important local and regional venue and is attracting greater audiences and establishing a loyal customer base. Increased revenue has contributed to a positive variance of £39,817 against budget at the financial year-end and the outturn figure is £612,520 showing a continued reduction in expenditure.
- 1.3 A minor restructure of the staff team based in the Apex was conducted last October. The objectives of the restructure was to introduce a clearer reporting structure which helped unify service delivery and staff teams. It also placed resources where they were most needed.
- 1.4 The staff team has orchestrated a number of successful campaigns to raise awareness of the venue which has resulted in increased ticket sales and associated business. The 2016-2017 event programme was made up of over 320 events which included professional and amateur performances plus community events in the auditorium, the foyer and lounge. The numbers of tickets sold increased in 2016-2017 by 9% to 99,968 and income from ticket sales reached £1.8 million which is an increase of 13% over last year. This excludes meetings and conferences organised by Sodexo. The Apex also handles box office services for other venues.
- 1.5 The Apex continues to be a valuable community asset and more and more non-performance events are taking place. A greater use of the studio space is now being made with over 170 classes including yoga, tai chi and baby ballet.
- 1.6 The gallery on the first floor is in great demand with exhibitions booked a year in advance. The twelve exhibitions hosted in 2016-2017 made a net contribution to the Apex's budget of £2,674.
- 1.7 The Apex continues to attract a broad spectrum of people from a growing geographical area. The Apex's ticket sales for 2016-2017 by county were:

Suffolk – 78%  
Norfolk – 7.4%  
Cambridge – 6%  
Essex - 3%  
Other – 5.6%

For additional facts and information about those attending ticketed events at the Apex please refer to **Annex 1**.

## 2. Apex Performance

- 2.1 The performance of the Leisure and Cultural Services team who are responsible for the delivery of services at the Apex and Athenaeum, is continually reviewed and reported upon at the quarterly Apex Panel meetings
- 2.2 The overall cost to the Council of the Apex has reduced. In 2013-2014 the budget was £742,250 and the end of year out turn in 2016-2017 was £612,000
- 2.3 As indicated in table 1 below the number of tickets sold at the Apex continues to rise:

**Table 1**

	2016/17	2015/16	2014/15	2014/13	2013/12	2012/11
April	£158,040.60	£131,379.52	£88,486.75	£74,137.00	£57,844.15	£41,220.50
May	£119,934.40	£108,546.60	£89,422.90	£78,617.50	£73,698.85	£57,602.50
June	£119,244.00	£117,532.00	£69,919.70	£59,733.30	£40,707.50	£37,541.00
July	£109,999.00	£100,775.50	£75,588.50	£46,615.78	£24,934.15	£36,499.00
August	£136,747.35	£90,672.50	£71,116.50	£58,048.75	£46,296.22	£40,294.40
September	£119,397.00	£94,025.35	£90,802.00	£58,206.10	£64,237.10	£48,448.40
October	£178,067.50	£185,940.80	£132,142.00	£97,219.35	£83,386.82	£38,318.99
November	£166,665.00	£143,995.40	£115,476.25	£76,856.70	£78,344.60	£69,447.40
December	£198,616.25	£132,227.00	£101,061.50	£72,338.50	£34,619.00	£33,102.30
January	£146,148.50	£119,751.80	£116,214.50	£76,650.70	£42,655.74	£54,069.00
February	£188,263.75	£196,167.10	£120,165.90	£85,057.40	£99,443.75	£87,459.65
March	£196,528.25	£183,782.90	£149,667.40	£137,012.85	£123,186.50	£89,350.00
<b>Year Total</b>	<b>£1,837,651.60</b>	<b>£1,604,796.47</b>	<b>£1,220,063.90</b>	<b>£920,493.93</b>	<b>£769,354.38</b>	<b>£633,353.14</b>

- 2.4 The Apex is now able to attract successful artists because of the positive reputation the venue now holds within the entertainment industry. Events are now marketed to a wider audience and much further in advance than was the case in the past
- 2.5 In 2016-2017, 29,000 tickets were purchased by 13,540 new customers who visited the Apex for the first time. This shows that the Apex customer base is still growing significantly year on year
- 2.6 The methods of marketing are broad and range from newspaper supplements to email, face book and twitter campaigns. Below are some of the headline statistics about the digital marketing campaigns:

### **E-Mailing List**

The mailing list now has 26,666 email addresses of customers who have opted in to hear from us via email – growth of 20.1% over the last year.

### **Emails**

The Apex's monthly e-Newsletter has an average Open Rate of 40.85% (UK average 22.9%)

### **Facebook**

Our Facebook page now has 6,006 likes – growth of 36.7% over the last year. The average monthly website referrals from Facebook is now 49.6% higher than in

2015-2016 (and 188.4% higher than 2014-15).

### **Twitter**

The Apex now has 5,529 Twitter followers – growth of 16.9% over the last year.

The average monthly website referrals from Twitter is now 42.1% higher than in 2015-2016 (and up 127% on 2014-2015).

### **Apex Website**

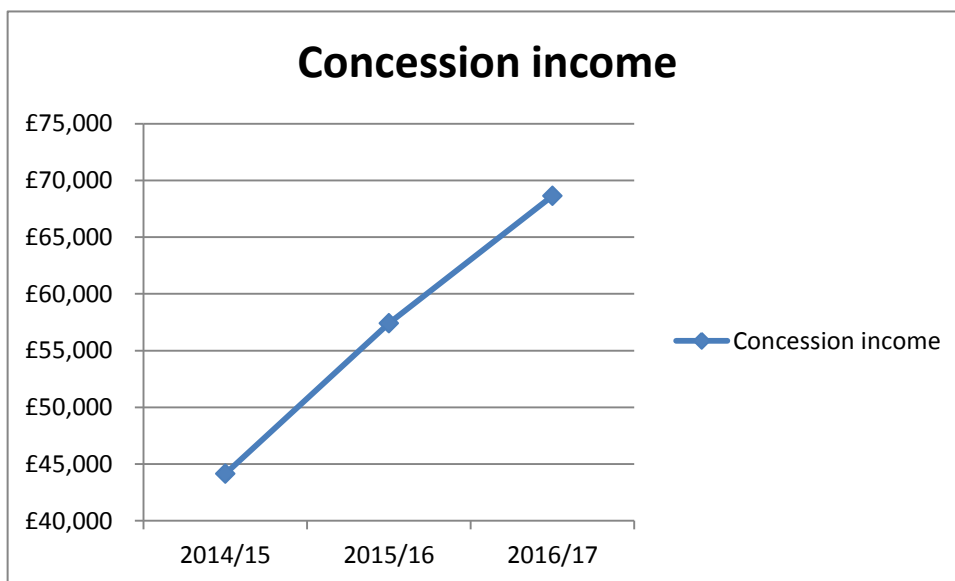
In 2016-17, 64% of ticket sales were sold online via the Apex’s own website.

The Apex’s website monthly unique users in 2016-17 was 18,821 (28%), up from 14,718 in 2014-2015.

## **3. Sodexo Catering Contract**

- 3.1 The Council entered into a contract with Sodexo in 2012 the budgetary return from that contract (catering and bar concession at the Apex) has increased year on year as indicated below:

<u>Sodexo</u>	2014/15	2015/16	2016/17
Concession income	£44,130	£57,408	£68,629



## **4. Analysis of budgets**

### **4.1 Budgets and Actuals**

If the variance position is shown in brackets, this indicates there was an underspend /overachievement of income against budget.

				<b>Actual Improvement over 2013/14 Budget</b>
<b>2014/15</b>	<b>Budget £</b>	<b>Actual £</b>	<b>Variance</b>	
Expenditure				
Total	1,260,137	1,727,393	467,256	
Income				
Total	(588,297)	(1,130,285)	(541,988)	
<b>Net Expenditure</b>	<b>671,840</b>	<b>597,108</b>	<b>(74,732)</b>	<b>(145,142)</b>

				<b>Actual Improvement over 2014/15 Budget</b>
<b>2015/16</b>	<b>Budget £</b>	<b>Actual £</b>	<b>Variance</b>	
Expenditure				
Total	1,437,000	1,992,320	555,320	
Income				
Total	(797,569)	(1,399,980)	(602,411)	
<b>Net Expenditure</b>	<b>639,431</b>	<b>592,340</b>	<b>(47,901)</b>	<b>(79,500)</b>

				<b>Actual Improvement over 2015/16 Budget</b>
<b>2016/17</b>	<b>Budget £</b>	<b>Actual £</b>	<b>Variance</b>	
Expenditure				
Total	1,831,012	2,177,076	346,064	
Income				
Total	(1,178,675)	(1,564,556)	(385,881)	
<b>Net Expenditure</b>	<b>652,337</b>	<b>612,520</b>	<b>(39,817)</b>	<b>(26,911)</b>

- 4.2 The 2016-2017 outturn figure above shows an underspend / overachievement of income against the budget of £39,817 reducing the net expenditure to £612,520. The budget for 2017-2018 has been set at £573,863. The actual outturn for 2016-2017 is slightly higher than that of 2015-16 because 2016-17 was the first year we put monies aside (£20,000) for future equipment replacements (contribution to reserves).

## 5. Looking ahead

- 5.1 The Apex management team has been successful in reducing the subsidy over the last financial year, as a result of increasing revenues from ticket sales, increasing concessionary income from its catering concession.
- 5.2 The Apex management team remain optimistic about the future and has a target of £1.9m ticket sales for 2017-2018. The team will continue to work with the Apex Panel to ensure the genres of events remains mixed, that ticket prices remain

competitive, that satisfaction with services on site remains high and that income continues to rise.

- 5.3 In order to keep ahead of the competition and keep our customer base growing we need to constantly innovate and update what we do. We are currently developing a new website for the Apex which will be launched towards the end of the 2017 summer period. The new website will be fully mobile compatible, which will improve the ability to view the website and purchase tickets via a mobile phones.