

CABINET

Urgent Business Report Artificial Ice Rink

Report of Head of Cultural Services

PURPOSE OF REPORT

The report proposes the provision of a temporary Artificial Ice Rink in the Dome.

Key Decision

Non-Key Decision

X

Referral from
Cabinet Member

This report is public

RECOMMENDATION

1. That Cultural Services, in partnership with Morecambe Town Council, take on the responsibility for organising an artificial Ice Rink in the Dome, as set out in the report.
2. If approved, that the legal documentation be completed in advance of the event.
3. That the Overview & Scrutiny Chairman be consulted with a view to waiving call in, in accordance with Overview & Scrutiny Procedure Rule 17, to enable the Chief Executive's decision to be implemented immediately.

1.0 Introduction

- 1.1 Over the past two years, around the Christmas period, the former Poulton Neighbourhood Management has organised an Artificial Ice Rink in the general area of the West End of Morecambe,
- 1.2 Cultural Services has since been approached by the promoter, "Get Ya Skates On" (GYSO), who provided the facility over the last two years with a view to similar arrangement in 2009, but specifically using the Dome as an indoor venue. The proposals presented to Cultural Services are over two periods, namely 30th July to 26th August (inclusive), and the 14th to the 24th December 2009 (inclusive).
- 1.3 The proposal is that Lancaster City Council hire the rink under one of the two options offered by GYSO. The options are option one – a rental charge of £12.6k and repay 30% of any admissions income taken to GYSO or option 2 - a rental charge of £16k with LCC keeping 100% of the admissions income,. Officers from Cultural Services had appraised the proposals previously and have a written quote dated 13th May 2009. Whilst this quote is now out of

date, the Service have been in contact with GYSO who have confirmed that they are available for the suggested dates of 30th July to 26th August (inclusive), and the 14th to the 24th December 2009 (inclusive).

- 1.4 Lancaster City Council, at its meeting on 4th March 2009 extended the period during which the Dome would remain open to include the "2009/10 season" [Minute 119 (1 a to f) refers] and therefore it is anticipated that the December event can take place in the Dome.
- 1.5 The newly established Morecambe Town Council (MTC) are also aware of the approach made to Lancaster City Council, and following their meeting held on Thursday 16th July 2009 have written to Lancaster City Council offering a "Guarantee Against Loss" of up to £8k. The Morecambe Town Council has stated that it is keen to work in partnership with Lancaster City Council in the organisation and promotion of events.
- 1.6 On the basis of the above intervention and involvement of Morecambe Town Council, Cultural Services propose that the event does go ahead in the Dome. However, as the event was not included in the original Dome programme of events, Cabinet is requested to support its inclusion. However, in light of timescales, and Cabinet's ultimate decision in respect of the request, Cultural Services would negotiate a variation with GYSO over the proposed summer dates. For the same reason, subject to approval of the proposals, it is requested that call-in be waived.
- 1.7 The Financial Implications make reference to the condition of the Dome as a number of areas of repair have been highlighted. All outstanding security, and health & safety works identified in last year's condition survey have been completed and has/will be accommodated within existing earmarked Dome budgets.

2.0 Details of Consultation

- 2.1 Consultation to-date has been between Cultural Services, Lancaster City Council's Cabinet Member with portfolio responsibility for Children and Young People, and the Morecambe Town Council. However, it should be noted that the Cabinet Member referred to is also a member of Morecambe Town Council.

3.0. OPTIONS AND OPTIONS ANALYSIS (INCLUDING RISK ASSESSMENT)

Option 1

- 3.1 To support the request to hire the rink during the Summer and Christmas periods based on GYSO option one - rental of £12.6k and split admissions income 70/30 (70% to LCC/30% to GYSO)

Option 2

- 3.2 To support the request to hire the rink during the Summer and Christmas periods based on GYSO option two - rental of £16k and LCC keep all admissions income.

Option 3

- 3.3 Not to support the requests.

4.0 OFFICER PREFERRED OPTION

Option 2 is the preferred option, in that it minimises any projected shortfall and provides an activity in the Dome over the Summer and Christmas periods.

RELATIONSHIP TO POLICY FRAMEWORK

The proposals seek to organise an event – an Artificial Ice Rink in the Dome, as a partnership between Lancaster City Council and the Morecambe Town Council.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability etc)

The proposals are aligned to the City Council's Corporate priorities in terms of Promoting Positive Activities for Young People,

FINANCIAL IMPLICATIONS

The table below is a summary of Cultural Services anticipated costs and income. Both hire options have been included to give a comparison of the two and whilst option 2 seems favourable, it should be noted that in the event that the income targets are not met LCC potentially risk a higher loss as the initial outlay will be £16k compared to £12.6k under option 1.

The estimates below project a net £6k deficit under option 1 and a net £4k deficit under option 2.

Ice Rink Details	Option 1 £12.6k rental			Option 2 £16k rental		
	Summer 27 days	Christmas 10 days	Total	Summer 27 days	Christmas 10 days	Total
Costs - staffing (kiosk & door,) hire, stock	£15,100	£10,700	£25,800	£16,800	£12,400	£29,200
30% income to GYSO	£2,400	£3,000	£5,400	n/a	n/a	£0
	£17,500	£13,700	£31,200	£16,800	£12,400	£29,200
Income - admissions	£7,800	£10,000	£17,800	£7,800	£10,000	£17,800
Income - sponsorship	£500	£1,000	£1,500	£500	£1,000	£1,500
Income - kiosk	£2,300	£2,600	£4,900	£2,300	£2,600	£4,900
LCC budget (advertising)	£500	£500	£1,000	£500	£500	£1,000
	£11,100	£14,100	£25,200	£11,100	£14,100	£25,200
Total Net Surplus/- Deficit	-£6,400	£400	-£6,000	-£5,700	£1,700	-£4,000

* Rink hire (including provision insurance cover by GYSO) has been split 50/50 between the two events in line with the current payment terms within the contract.

It is anticipated that either option can be covered by the MTC maximum £8K guarantee against loss and there is some flexibility for either a small increase in costs or less income.

Anything over and above an £8K net deficit will need to be met from within the Dome's overall net budget for the year, which may mean cutting back on other areas of activity or closing earlier than currently planned (estimated to be end of December 09). It is important to note that in the event of an early closure it is currently expected that the Council will be contractually tied into the full ice rink hire costs (£16K under option 2) regardless of whether the event goes ahead as it is in effect subsidising the Summer event. The overall position for the Dome as well as this event will need to be closely monitored by Cultural Services therefore.

In the event that a net surplus is achieved for the Ice Rink event, then there would not be a requirement to call upon the £8K "Guarantee Against Loss" from Morecambe Town Council.

Risks

There are potential risks associated with both options that should be further noted:

- No agreements/discussions have been made with any local businesses at this time, therefore figures for sponsorship income are purely estimated and seem high compared to the 2008 event referred to in 1.1, which took £200 for the Christmas six day period.
- The above costings are based on a start date of the 30th July which is clearly unachievable due to the timing of this report and with reference to the document requirement set out in the legal comments below. It would be advisable to negotiate a delayed start (and end date) by a couple of weeks to ensure that sufficient advertising can be built in and sponsorships agreed from the outset. A sensitivity analysis of associated reduced expenditure and income for a delayed start but current end date has been carried out by Financial Services and it is not expected that will be a significant impact on the figures quoted above, therefore can still be accommodated within the overall MTC maximum offer.
- Whilst bad weather may have hindered the throughput during the 2008 outdoor event, this event should not see any unfavourable effects from bad weather as it will be held indoors. It may however be a problem during the summer months as people may avoid going indoors during sunny spells.
- The majority of the deficit is incurred during the Summer months. The agreement with GYSO currently states that we will be committed to the two events. Cultural Services is exploring the possibility of a contract for each of the events but previous discussions with GYSO suggest that the Summer event was a complimentary offer with the majority of their costs being attributable to their peak times during the Christmas season.

The current condition of the Dome has been under scrutiny recently due to the uncertainty of its lifespan. Having discussed this with the Head of Cultural Services he is confident that any work carried out/to be carried out will be met from existing earmarked Dome budgets and that no further work will be required to accommodate the rink.

For comparison, the previous event held in the run up to Christmas 2008 (6 days), only took £200 from sponsorship and averaged 200 people per day. Private hires for the same period amounted to £900 and it outturned at an overall net deficit instead of the projected break-even position. However, the weather during this period of time was extremely wet and therefore possibly had an impact on the lower than expected number of attendees.

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has been consulted and has no further comments to add.

LEGAL IMPLICATIONS

In the event of option 2 being approved the Council will need to formalise its arrangements with Morecambe Town Council by executing a formal "Deed of Guarantee" for the sum of £8000, to ensure that the circumstances in which the guarantee becomes payable are clearly set out. It will be necessary for this document to set out precisely which outgoings and income are to be taken into account in calculating any loss. Legal Services will also need to approve the contractual arrangements with GYSO to ensure that the Council is properly protected against any liability arising from the use of the skating rink. Both the guarantee and the contract with GYSO must be completed in advance of the event.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer would reiterate the legal comments set out above.

BACKGROUND PAPERS

N/A

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