

# CABINET

## Platform Review

14<sup>th</sup> February 2017

### Report of Chief Officer (Regeneration and Planning)

PURPOSE OF REPORT				
This report is to provide Cabinet with an update on the review of the Platform, provide information on a number of early developments and ongoing improvements to reduce the long term net operating position.				
Key Decision	X	Non-Key Decision		Referral from Cabinet Member
Date of notice of forthcoming key decision	16 January 2017			
This report is public				

#### RECOMMENDATIONS OF Councillor Darren Clifford

It is recommended that:

- (1) Cabinet notes the details of the Platform review, including its findings and the early improvements undertaken.
- (2) That Cabinet supports:-
  - the principle of providing additional marketing capacity, for a fixed term period, to be funded either from within existing resources or through additional income and authorises appropriate flexibility regarding budget virement if so needed;
  - the business case for longer term provision being considered in the context of the overall development of the wider area surrounding the Platform.
- (3) Cabinet confirms the overall role and purpose of the Platform as an entertainment and community venue, as well as an important contributor to Morecambe's Place offer, quality of life and attractiveness for visitors.
- (4) A further report is provided to Cabinet as part of the next phase of the budget process, proposing a Vision for the way in which the Platform can support the future development of the Morecambe urban area, in the context of increased private sector interests, significantly improved connectivity and the raised profile of Morecambe as a place to live and to visit.

## Introduction

- 1.1 As part of the budget process in February 2016, Cabinet noted that:  
*“Whilst there is commitment to retaining a performance venue in Morecambe, ways to improve the Platform’s financial performance (and reduce/negate its net operating costs) will be developed and considered during next year.”*  
(Cabinet, 16th February 2016, Minute 76 refers)
- 1.2 Confirming this in March 2016, also as part of the budget process, Council approved a review of options to improve the net operating position of the Platform (Council, 2<sup>nd</sup> March 2016, Minute 141 refers).
- 1.3 Significant work has been undertaken to investigate and review all aspects of the current Platform operation in order to assess opportunities and constraints for its future operation, As a result, a number of positive developments, which can be delivered within existing budgets and resources, are now underway or have been implemented and are outlined in this report.
- 1.4 Cabinet members are asked to note that at the time the Platform review was agreed by Cabinet, during the 2015/16 budget process, a number of other service reviews were also requested, including a review of the Visitor Information Centres (VIC’s). Work to review the VIC’s has been undertaken and a number of improvements implemented. However, the VIC’s are directly affected by the Platform and museums service reviews and, in the circumstances, any VIC developments need to be considered in this context and at a later stage.
- 1.5 Further details of the scope of the Platform review, its findings and short term and long term options for development are now included in this report. The document attached at **Appendix A** provides further more detailed background information on the Platform to support this report.

## 2.0 Background

- 2.1 The Platform is situated in a prominent position on Marine Road Central in Morecambe, within the site designated as the Morecambe Area Action Plan, which has been identified for development as a focus for entertainment, leisure, food and drink. The Midland Hotel, directly opposite the Platform and situated alongside the beautifully restored promenade and jetty, has been a catalyst for the area and the more recent private sector interest and development close by, strongly suggests more buoyancy and confidence in Morecambe’s economy than has been seen for some years.
- 2.2 From 1907 to 1994, the Platform building was the terminus of the North Western Railway, Morecambe Promenade Station, accommodating three sets of platforms. It was designed in Elizabethan Gothic style, incorporating decorative stone from the previous Northumberland Street Station of 1873. Some of the internal glazed brick and tiles, including some in art nouveau style, are still in existence today.
- 2.3 The Platform has been operating as a venue since 1997, when the building was refurbished as a Music and Community Arts Centre. Some years later, it still largely plays the role of a venue for music performances and a wide range of public entertainment and continues to offer local communities flexible space for events that include everything from tea dances to educational events and specialist craft fairs. The Platform is central to a number of major festivals and events in Morecambe throughout the year all of which bring significant footfall.
- 2.4 Adjacent to the Platform, on the same site, there is a pub/ restaurant, a cinema and a catering outlet. The Festival Market, surrounded by individual concessions, is to the rear of the building with a shared walkway at one side.

- 2.5 The Platform has good transport links as it's within easy walking distance of the train and bus stations and benefits from a large pay and display car park in close proximity. The M6/ Heysham link road creates much improved access to the Platform from outside of the district with no need for visitors to travel through Lancaster.
- 2.6 Current facilities within the Platform building include a performance space for audiences of up to 350 seated and up to 600 safely standing. There is an integral bar within the performance space, plus separate kitchen and green rooms, a store room and office accommodation. The Visitor Information Centre, which was based in the old station since 1992 is still situated at the front of the building and provides ticketing and box office facilities for the Platform.
- 2.7 Other performance venues within an approximate twenty mile radius include The Winter Gardens in Morecambe, the Dukes and the Grand Theatres in Lancaster, the Brewery Arts Centre in Kendal, The Great Hall at Lancaster University and the Marine Hall in Fleetwood. Although there is some small overlap at times, all of these have their own brand identities, programmes and target markets, adding in different ways to an appealing, varied and interesting range of events in North Lancashire and South Cumbria.
- 2.8 A number of different lease arrangements are in place for the Platform building in its entirety. The Council currently owns the freehold on the whole building, including the unfettered title on the auditorium and the office accommodation at the rear of the building but also for the adjacent Station pub, KFC restaurant premises and Reel cinema, which have all been sublet separately on a long term leasehold basis. The front part of the building, including the VIC accommodation, the front offices and the bar storage area, is sub-let back to the Council on a lease that is subject to a rent review in 2017 and is due to end on 30th November 2022. If the Council wishes to renegotiate/renew/ surrender the lease then this would require the Council to give notice of its intention not later than 30th August 2022.
- 2.9 For the last two and a half years, the Platform has been managed within the Economic Development service area, as part of Regeneration and Planning. The Platform team has all of the professional skills required to cover the wide range of roles and responsibilities associated with a busy performance venue, as well providing support for major events in the district. There is a developing trend for Platform and events staff to increasingly work in various locations providing event services that are not specific to the Platform itself.
- 2.10 The Platform's net financial outturn has remained fairly constant over the last three years, with a slightly reduced net deficit of £76,536 in 2015/16 (excluding capital charges and support recharges totalling £100,334). Higher levels of income in 2015/16 made it possible to absorb a number of additional and one off costs without an increased negative impact.

### **3.0 Review details**

- 3.1 The purpose of the review has been primarily to focus on the bottom line, to identify additional opportunities to reduce costs and increase income as a means of ensuring the Platform is able to maximise its impact on the economy and quality of life in the district.
- 3.2 Embedded in the review has been a vision of the Platform as an important, busy entertainment venue that is known for its appealing, diverse, often lively, sometimes quirky programme of events. Its unique landmark building and outstanding coastal location are seen as key opportunities both in commercial terms, as a competitive venue, and as a place where the local community can

meet to enjoy events and entertainment.

3.3 The Platform review has considered a range of factors, all of which, in one way or another, impact on its performance. These include:

- The role and purpose of the Platform
- The Platform's current positioning as a performance venue, alongside other venues in the Lancashire/ Cumbria area
- The building, ancillary spaces and external areas
- Income and expenditure
- Experience, knowledge and skills
- Current programme and mix of performances
- Requirements of agents, performers and private hirers
- Catchment areas, visit ratings, comparisons with other venues, current audience profiles and audience behaviours such as advance bookings, repeat visits, purchases
- Marketing, publicity and box office
- Economic and community impact
- Strengths, weaknesses, opportunities and threats (SWOT analysis)

3.4 Platform staff, as well as other staff that work with the Platform on a day to day basis (such as Visitor Information Centre and regeneration staff), have been closely involved with the review and have been able to provide a great deal of information and many ideas for development.

#### **4.0 Review findings**

4.1 Overall, the Platform has some clear strengths and opportunities:

- The venue is in a great location that will benefit significantly from the M6 link and local developments/ private sector interest around the Morecambe Area Action Plan site.
- The building has an important heritage value and offers a unique and appealing venue.
- The venue offers flexible space that can be used for a wide variety of events and activities
- Some spaces in the building could be developed to support the Platform operation and potentially generate income.
- There is an existing loyal customer base and high percentage of repeat visitors.
- A much improved understanding of current audiences has been gained, which can much better inform marketing and PR activities.
- The Platform has an excellent reputation for quality with agents and performers – technical systems, lighting, sound and artist support arrangements.
- The team is skilled, flexible and committed and able to deliver all of the requirements of a performance venue.
- The programme is mixed and flexible with capacity for further development.
- The Patron base venue management system is being used to greater effect and has considerable potential as an audience development, ticketing and box office tool.
- The Platform has an important role as an indoor venue for major festivals

and events in Morecambe.

- Strong joint working arrangements are in place with the Visitor Information Centre around box office, ticketing and information services and there is potential for increased income generation.
- The bar and catering offer has been improved considerably and there is the potential for further significant development and increased income generation.

4.2 The Platform is constrained, in some respects, by the following weaknesses and threats:

- There are mixed views regarding the purpose and role of the Platform in terms of whether it is a community service, a commercial operation or a visitor attraction, or a mix of all of these.
- The size of the venue is ideal for smaller audiences but cannot accommodate larger audiences over 350 (seated) or 600 standing. This means that very popular acts attracting large audiences are outside of the scope of the Platform as a venue.
- The existing bar is extremely constrained, being located within the auditorium and with just two points of sale. Queues are common, bar opening times are heavily restricted and there is very limited opportunity to offer a more general bar and catering offer for visitors to the Platform and VIC when the auditorium is in use.
- The exterior of Platform building has, for some years, looked tired, poorly lit, with inadequate signage and no clear image/branding to improve its visibility and draw customers in. However, works have recently been completed making a considerable difference to the appearance and impact of the building.
- The adjacent open spaces at the front and rear of the building detract from the overall appearance of the building and are difficult to maintain to a high standard.
- The interior condition of the building is poor in certain areas. Recent repairs and maintenance work has just been completed.
- The Council leases the front part of the building, including the VIC, offices and bar storage area, from a third party. The Council's current lease expires in around 6 years but would be renewable.
- The Platform currently requires a subsidy although the focus of current plans is to steadily reduce the subsidy via development of the business and increases in income.
- Uncertainty around the future of the Platform has led to short term planning, including the requirement to restrict forward bookings, until recently.
- Marketing support is severely restricted due to lack of resources. Although there is a clear link between marketing and ticket sales, direct marketing support is limited to around 0.3 fte staff time plus £11,000 annual budget, which is significantly less than for other similar venues.

## **5.0 Further investigations**

5.1 Based on the review findings, further investigation was thought necessary to test the potential of a number of aspects of the Platform's business operations. To achieve this, the following work has been completed or is underway:

- **Market assessment** (underway)

Utilising audience information now available, a market assessment is currently being undertaken by an independent sector specialist. This will provide healthy challenge; help to clarify role and purpose; identify potential new, long term markets; develop and target products and services with audiences and income generation in mind; and focus audience development and marketing activity where it will be most effective. Results of the market assessment are expected during March.

- **Marketing** (pilot completed)

Recognising the important link between marketing/ promotion and ticket sales, it was thought useful to undertake a limited pilot study to assess the impact of additional marketing and promotion on the ticket sales and other income. An increased level of marketing support was provided (about 10 hours per week), on a trial basis, for the Platform between December 2015 and March 2016. The trial focused primarily on shows with spare audience capacity, where unsold tickets represent clear, additional income with a negligible effect on show production costs.

The additional temporary support was valued at around £2.3k over the period in question and led to increased ticket sales of £3K and additional bar income of £2k, compared to the same period in the previous year. Although this was a limited study, effects were primarily noticed for shows where additional promotion and marketing had taken place, suggesting that this was a key factor in the results.

Steps being taken to provide additional marketing for the Platform are described in Section 6 of this report.

- **Box office** (pilot completed)

As a direct means of increasing the sale of on-the-day and advance tickets as well as other retail products, during September 2016, the Visitor Information Centre (which manages the Platform's box office) provided an additional box office facility for evening shows. The cost of this was £330 whilst an additional £1.2k was taken, delivering a very good return on investment. Although this pilot was delivered from the VIC, the benefits of opening the VIC itself, with the requirement for two staff at all times, was unclear. A more cost effective option to develop the box office facility in the Platform foyer is now underway and is described further in Section 6 of this report.

- **Signage and visibility** (underway)

External signage is in poor condition and offers no clear image/branding to improve the venue's visibility or draw in customers. Temporary signs have been used over the past few months to promote up and coming shows/events. Although a limited short term solution, these appear to have an impact as the box office has report small spikes in ticket sales just after new shows/events are displayed. Recent repairs and maintenance works at the Platform have improved the existing information display cabinets at the front of the building.

Work to be undertaken to address lighting, signage and display boards is described further in Section 6 of this report.

- **Production Value** (underway)

A venue's overall offer in terms of spaces available, capacity, quality of sound, lighting and effects and technical support, is known as "production value". To enable the Platform to attract a greater range and better quality of shows that will, in turn, attract bigger audiences, the production

value needs to be of high quality and attractive to performers, their agents and to hirers. In simple terms, the better the production value of a performance venue the more attractive the venue for promoters, agents and private hires, and the greater the potential to develop the programme and audiences.

The Platform team has begun a piece of work to examine the extent to which the Platform meets modern day production requirements. Recent sound and lighting improvements have been helpful but it will be useful to understand whether there is a business case to expand the existing programme and offer by developing additional digital and projection capability and stage improvements.

Although a relatively modest investment would be required for these potential improvements, the business case does need further examination and therefore a further report will be provided during 2017 if improvement of the Platform's production value appears to offer a good opportunity for the Council.

- **Bar and catering development** (Initial options currently being reviewed)  
Bar and catering income is increasing as a result of a number of changes already implemented. However, although there is clearly considerable further income potential, the current physical arrangements constrain this. A number of options can be considered from a simple extension to the creation of much larger facilities outside the auditorium. However, ultimately, any proposals made in a future report would require a business case showing a return on investment and need to be seen in the context of the Platform's role in the wider, developing area.

- **Use of other venues**  
There is great potential for some of the exceptional buildings and spaces owned/ managed by the Council to be developed as venues for a range of performances, events and arts activities. As well as the Platform, these include the Storey, the Ashton Hall, the Bay Arena and the Festival Market, which is currently used solely as a local market rather than as a venue for large scale festivals and events, as was originally intended.  
As an initial pilot, the high profile tour, *'The Life and Times of Sir Chris Bonnington'*, was programmed for the Ashton Hall in October. Ticket sales were good and the event returned a small profit for the Council, as well as adding to the city's entertainment offer. The Platform team has also facilitated a number of additional private hires at the Ashton Hall by liaising with other local event organisers such as the Grand Theatre, Gathered Voices and Lancaster Music Festival.

Section 6 of this report refers to further development of this approach.

## **6.0 Improvements and developments**

6.1 As a result of the work undertaken, a number of improvements have been identified or implemented, within existing budgets, as detailed below:

- **Increased marketing support**  
Following the marketing pilot, there is a clear business case for increasing marketing support for the Platform, with a view to increasing ticket, bar and catering and other retail product sales.  
Additional marketing support equivalent to 0.5 fte, will now be provided by the corporate marketing team, at a further total cost of c£15k per annum (£13k staff costs, including on costs and £2k marketing budget). This additional marketing resource will be provided from within existing

budgets and/or additional income to be generated and once established is expected, as a minimum, to return the same value to the Platform in terms of income year on year.

- **Image, Appearance, external signage and lighting**

Until recently the Platform building looked tired and easy to miss but significant improvements have been made in terms of external decoration and some external lighting has been replaced. Further lighting and signage work will be installed, subject to listed buildings/advertisement consent, to help create good, clear promotional messages that positively increase the vibrancy, visibility and presence of the building. Total estimated costs are £12,000 to be provided from within existing Property Services budgets.

- **Interior sound and lighting**

A new digital sound system and additional internal theatre lighting have been installed that bring the Platform much more up to date with what is expected of a modern entertainment venue, allowing the venue to cater for a wider variety of shows and events.

- **Bar and catering** - The range and quality of the beverages (alcoholic and non-alcoholic), hot drinks (tea, coffee and hot chocolate) and snacks has been significantly improved with a noticeable impact on income.

- **Box Office** –.The old box office facility in the foyer area of the Platform will be upgraded to current requirements to create a flexible, safe space to allow the VIC to provide additional ticketing services, when the VIC is closed. A minimal resource is required to achieve this and can be managed from existing budgets.

- **Staff and skills** - Platform staff are now trained across a range of skill areas including venue management, health and safety, bar and catering operations and technical support. This has created a flexible and cost effective approach to day to day management of the venue. VIC staff continue to run the Platform's ticketing services and box office very effectively.

- **Card payments** - An electronic payment system has been introduced for bar and catering sales to ensure that it is quick and easy to order and pay without unnecessary barriers.

- **Cleaning** - The existing cleaning contract, which is very longstanding, will be reviewed, capitalising on any opportunities to reduce costs

- **Technical support services** - A further assessment will also be made to test the potential of providing technical support and equipment for other venues/ events on a chargeable basis.

- **Additional programming of other Council venues**

Following some initial success, the Platform team is keen to explore further opportunities to work with services across the Council and with partners to increase events taking place in the Council's other buildings and spaces. This has the potential to create income opportunities and to deliver social and economic value in the local area, enhancing the district's "place offer".

## 7.0 **Proposal Details**

7.1 A considerable number of improvements to Platform operations have already been undertaken, or are underway, which Cabinet members are asked to note. At this time, no financial growth is requested as proposals at this stage can be managed within service budgets.



- 7.2 However, Cabinet members are asked to consider and confirm the role and purpose of the Platform. The original role of the Platform was as a Music and Community Arts Centre and the venue has therefore always operated as much more than a simple commercial enterprise. Today, there is, quite rightly, a strong focus on income generation as a means of reducing the overall cost of the venue to the Council. Nevertheless, the Platform also delivers important social and economic value as a community facility, as a contributor to Morecambe's Place offer and quality of life and also as a visitor attraction. Whilst these roles do not always reflect directly on the Platform's bottom line, positive social and economic outcomes for the area are achieved.
- 7.3 This report proposes that whilst all reasonable opportunities to generate additional income are developed, as detailed in the report, this is undertaken in the context of the Platform's continuing broad role and purpose.
- 7.4 Bar and catering options have not been included in any detail in this report although this is an area that has been recognised as a revenue generator. However, it is also recognised that these options need to be considered in the context of longer term requirements and opportunities for the Platform building itself, potential development in the surrounding area, local private sector interests and investments and the economic potential arising from the new link road.
- 7.5 It is proposed that a further report is presented to Cabinet early in 2017/18 to consider how the Platform can best support wider developments in the local area and what services, including bar and catering, will be required to achieve this.

## **8.0 Details of Consultation**

- 8.1 Audience information has been gathered and used to inform some of the discussions throughout the review. Staff have been closely involved in the Platform review and many ideas for improvement have been generated as a result of this involvement. Informal discussions have taken place with other local venues.

## **9.0 Conclusion**

- 9.1 Bearing in mind that Cabinet has confirmed its support for the long term future of the Platform, it is important to take a similarly long term view to developing its role, programme, audiences and profile, capitalising on the opportunities available.
- 9.2 As a result of the review, which has been multi-dimensional, a number of actions have already been taken or are underway. Further information to allow Cabinet to consider in what way the Platform can support the future development of the wider surrounding area will be presented during early 2017/18.

## **RELATIONSHIP TO POLICY FRAMEWORK**

The Platform fits with the following Council Priorities:

### **Community Leadership**

- Maintain a financially stable position and strong financial forecast for the delivery of council services – Review and refresh internal processes and systems to drive efficiency and cost savings

### **Sustainable Economic Growth**

- Sustainable economic growth and jobs will be created in key sectors including....the visitor economy – Regenerate central Morecambe through the Morecambe Area Action Plan
- The attractiveness and offer of the district as a place to visit or invest will be improved – Evaluate economic impact, delivery and funding of the arts in the district
- Lancaster and Morecambe Bay will be recognised as important visitor destinations – Increase the number of visitors to the district and visitor spend in the district

## **CONCLUSION OF IMPACT ASSESSMENT**

**(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)**

There is no additional impact as a result of this report, over and above those relating to the existing arrangements for the Platform.

## **LEGAL IMPLICATIONS**

There are no direct additional legal implications as a result of this report, over and above those relating to the existing arrangements for the Platform.

## **FINANCIAL IMPLICATIONS**

The report / attachment makes reference to 2015/16 due to full year data being available for this period and although the pilot period appears to have made a positive return, there is still a need to draw upon the outturn position for 2016/17. The business case for providing additional marketing support has not yet been fully appraised, therefore, and so in light of this it makes sense for continuation on a more permanent basis to be considered in the context of the overall development of the wider area surrounding the Platform.

It is re-iterated, therefore that Members are only being asked to support the proposals / progress to date at this stage, as it is expected that any additional financial implications arising for providing additional marketing capacity for a fixed term period can be managed under delegated authority (and as provided for in the recommendations) through a combination of existing resources and/or additional income generated if this cannot be met from either a re-direction of or absorption within other budgets, noting that additional capacity could be provided either through a fixed term post or specialist external provider, as appropriate.

One-off additional signage / lighting will be funded from within existing budgets.

## **OTHER RESOURCE IMPLICATIONS**

### **Human Resources:**

Implication noted in the report regarding an increase in the dedicated marketing resource for the Platform, which will be provided from the corporate Communications and Marketing

Team.

**Information Services:**

Minor implication regarding improving IT arrangements in the Platform box office.

**Property:** Support required from Property Services in relation to building improvements and development of bar/ catering options.

**Open Spaces:**

None as a direct result of this report.

**SECTION 151 OFFICER'S COMMENTS**

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

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments.

**BACKGROUND PAPERS**

None

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