



Rochford District  
Council

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| <b>REPORT<br/>TITLE:</b> | <b>Mill Hall Arts and Events Centre Update</b>                   |
| <b>REPORT<br/>OF:</b>    | <b>Cllr V Wilson, Lead Members Assets &amp; Opens<br/>Spaces</b> |

## INFORMATION REPORT

### REPORT SUMMARY

At its meeting on 13 July 2022 the Executive agreed to reopen the Mill Arts & Events Centre and it subsequently reopened on Monday, 12 September 2022. Following the reopening decision the Mill Arts & Events Centre has been, and continues to be, operated by the Council's in house Leisure Team.

On 7th September 2023, Full Council formalised the end of expression of interest process and confirmed clear objectives for the Mill Arts & Events Centre, to optimise the market research needed to create a sustainable operating model for the future of the asset.

This report looks to update the executive of progress made to date of the resolutions made at Full Council

### SUPPORTING INFORMATION

#### 1.0 BACKGROUND INFORMATION

1.1 On the 7th September 2023 Full Council resolved the following

(1) That the objectives for the Mill Arts & Events Centre are agreed as follows:-

a) That the Mill Arts & Events Centre's primary function is to support the Arts and Events sector.

b) That the food and drink offering at the Mill Hall Arts & Events Centre supports the events and is a commercial, competitive offering.

c) The operating model of the Mill Hall Arts & Events Centre must strive to be commercially viable reducing the level of subsidy the Council is required to provide.

d) Ensure that the asset is environmentally sustainable.

(2) That the Community Expression of Interest Process is formally concluded with neither preferred partner being awarded a contract.

(3) That officers conduct a commercial soft market testing exercise for the operation of the café at the Mill Arts & Events Centre to be completed within a three month period.

(4) That a budget of £6,500 is allocated to support the re-opening of the bars for events at the Mill Arts & Events Centre. The bar is to be operated by a third party, Eternity Events.

(5) That a budget of up to £10,000 is allocated for a structural survey of the Mill Arts & Events Centre.

(6) That the draft Market Research objectives are approved enabling officers to procure and conduct the research

(7) That, following the conclusion of the market research, engagement activity and structural survey, operation of the Mill Arts & Events Centre are presented back to the Full Council with a supporting business case.

The following information has also been presented to overview & scrutiny committee.

### **Current Operations**

3.1 Rochford District Council have operated and supported a number of events at the Mill since reopening, including:

- Cost of living event
- Jobs fair
- Women in business networking event
- Family theatre
- Wedding fair in March 2024
- Sponsored Teenage Market
- Secured £2,000 of Active Rochford funding for Music for the Brain
- Comedy Events

3.2 The team at the Mill are exploring opportunities to organise and run future events at the Mill Arts & Events Centre.

3.3 Between reopening in September 2022 and the end of December 2023, of the 136 Friday and Saturday nights available to hire, 37 events were held. For 2024, of the 104 Friday and Saturday nights available, we currently have 45 events that have either been held or booked, with time available for additional bookings to be made.

- 3.4 The two bars at the Mill reopened in November 2023, which has supported the attractiveness of the Mill as a hireable space for evening bookings. The bars have been refurbished following the allocation of budget by Full Council. Eternity Events also operate these bars of which the Council receives a profit share of their net takings.

#### **Community Expression of Interest**

- 3.5 The Community Expression of Interest was formally concluded following approval at Full Council on 7th September 2023. The Council is not exploring any further expressions of interest at this moment in time.

#### **Cafe**

- 3.6 The café consists of a seating area and a counter in one room, and a small kitchen. Some of the previous catering equipment remains in the kitchen, but these have not been used since March 2020 and may no longer be fit for purpose.
- 3.7 The total size of this space is 56.9m<sup>2</sup>, of which 8m<sup>2</sup> is the counter space and serving area. There is also a kitchen space of 18.73m<sup>2</sup>, and a storage cupboard of 5.9m<sup>2</sup>. The total space available for the café, kitchen, and storage is 81. 53m<sup>2</sup>.
- 3.8 There are two points of entry into the café, as indicated in the photos. It has its own separate external entrance as well as one from within the venue itself.
- 3.9 Previously the seating area accommodated up to approximately 30 people at any one time, with tables of two and four being provided
- 3.10 Soft Market concluded in November 2023. Three interested parties expressed an interest in operating the café. Meetings have been held with these parties to discuss options in further detail. Interested parties would be willing to enter into long term agreements with the Council however the certainty on the operating model needs to be concluded. In addition, the café would need investment to bring it up to a satisfactory standard from a food safety perspective.

#### **Market Research**

- 3.11 Officers are procuring a consultant to support with market research that supports the following objectives :
1. To understand perceptions of and attitudes to the current building.
  2. To understand perceptions of and attitudes towards the current service offerings e.g. range of events being offered.
  3. To understand the need and demand for services within the immediate and wider community.
  4. To understand the demographic profiles of current users of the facilities; residents and businesses near the site; and wider Rochford residents.

- 5. Explore barriers of attendance and participation of events and ways to overcome them.
- 6. Explore other potential opportunities and uses for the site.
- 3.12 This research and consultation will commence following elections and would be presented to a Full Council in the new municipal year.
- 3.13 The Council would like to see recommendations from the consultancy on how they would deliver a diverse and cross representative demographic sample size that represents current attitudes and is forward thinking. In order to get a robust outcome, data will need to be both qualitative and quantitative
- 3.14 The Council is keen to hear from residents within the whole of the Rochford District not just residents and stakeholders living close to the site. It is vital in order to understand if the Mill Hall can be a viable and self-funding community asset, that the Council understands the needs and thoughts from a wider range of residents. With a population of circa 86,000 the Council would look to engage with a minimum of 2,000 residents and additional stakeholders.
- 3.15 A high level programme chart of the market research and consultation is attached within Appendix 1. This also details the ambition to bring a decision back to Full Council in the Autumn on the future operating model for Mill Hall.

#### **Asset Investment**

- 3.15 Fusion were not involved in the operation of the venue from the date it reopened. However, the Council worked in partnership with Fusion to run the building, with the Council's Leisure & Cultural Services Team taking responsibility on all operational aspects of the building, and Fusion were only responsible on maintaining the building. This arrangement concluded in August 2023 and the Council became responsible for the capital investment of the building as well as the maintenance.
- 3.16 The roof survey has been conducted and officers are working with contractors on options regarding repairs required to the roof as well as future options on potential environmental sustainability options.
- 3.17 Replacement of the lift has been procured. Engineers have been on site, however the delay is due to parts required having extended delivery dates. Works to install the new lift will take approximately 2 weeks once all parts are delivered. It is expected the lift will be operational by mid to late May.
- 3.18 The Council has had to replace the fire alarm system and panel in the building which was concluded at the beginning of 2024.
- 3.19 The capital program is aligned with the stock condition survey that was produced in September 2022 and future investment is based this document. The budgets focus on prioritising compliance to ensure the building remains safe and operational. Within the capital program works are proposed to look at insulation to enhance the energy performance of the building.

**2.0 OTHER OPTIONS CONSIDERED**

- 2.1 As an update report on current operations will be presented to the Council, there are no alternative options to be considered at this time.

**3.0 RELEVANT RISKS**

- 3.1 The Council is currently exposed to increased financial risk, operating the Mill Hall. The current building requires significant capital investment and currently operates with the Council's General Fund Account subsidising the building. Failure to develop a sustainable centre will result in financial pressures to the Council's budget
- 3.2 There are always risks to operating buildings which could result in additional capital and revenue budget strain; however, this will be managed by continued careful management and inspection
- 3.3 Reputational risk, decisions regarding the future operations of the Centre will be have reputational risk attached to them. The Council must ensure it is making decisions in the interest for the Council and it's residents.

**4.0 ENGAGEMENT/CONSULTATION**

- 4.1 The Council is developing it's current consultation process to engage with residents and users of the centre. This will inform the future operating model to be presented back to Full Council to consider and determine.

**5.0 FINANCIAL IMPLICATIONS**

- 5.1 The Mill Arts & Events Centre reopened on 12th September 2022. The revenue cost to operate the building from the reopening date until 31st March 2023 was £130,338, which included an increase in the unitary charge for Fusion, additional staffing costs, as well as required works both prior to and upon reopening. This budget was agreed at a meeting of the Executive on 13th July 2022. This budget was broken down as follows:

|                           |         |
|---------------------------|---------|
|                           | Revenue |
| Compliance/Remedial Works | £15,750 |

|                                |          |
|--------------------------------|----------|
| Maintenance pre-opening        | £34,250  |
| Running Costs – Unitary Charge | £61,398  |
| Staffing                       | £18,940  |
| Total                          | £130,338 |

4.2 The additional budget for staffing costs was for zero hour staff and overtime to assist in staffing events, and no additional recruitment was made in the 22/23 financial year.

4.3 The budget for the running costs for the Mill Arts & Events Centre were budgeted at £390,100 for the 2023/24 financial year, which would be a full year of costs. This budget was broken down as follows:

|   | Budget   | Forecast Outturn |
|---|----------|------------------|
| Staffing                                  | £166,100 | £142,710         |
| Marketing                                 | £4,000   | £1,890           |
| Responsive Repairs                        | £37,500  | £40,690          |
| Statutory Compliance                      | £32,250  | £33,090          |
| Utilities                                 | £94,812  | £59,270          |
| Cleaning & Waste                          | £17,200  | £18,900          |
| Rates, Insurance, Licencing, IT, Telecoms | £38,238  | £42,490          |
| Total                                     | £390,100 | £339,040         |
| Income                                    | £50,000  | £95,100          |
| Net Total                                 | £340,100 | £243,940         |

4.4 There will be an underspend on staffing costs for this financial year as multiple posts were vacant in April 2023, and were recruited part way through the financial year. Therefore the projected total running cost for the Mill Arts & Events Centre in 2023/24 is £330k.

4.5 The forecast outturn has taken costs and income to date and has been extrapolated until the end of the year.

4.5 The current capital programme for the Mill Hall is £267,275 with a further £845,000 allocated for 2024/25

## **6.0 LEGAL/GOVERNANCE IMPLICATIONS**

- 6.1 There are no direct legal implications arising from this report. Members must be conscious of the decisions approved at Full Council. Therefore any interim measures regarding food and beverage, must be interim in order to ensure the future operating model is not affected.

## **7.0 EQUALITY & HEALTH IMPLICATIONS**

- 7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:

- a. Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful .
- b. Advance equality of opportunity between people who share a protected characteristic and those who do not.
- c) Foster good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.

The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

The update in this report considers the disproportionate adverse impact on anybody with a protected characteristic. The main highlight is the current lift that is out of operation, however the Council has committed to replacing this and has put in reasonable mitigating measures to manage the lift that is currently not operational.

## **8.0 ENVIRONMENT & CLIMATE IMPLICATIONS**

- 8.1 The Council is considering how to reduce the carbon output of the building and looking at options of investment to ensure the building is environmentally sustainable as possible. However this is subject to funding and a programme of works.

## **9.0 ECONOMIC IMPLICATIONS**

- 9.1 There are no direct economic implications arising from the report.

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## **APPENDICES**

**Appendix 1 – Programme Chart Market Research and Consultation**

## **BACKGROUND PAPERS**

### **SUBJECT HISTORY (last 3 years)**

| <b>Council Meeting</b>  | <b>Date</b>       |
|---|-------------------|
| <b>O&amp;S Committee – The Mill Arts &amp; Events Centre (The Mill Hall) – Outcome of the Community Expression of Interest Process and Future Operating Costs</b> | <b>1/02/2023</b>  |
| <b>The Executive – Report of the Overview &amp; Scrutiny Committee – The Mill Arts &amp; Events Centre EOI Report</b>   | <b>07/03/2023</b> |
| <b>Full Council – The Mill Arts &amp; Events Centre (The Mill Hall)</b>   | <b>07/09/2023</b> |