

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE 20 SEPTEMBER 2006

REPORT OF THE ECONOMIC DEVELOPMENT & REGENERATION MANAGER

This matter is the responsibility of all members of the Executive

TAUNTON CHRISTMAS ICE RINK 2006

Purpose of Report

To inform the Review Board of the current plans to bring an ice rink to Taunton town centre for the 2006 Christmas period.

Executive Summary

Taunton Town Centre Co (TTCCo) brought a very successful ice rink to Taunton over the Christmas period 2006. Over 12,000 people enjoyed it.

There is popular demand to bring a larger rink back to the town again this year, and the Town Centre Company intends to work in partnership with Tone Leisure Ltd in the management and responsibility for this scheme if repeated in 2006.

To bring this to Taunton the costs are considerable, and both organisations have worked hard to secure sponsorship. To date the committed financial support from the private sector is not sufficient for either organisation to feel confident that break-even can be achieved, and neither organisation can afford to take a significant financial risk.

The Council has been approached by the TTCCo with a request that Taunton Deane Borough Council pledge £16,000 as a contribution towards the running costs of the rink. In addition the Council is also requested to agree to a further maximum £10,000 guarantee against loss should there be a shortfall. Both amounts could be financed from within existing budgets.

The Council's Review Board considered this item on 7 September 2006. The Board resolved to recommend to the Executive that the request be approved. A review of the discussion is outlined at paragraph

1. Background

- 1.1. Taunton is a thriving and dynamic town, which has, over the past few years, striven to find new and exciting ways to attract greater footfall and market share to the town centre.
- 1.2. Last year it was agreed that Taunton Town Centre Co should bring a real ice rink to Taunton over the Christmas period to attract new customers and to provide a facility for the local community.

- 1.3. A temporary real ice rink was installed in Goodland Gardens and open to the public from December 5th to January 2nd. During the period of operation over 12,000 people used the ice rink, a large proportion of whom travelled many miles to Taunton, but the majority of users were from within Taunton Deane. The following extract from a report by the Town Centre Manager to the Taunton Centre Management Company Board in February 2005 outlines the contribution to improved trading in the Town Centre over the Christmas period:

“The rink attracted around 12,500 skaters over the 24 days that it was open.

It attracted school groups, Christmas parties and many customers who had come from well beyond Taunton’s usual catchment area. These included, Bath, Shepton Mallett , Exeter, Frome and Southampton, Barnstaple etc , the majority of our customers were from within the catchment boundary of Taunton as expected. We kept a comment book at the rink in which customers expressed their delight with the ice rink and appreciation for this facility in Taunton.

Taunton’s footfall was increased by 13.5% in December.(figures recorded through the Old Market Centre). Some stores are reporting that their sales were up by double digit % over 2004 figures and against their own trading targets

The rink, and therefore Taunton, attracted media coverage in The Saturday Times, The Telegraph, The Daily Express, Radio 4 Woman’s Hour, ITV West Country, Radio Bristol, Somerset Sound, Orchard fm, Western Morning News, Somerset County Gazette, Taunton Times and many other local papers and websites”.

- 1.4 From comments registered by users during 2005 there is a great deal of public demand for this facility to be available again this year, but to add to the attraction and to maximise the potential income from the Ice Rink, both the TTCCo and Tone Leisure recommend that a larger rink be installed in 2006.

- 1.5 The 2005 rink cost over £75,000 in running expenses and Taunton Deane Borough Council under- wrote the shortfall of income to a sum of £30,783. The table below shows the financial performance for the 2005/06 rink:

Heading	£	£
Income:		
Sponsorship	4,775	
Food Concessions	250	
Ticket Sales	43,970	
Total Income		48,995
Expenditure:		
Staff	6,500	
Marketing	9,597	
Fuel	3,983	
Security	4,632	
Rink Hire	53,489	

Accommodation	1,577	
Total Expenditure		79,778
Shortfall met by TDBC		30,783

2. Proposal for 2006.

- 2.1. Taunton Town Centre Co has agreed that the potential should be investigated for bringing a larger rink to Taunton this year, and that a higher level of private sponsorship funding should be sought. In addition it was agreed that the burden of management and responsibility on TTTCCo's limited personnel should be reduced.
- 2.2. TTCCo also agreed that Tone Leisure Ltd should be invited to partner the Company in this initiative as they have the necessary skills and experience. Tone Leisure subsequently agreed to this proposal on the basis that it could not bear a financial loss through this initiative.
- 2.3. A quotation for a larger rink measuring 20mts x 20mts was provided by Cousins Entertainment, the contractors who provided the smaller 20mts x 10mts rink in 2005.
- 2.4. A suitable site has been identified on the staff car parking area adjacent to the Brewhouse theatre. The Brewhouse Christmas production of 'The Snow Queen' has clear links to the ice rink and the opportunities for cross- marketing both are very obvious.
- 2.5. The period of operation will be similar to that of last year - 7th December to 2nd January.

3. Finances

- 3.1. The table below shows the expected running expenses for the 20mts x 20mts ice rink

Expenditure Heading	£	Comments
Staff	10,700	7 staff
Marketing	11,000	15% increase on 2005
Fuel	5,000	25% increase on 2005
Security	4,500	
Rink Hire	68,200	17% increase for 100% increase in capacity compared to 2005
Accommodation	1,000	33% reduction when compared to 2005
Contingency	1,000	
Total Expenditure	101,400	

- 3.2. As shown above the net income for the rink in 2005 was £43,970 (net of VAT), this was based on a charging structure of £4 & £5 per ticket. For 2006 it is anticipated that an increase of 50p on each ticket price will be applied.

- 3.3. Given this increase in price charged, the table below shows the expected surplus/deficit for the rink given the potential for an increased numbers of users on a larger facility:

Increase in Users	33%	50%	100%
	£	£	£
Ticket Sales Income (net of VAT)	64,236	72,266	96,355
Secured External Sponsorship	4,500	4,500	4,500
Surplus/(Deficit)	(32,664)	(24,634)	(545)

- 3.4. It is disappointing that external sponsorship of only £4,500 has been secured from the private sector. The deficit levels shown above could not be borne entirely by the TTCCo or Tone Leisure, although the Town Centre Manager is looking into the possibility of using some of the TTCCo's own uncommitted funds to partially underwrite the project – however at the time of writing this report this is not yet confirmed.
- 3.5. Both organisations will continue to try to secure additional sponsorship and advertising/catering concession revenue but to feel sufficiently confident to commit to booking the rink in time to start marketing it sufficiently to maximise ticket sales, they need to have some additional support to partially mitigate any overall loss.
- 3.6. Therefore the ultimate purpose of this report is to ask the Review Board to support a request to the Executive for sponsorship for the Ice Rink. It is envisaged that this would be achieved in 2 ways:
- i) Firstly through a fixed contribution of £16,000 towards the running costs of the rink in recognition of the additional profile which Taunton and the Borough enjoys by having the facility.
 - ii) Secondly through a maximum contribution of up to £10,000 which would be payable only in the event of the facility making an overall loss after taking into account all other sponsorship.

In discussion with the Financial Services Manager it has been confirmed that both amounts could be financed from within the existing budget of the Council.

- 3.7. Any loss over this amount, not covered by further sponsorship etc would be shared between Tone Leisure and the TTCCo.
- 3.8. When compared to 2005, growth in customers would have to be at least 50% in order for the Council to have to pay a lower contribution than the overall £26,000 requested by the TTCCo.

4. Discussion at Review Board on 7 September 2006.

- 4.1. The Review Board discussed the report at its meeting on 7 September 2006, resolving to recommend to the Executive that the request be approved as set out above.
- 4.2. Members of the Review Board acknowledged the success of the 2005 ice-rink, and the positive message that increases in footfall in the Town Centre and trading turnover achieved over last years' Christmas trading period. Both indicators suggest that Taunton Town Centre traded at a stronger level than many of its competitors for the same period.
- 4.3. However concern was expressed at the low level of commercial sponsorship and support received to date towards the costs of hiring and promoting the ice-rink, and wished the Executive to take into account if a long-term funding arrangement was being considered.

5. Recommendation

- 5.1. The Executive is asked to support a request from the Town Centre Management Company that the Borough Council contributes the following amounts from within existing budgets:
 - A fixed contribution of £16,000 as part funding of the running costs of the rink, and,
 - A maximum contribution of up to £10,000 which would be payable only in the event of the facility making an overall loss.

Background Papers:

Executive 24 May 2005, Potential hire of Skating Rink, Report of the Financial Services Manager

Report of the Town Centre Manager to Taunton Town Centre Management Company Board December 2006

Minutes of the Review Board meeting of 7 September 2006.

Contact Officers:

Steven Kendall, Economic Development & Regeneration Manager, 01823 356534, email: s.kendall@tauntondeane.gov.uk

Lucy Ball, Taunton Town Centre Manager, 01823 354299
lucy@tauntontowncentre.co.uk

Juliette Dickinson, Managing Director, Tone Leisure 01823 356311
j.dickinson@toneleisure.co.uk

