



To: Business, Economy and Enterprise Scrutiny Board (3)

Date: 15 November 2017

Subject: St. Mary's Guildhall - strategic development

1 Purpose of the Note

- 1.1 To inform the Business, Economy and Enterprise Scrutiny Board of current activity in relation to the strategic and commercial development of St. Mary's Guildhall
- 1.2 To seek the opinion and support of the Business, Economy and Enterprise Scrutiny Board in respect of future plans and proposals

2 Recommendations

- 2.1 The Business, Economy and Enterprise Scrutiny Board is recommended:
 - 1) To support current actions to develop commercial interests and trading activity at St. Mary's Guildhall
 - 2) To recommend that the Cabinet Member:
 - a. Instruct their officers to commission a feasibility study into positioning and developing the role of St. Mary's Guildhall as a visitor attraction and heritage venue of distinction.
 - b. Further explores collaborative opportunities to develop the role of St. Mary's Guildhall
 - 3) Identify any further recommendations to the relevant Cabinet Member

3 Information/Background

- 3.1 St Mary's Guildhall has long been regarded as valued cultural asset for the city of Coventry, yet has for some time not realised its full cultural or commercial potential. As a trading service, the Guildhall is currently facing financial challenges, with corporate and operational costs exceeding the overall income generated. At a broader level, the Guildhall lacks a clear strategic focus and identity in respect of its overall purpose, and how it should be best utilised as an important city asset in the long term
- 3.2 Action is required to address the immediate financial situation and generate increased, profitable income from the Guildhall that will initially make the asset self-sufficient, and in due course provide additional income contributions to offset other frontline service budget pressures.
- 3.3 With respect to trading activities, development works are in progress in two initial areas:
 - The Café
 - The Muniment Room
- 3.4 **Café** - Work is underway to develop and relaunch the existing on-site café in the Undercroft, which has suffered from inadequate trading and under-investment.

Refurbishment of the space, and comprehensive changes to the menus, identity and customer offer are planned, supported by a strong marketing campaign, which will increase footfall and trading performance

- 3.5 Following an approved £28k investment – primarily allocated to refurbishment, equipment and Wi-Fi provision - there is a projected revenue increase of c.£20k in Year 1, and a c.£37k revenue increase in Year 2, generating a c.£10k surplus back into the service in Year 2. These works will also enhance the space to present a more appealing venue for private events and functions
- 3.6 **The Muniment Room** - Until recent months, this impressive and historical room has been used only for storage, with no regular public access. A partnership has now been established with a successful external operator to develop 'shared office accommodation'. This relatively risk-free venture will see the external partner invest in development of the space and ultimately bring new income to the Council through a commission on scheme memberships, while also providing a facility for the city's growing community of entrepreneurs, creative industries and flexible workers.
- 3.7 With no capital investment required from the Council (as the scheme is to be funded by the external operator), by Year 2 there is a projected contribution of c.£21k back into the service.
- 3.8 The Council will retain the right to withdraw from this partnership and regain sole control of the space after a mutually agreed period, should it be decided that the space is required for alternative purposes
- 3.9 Further opportunities for commercial growth are being explored through collaborative arrangements with other services where synergies exist, notably in the hosting of weddings, private functions and corporate events
- 3.10 While already a successful and profitable area of the business, scope exists to increase both the number and profitability of events at the Guildhall, and strategies are being explored to best achieve this, including investment in venue presentation, and partnering with the Register Office at Cheylesmore Manor specifically on weddings
- 3.11 There is an opportunity for collaboration between St Mary's Guildhall and Cheylesmore Manor, to potentially merge the available wedding venues to offer clients a larger venue portfolio, while also establishing a customer referral relationship and, potentially, sharing staffing resource.
- 3.12 The relevant Directors are developing a business plan for realising the potential benefit of such a collaborative approach, including the potential income, the business structure required to deliver it, and any capital investment necessary in the venue to offer a more marketable ceremony and wedding experience. At this stage no further action or decision is required other than support to continue developing a potential business plan.
- 3.13 In the light of recent changes to the Coombe Abbey operating model, Coombe has additionally been identified as a venue with whom a collaborative relationship could be forged, to support further commercial growth from the events and functions trade. At this stage no further action or decision is required other than support to continue exploring the potential of such a partnership
- 3.14 Despite being one of Coventry's primary heritage assets, the level of visitor offer and cultural activity is disproportionately limited, while equally the drive for commercial growth and financial sustainability is not always compatible with preserving and expanding cultural interests
- 3.15 To more effectively focus resources and strategic management for the Guildhall's long-term future, the service needs guidance on the primary purpose of the Guildhall, and on the realistic options for achieving both financial sustainability and fulfilment of its cultural potential

- 3.16 It is intended that we commission a Feasibility Study to review the current situation, explore available options and establish a vision for the Guildhall that delivers a strong cultural asset and visitor experience, together with a business plan that captures capital and revenue investment and the likely income returns that may be achieved from this in the longer term
- 3.17 The timing of producing a new Feasibility Study is good; Coventry is bidding to be UK City of Culture 2021; and the city has a new 10-year partnership Cultural Strategy which is independent of, but supportive of, the bid. The potential for developing a greater profile for St. Mary's with visitors and for extending cultural programming is explicitly recognised in the Strategy
- 3.18 Coventry is also developing a cultural place partnership, and has recently been awarded Cultural Destinations funding and Great Place funding by Arts Council England and the Heritage Lottery Fund respectively. Coventry has also been awarded Heritage Action Zone status, in recognition of its unique medieval and modernist architecture, and an in-depth tourism and audience research study will inform the development of a new destination management plan. An historical asset and visitor experience such as St Mary's Guildhall must be central to each of these initiatives
- 3.19 The relevant Director and officers will request authorisation to proceed to place an invitation to tender out into the specialist heritage consultancy market to obtain prices for the feasibility study, and to proceed to appointment if within authorised spend limits. A summary of the Feasibility Study scope is included in **Appendix 1**
- 3.20 Each of the aforementioned actions and proposals support each other, and together are designed to ultimately deliver necessary income to support the Guildhall operations, and to provide an enhanced and comprehensive cultural experience.