



Belfast City Council

Report to:	Parks and Leisure Committee
Subject:	Improvement Programme - Commercial Operations
Date:	9 May 2013
Reporting Officer:	Andrew Hassard, Director of Parks and Leisure, ext 3400
Contact Officer:	Rose Crozier Assistant Director of Parks and Leisure, ext 3460

1	Relevant Background Information
	<p>The Committee will be aware that the department's Improvement Programme was discussed by the Committee at its meeting on 14th February 2013.</p> <p>Reference was made at that time to the Development review which had commenced and to the significance of the commercial businesses within that, i.e. Belfast Castle, Malone House and the Zoo. Members were informed that proposals were being developed for the creation of a new post of Commercial Manager to manage all three commercial operations and to ensure the implementation of the reviews of the business models at all three sites.</p> <p>Income is under pressure at these three sites, as well as across the leisure operations. This is clearly in part due to the current state of the economy.</p>
2	Key issues
	<p>The recent review of the Zoo indicated the need for the development of a longer term strategic plan together with a capital development plan for the business. It also clearly indicates the need to focus on the commercial operation of the Zoo.</p> <p>The operating models for Belfast Castle and Malone House are also in need of review.</p> <p>The Commercial Development Manager role is considered as being fundamental to turning the performance of the functions around. The role will also take a lead in delivering a revised operating model and managing any appropriate corporate contracts.</p> <p>The department has considered the performance of the three commercial businesses and, given the decline in income and the increased subsidy, there is an urgent need to develop the commercial capacity.</p>

The parks commercial operations urgently need to review:

- the products
- how they are packaged
- the potential for collaboration with other partners
- pricing
- positioning in the market

To allow these businesses to gain some competitive advantage and start performing positively.

In the review of the business model at the Zoo, the need for a more professional approach to Commercial Management was identified. It is intended to extend the remit of the post to manage the operations at all the sites. It is also the intention to include some duties of a corporate nature to enable best use of the resource to assist other commercial operations in the Council.

It is anticipated that this proposed post will report through the Departmental Business Manager in the first instance. The interim structure is attached.

Programmes and Pricing

In September 2012, the Committee was informed of a programme of initiatives being rolled out in relation to Leisure Centres to address the retention of our members and also to grow memberships and casual use through weight loss programmes and other marketing initiatives. These have proved to be beneficial and the number of members has grown by 12% for full members and 30% for concession members. However due to the decrease in our membership fees the income per member has reduced and we still to need address the gap this has created in income. Promotions and incentives are needed to increase our membership and ensure retention. During 2013/2014, the department would like to continue to run promotions and develop specific programmes that will require strategic pricing especially in relation to retaining customers.

To help address the decline in income the department is looking at how it can more effectively take advantage of events and activities that are run by the department and the Council as a whole. A number of promotions have been developed and are hoped to be rolled out in the next few months for the Zoo, Leisure Centres, Malone House and Belfast Castle.

As an immediate response to the Easter closures at the Zoo, a promotion was offered for all those attending the Spring fair which allowed them to avail of a 20% discount until the end of May. The Zoo also intends to work with the local schools in the area to offer incentives and also the local media to ensure any losses in relation to Easter can be recovered.

Governance will need to be considered in terms of the commercial functions' agility, i.e. their ability to make critical decisions about product/pricing etc. in a timely fashion to gain advantage and meet market demands. This will require delegated authority for the Director to set and agree prices and promotions.

3	Resource Implications
	<p><u>Financial</u></p> <p>The post of Commercial Development Manager has been provided for in the 2013/2014 revenue estimates. The job description is currently being finalised and it is anticipated that it will have a notional grading in the range of PO8-PO10, subject to evaluation. All promotional and marketing activities will be provided for within existing marketing budgets.</p> <p><u>Human Resources</u></p> <p>Staff and Trade Unions will be consulted throughout the review of the operating models of Belfast Castle and Malone House. The marketing staff in conjunction with operational managers and corporate communications will agree a programme of promotions and activities.</p> <p><u>Asset and Other Implications</u></p> <p>The effective use of resources will ensure that our facilities are properly maintained, secured and used.</p>

4	Equality Implications
	None

5	Recommendation
	<p>The Committee is requested to:</p> <ol style="list-style-type: none"> 1. approve the creation of a Commercial Development Manager post in the context of the overall approach to the commercial operations. 2. grant delegated authority to the Director to approve a range of measures to increase business at our key facilities as set out above

6	Decision Tracking
	All actions to be completed by the Business Manager

7	Key to Abbreviations
	None

8	Document Attached
	Interim structure