

# **BEST VALUE SERVICE REVIEW**



## **TOWN HALL – BAR SERVICE**

**RESPONSIBLE OFFICER: MR.T.ROBSON, TOWN CLERK**

## **REVIEW COMMITTEE**

**COUNCILLOR J.M.MARR (CHAIRMAN)**

**COUNCILLORS J.PARKIN, P.WELSH AND MRS M.I.ROBINSON**

**OFFICERS: MR.G.NICKLIN ACCOUNTANT  
MR C.NELSON BAR MANAGER**

## OUR CURRENT POSITION

### THE MISSION STATEMENT

The Council consider its main purpose is to ensure that the Community of Spennymoor can democratically voice its opinion and that the Town Council can support the carrying out of those views and contribute towards the well being of the community, the economy and regeneration, all at an economical cost.

### AIMS FOR THIS SERVICE

In support of the Mission Statement the Town Council provides, for the benefit of the Community, use of the facilities within the Town Hall. Integral within this overall service is the provision of a bar facility enhancing the recreational service being provided.

The service aims to meet the needs demanded from our public by providing a high quality bar service at “reasonable prices.” The service is expected to produce an acceptable level of profit. The provision of this service is expected to impact positively on the public use of the Town Hall Facilities.

### DESCRIPTION OF THIS SERVICE

The service is not a statutory function. The Bar Service is available to recreational users of the Town Hall facility. A Bar Manager appointed by the Town Council manages the service and by using casual staff is able to provide the service on demand for all sizes of functions both during the day and at night.

### PERFORMANCE INDICATORS

The following performance indicators are currently in place:

- i) Annual Turnover
- ii) Profit Margin
- iii) Ratio of Staff costs : Turnover

	Y/E 98/99	Y/E 99/00	Y/E 00/01
Turnover	£35,655	£45,344	£48,529
Gross Profit	£12,297	£18,191	£19,863
Staff costs as a %'age of Turnover	31.0%	33.4%	29.3%

## **CONSULTATION**

In order to seek a consensus from the community as to whether Council Taxpayers value the provision and would like the Council to continue to provide a Bar Service a 'sample survey' of local residents was conducted. Whilst the number of respondents to the survey was approximately 24%, the information received provided a statistically valid sample of opinion.

In order to ensure a wider view of the value of the Bar Service, employees within the Council and Councillors were individually canvassed as to their views of the service being provided.

### **1. RESULTS FROM SURVEYS**

Refer to the extract of the review and analysis of questionnaire responses  
(Appendix 1)

Refer to the summary of results obtained from customer feed-back forms.  
(Appendix 1)

Appendix 2 - Blank customer feed-back forms

### **2. CONSULTATION WITH EMPLOYEES**

All staff were consulted and were unanimous in their view that the provision of a Bar Service within the Town Hall recreational facility to be of overall benefit to the community

### **3. CONSULTATION WITH COUNCIL MEMBERS**

All Council Members were consulted and were unanimous in their view that the provision of a Bar Service within the Town Hall recreational facility to be of overall benefit to the community

## COMPETITION

### Is the service – Efficient?

The service is monitored on a regular basis regarding Turnover, Profit margins, Stock and wastage/spillage. Staff liaison on issues regarding future functions enable staffing levels to be planned accordingly. The service generates a net income to the accounts of the Town Council.

### Is the service – Effective?

The service can provide for the needs of functions of various sizes both during the day and at night.

Throughout the year the Council have provided users of the service with an opportunity to express their views by means of “feed-back forms”. The information gathered from these forms clearly demonstrates that users are more than satisfied with the service and the way that it is being provided.

### Is the service – Economical?

The service generates a net income to the accounts of the Town Council.

Forward planning and staffing policies minimise staff costs.

Cost prices are monitored on a weekly basis. Any increases in cost prices are advised to the Bar Manager and new selling prices are calculated and adopted. This system ensures that Gross Profit levels are not eroded.

## FINANCIAL APPRAISAL

	Y/E 98/99	Y/E 99/00	Budget Revision Y/E 00/01	Actual Results Y/E 00/01
	£	£	£	£
<b>INCOME</b>	<b>35,655</b>	<b>45,344</b>	<b>38,000</b>	<b>48,529</b>
<b>EXPENDITURE</b>				
OPENING STOCK	4,488	5,083	0	6,247
PURCHASES	23,953	28,317	25,000	27,912
LESS: CLOSING STOCK	-5,083	-6,247	0	-5,493
<b>COST OF SALES</b>	<b>23,358</b>	<b>27,153</b>	<b>25,000</b>	<b>28,666</b>
<b>GROSS PROFIT</b>	<b>12,297</b>	<b>18,191</b>	<b>13,000</b>	<b>19,863</b>
<b>%AGE</b>	<b>34.5%</b>	<b>40.1%</b>	<b>34.2%</b>	<b>40.9%</b>
<b>OVERHEADS</b>				
WAGES	11,052	15,164	11,050	14,231
OTHER	1,721	1,388	1,400	2,101
<b>NET PROFIT (LOSS)</b>	<b>-476</b>	<b>1,639</b>	<b>550</b>	<b>3,531</b>

## **COMPARISONS**

The following Council's were contacted to provide information for the purposes of comparison.

Peterlee and Shildon Town

Both of these Council's supplied information on the selling prices of Bar products (held on file), other than this we have no meaningful information that can assist the Review Committee in making comparison's for the purpose of best Value.

## CHALLENGE

A purpose of Best Value is to challenge the status quo. The Review Committee began by challenging the way that the service is currently provided and considered the following challenging questions:-

1. *Is the provision of this service a statutory obligation?*

*YES / NO*

2. *Does the Council need to provide this service?*

Whilst there is no statutory obligation to provide this service the Committee unanimously agreed that it should be continued for the following reasons:-

- (a) The provision of the Bar Service is an integral part of the Town Hall Hire, used for Civic and Private functions, and provides a recreational facility for the well being of the community.

- (b) It is the Council's policy to provide the Bar Service at "reasonable prices" i.e. it is regarded as a community service.  
The service is provided as a means of encouraging the public to use the Town Hall facilities. The service is expected to produce an acceptable level of profit, however, the motivation for profit is secondary to the provision of a public service.

3. *Areas of innovation and emerging trends which have been identified include :-*

The recognition of fashion regarding product demand. The product range available from our suppliers is considerable. The Bar manager considers the ever-changing needs of the public and orders stock accordingly. Stock checks, performed by an Independent Company, are carried out on a monthly basis. A stock-take report is produced which enables the bar manager and other officers to monitor turnover and profit contribution by product type.

An example of changing public tastes can be demonstrated by the increased demand for alcho-pops.

4. *How does the service contribute (directly or indirectly) to the Council's Statement of Purpose and other associated aims?*

The Council provides the service as a recreational facility for the well being of the community. The Bar Service compliments the Town Hall function. As can be seen in the financial appraisal bar turnover is increasing. The hire of the Town Hall is also increasing.

5. *The following possible areas of improvements / enhancements have been identified.*

- (a) Presentation - supply of staff uniforms

- (b) Environment - redecorate bar area  
- Install a filter system to remove smoke improving air quality

- (c) Extend the service - offer hirers a waiter service facility

6. *Why is the service provided by the current provider and in the current way / form?*

The service is performed “in - house” for the following reasons:-

- (a) Flexibility - the licence to sell alcohol is held by the Bar Manager on behalf of the Town Council. This enables the service to be provided both for day and night functions. The current system also enables the service to be provided at short notice thereby maximising usage and profitability.
- (b) Control – Direct management of the service enables the Council to be in control of issues relating to quality, cleanliness and customer service.
- (c) The service is a profit contributor and is integrated with the hall hire and catering. When functions are in progress the bar staff liase with caretakers on security issues.
- (d) By providing the service in its current form i.e., a permanent facility, we are able to provide our customers with a broad product range. Due to the fact that we have cellar services, coolers etc. We are able to provide products at a consistent level of quality.
- (e) Responsibility – being in control ensures there is no fragmentation in the line of management.  
“The buck stops here” Customers needs and recommendations are monitored and the service provision is adjusted accordingly. e.g. product range, manpower resources.

7. *Should the Council consider externalising the service provision?*

Given the overwhelming confidence in the current system of providing the service the review Committee agreed not to waste time and money in examining external methods of service provision.

## OVERVIEW – STRATEGIC ASSESSMENT.

(i) *Does the service meet the Council's current aims/objectives*

YES / ~~NO~~

The review Committee was unanimous in their opinion that the service was meeting set aims and objectives.

The Committee noted that since the introduction of Best Value, systems and procedures had been implemented to better monitor:-

- (a) The way in which the service is being provided
- (b) Financial performance
- (c) Customer feed-back

(ii) *Service Expansion*

The Committee accepted that whilst the Town Hall was used regularly particularly at week-ends for various types of functions opportunities may exist to expand the service provision by:-

- (a) advertising the availability of the hall for day-time business use i.e. conferences/seminars
- (b) advertising the availability of the hall for exhibitions i.e. weddings / holidays

(iii) Does the Council consider the provision of the service to be a strategic priority.

YES / ~~NO~~

The Council is committed to enhancing the quality of life of its residents and intends to maintain the service provision and to make any necessary improvements as identified in this Best Value Review.

The Council believes that the implementation of the recommendations following the Best Value Review will positively impact upon the service areas of presentation, quality and financial performance.

## **SERVICE IMPROVEMENT – ACTION PLAN**

The Review Committee takes opportunity to point out that certain areas, identified as potential weaknesses, were improved upon during the course of the Review process.

- Stock control and new selling price implementation.
  - Regular financial performance reporting.
  - Customer feed-back on quality and commercial issues.
  - Product range
1. Investigate methods of promoting the use of the Town Hall facilities thereby maximising the Bar Service.
  2. Investigate the possibilities of providing the Bar Service to the Community Halls.
  3. Investigate all methods of improving financial performance (reduce wastage) etc.
  4. Look to improve upon areas of presentation i.e. Air quality, décor for example.
  5. Investigate the possibilities of providing the Bar Service to Jubilee Park.

## APPENDIX 1

### PUBLIC FEED-BACK AND QUESTIONNAIRE RESPONSES

The review and analysis of user “feed-back” forms provided the following results:-

	Good	Average	Poor
Standard of goods purchased	96%	4%	Nil
Service Performance	92%	3%	3%
Degree of pleasantness	79%	17%	4%

The review of responses to the questionnaire provided the following information:-

#### TOWN AND COMMUNITY HALLS.

How often do Members of your household use a hall for hire:-

	Once a Week or More	2/4 Times a Month	Less than once a Month	Never
Town Hall	-	-	14%	86%
Byers Green	-	-	2%	98%
Middlestone Moor	-	-	2%	98%
Tudhoe	-	1%	4%	95%
Kirk Merrington	-	3%	1%	96%

Percentage of those responding

Of those people that responded regarding HALL’S the following ratings were given. Percentage satisfaction.

	Very Good	Good	Acceptable	Poor	Very Poor
Town Hall	53%	47%	-	-	-
Byers Green	-	-	-	-	-
Middlestone Moor	-	75%	25%	-	-
Tudhoe	17%	83%	-	-	-
Kirk Merrington	17%	66%	17%	-	-

**Spennymoor Town Council  
Best Value Policy**

**APPENDIX 2**

*To be assured that we are affording you the hirer, a quality service, please be so kind as to complete this questionnaire*

<b>Date of Function:</b>	
<b>Name of Hirer:</b>	

**Please Tick**

	<b>Good</b>	<b>Average</b>	<b>Poor</b>
<b>STAFF</b>			
Assistance given to make your booking			
Set up of the room for your function			
Assistance if requested from staff during your function			

<b>FACILITIES</b>			
Room décor			
Furniture			
Toilets			
Overall cleanliness			

<b>BAR</b>			
Standard of Goods Purchased			
Service performance			
Degree of pleasantness			

<b>CATERING</b>			
Standard of Meal			
Table layout			
Speed of Service			

**Any other Comments**