



Derby City Council

**Regeneration and Housing Scrutiny Board
23 January 2018**

ITEM 5

Report of the Strategic Director of Communities
and Place

Derby Arena Commerciality

SUMMARY

- 1.1 The Regeneration and Housing Scrutiny Board requested information on the commerciality at Derby Arena.
- 1.2 The report will provide information pertaining to the following:
 - Current and previous subsidy levels and future operating options
 - Next steps for seeking sponsorship and advertising opportunities
 - Programme and event development

RECOMMENDATION

- 2.1 The Regeneration and Housing Scrutiny Board are requested to note the information detailed within the report.

REASONS FOR RECOMMENDATION

- 3.1 This report contains the information requested by the Regeneration and Housing Scrutiny Board in order that the Board can review the commerciality of Derby Arena.

SUPPORTING INFORMATION

- 4.1 The current levels of subsidy at the facility since opening are shown in the table below and are within the targets expected for the facility:

Financial Year	Actual Subsidy Received (£)
14/15 (Pre-opening and March opening date)	720,083
15/16	753,861
16/17	664,271
17/18 (Estimated)	656,528

- 4.2 A wider strategic governance review of the Leisure Service is being carried out as a part of an Options Appraisal for the Leisure, Culture and Tourism department. It is anticipated that this review will achieve a nil subsidy for Derby Arena in the future. The Options Appraisal study is being progressed to establish the optimal operating model for the department, which includes the Derby Arena. Depending on the outcome of this review and when it is implemented will determine when Derby Arena will break even.
- 4.3 A sponsorship strategy is being explored that will assist with identifying the opportunities for naming rights and other sponsorship potential within the venue.

We are constantly seeking sponsorship and offering sponsorship opportunities to local business via our various marketing tools such as the web links below:

<http://www.inderby.org.uk/about/sponsorship-opportunities/>

<http://www.derbylive.co.uk/get-involved/advertising-opportunities/>

- 4.4 Derby Arena opened in March 2015 as an iconic regional facility. The multi-purpose design, with its range of auditorium formats enables the venue to host a diverse programme of sporting events as well as cultural and commercial events such as rock and pop, comedy, conferences, exhibitions and award ceremonies.

- 4.5 Unique in its design the venue boasts a 250m cycle velodrome, 13 badminton courts, café and bar, 150 station gym facilities, studio and other ancillary areas. From an events perspective, since opening, the venue has hosted local, national and international events, some of which have been televised for worldwide broadcast. The initial programming of the facility had the venue hosting 12 events a year, as the programme and the business model of the facility has developed in 2017/18 it is expected to have hosted 32 events in the year.
- 4.6 An event plan is in place which analyses the events that have been hosted so far and also looks at the opportunities for future years. The venue has already secured a number of cycling events such as the National Omnium as well as other sporting events for 2018/19. In addition, securing cultural and entertainment events is very positive and in 2018/19 the venue will be hosting Russell Brand, Ed Byrne, Sarah Millican and Jason Manford as well as the musical presentation, 'The Magic of Motown' and Fast Love - a tribute to George Michael. The developing of other commercial events such as conferences, exhibitions and dinner functions continues to be a focus over the next 2 years.
- 4.7 The planning for events has a range of complexities requiring careful preparation to optimise event opportunities and balancing this with the growing of other income streams such as health and fitness as well as indoor cycling within the multi-purpose facility. This iconic venue has such a diverse programme and use that it needs to meet a balance between driving income and providing opportunities for sport and leisure participation to improve the quality of lives and encourage healthier living.
- 4.8 Opportunities will continue to be explored to host major sporting events at Derby Arena and this includes being willing to support Birmingham's Commonwealth Games bid and to exploring ways to see if this may be possible.

OTHER OPTIONS CONSIDERED

- 5.1 None applicable to this report.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Emily Feenan – Principal Lawyer Amanda Fletcher – Head of Finance Claire Davenport – Director of Leisure, Culture and Tourism Jill Craig – Interim Director of Information Systems Richard Boneham – Head of Audit Partnership Ann Webster – Lead on Equality and Diversity
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For more information contact: Background papers: List of appendices:	Ben Clawson-Chan 01332 640460 ben.clawson-chan@derby.gov.uk None Appendix 1 – Implications
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IMPLICATIONS

Financial and Value for Money

- 1.1 In 2017/18 Derby Arena is presently forecasted to improve on the budgeted end of year subsidy by £83,000.

Legal

- 2.1 None arising from this report

Personnel

- 3.1 None arising from this report

IT

- 4.1 None arising from this report

Equalities Impact

- 5.1 The Arena is fully accessible for disabled people and we encourage external hirers to adopt our Companion Scheme of free tickets for carers and personal assistants of disabled people to make sure they meet the requirements of the Equality Act.

Health and Safety

- 6.1 None arising from this report

Environmental Sustainability

- 7.1 None arising from this report

Property and Asset Management

- 8.1 None arising from this report

Risk Management and Safeguarding

- 9.1 The risks associated with Derby Arena operating at a nil subsidy in the future will be picked up as a part of the wider Options Appraisal review of the Leisure, Culture and Tourism department.

Corporate objectives and priorities for change

- 10.1 Two of the Council's eight priority outcomes which are key to delivering its vision are 'making the most of our assets' and 'being more commercial' are being balanced with another 'promoting health and wellbeing'

