

**Subject:** Roller Skating Rink – Great Yarmouth Town Centre

**Report to:** EMT – 29<sup>th</sup> September 2016  
Economic Development Committee 10<sup>th</sup> October 2016

**Report by:** Transformation Manager

#### **SUBJECT MATTER/RECOMMENDATIONS**

This paper provides a summary of options to rent or buy a roller skating rink for use in the town centre and potentially other venues in the Borough

Members are therefore asked to make a decision on one of the following options:-

1. To hire roller skating rink and its associated requirements for this year's festive season 25<sup>th</sup> November 2016 – 6<sup>th</sup> January 2017; investing £95k (based on £4 per skating session) from the Town Centre Initiative budget.
2. Buy a roller skating rink and thus recommend to Policy & Resources Committee to make budgetary provision to support the rink over three years (based on £4 per skating session) at £147,052 in Year 1; £66,552 in Year 2 and £66,552 in Year 3 from the Town Centre Initiative budget. Recognising that there is scope to re-locate the rink around the Borough to recover some of the costs.
3. Take no action

#### **1. Introduction/Background**

- a. At the last meeting of the Economic Development Committee a member asked that officers explore the option of siting a roller-skating rink in the town centre over the festive period as an alternative to the ice rink.

#### **2. Assumptions**

- a. Costings have been based on the assumptions of hiring a roller skating rink to be open over a period of 43 days: 25<sup>th</sup> November 2016 – 6<sup>th</sup> January 2017
- b. Whilst an open air rink brings its own novelty value it would be necessary to provide a covered area to offer protection from inclement weather.

#### **3. Pricing Policy**

- a. Calculations are based on either £4.00 per session and £5.00 per session
- b. The calculations of income are based on 43 operating days attracting 150 skaters a day; a third of which are anticipated to use hired skates

#### **4. Sponsorship potential**

- a. Potential sponsorship is estimated at:-

<u>Sponsorship</u>	<u>No. Of</u>	<u>Cost per item</u>
Main Sponsor	1	£7,500.00

Secondary Sponsor	1	£2,500.00
10 x Rink side boards	10	£250.00

## 5. Hire Option

- In the table below (7(a) sets out the costs of **hiring** a rink, providing all-weather cover; 24 hour security; medical cover; publicity and insurance.
- All figures shown are Ex-VAT

## 6. Buying Option.

- In the table below (7(b) – (c) gives the figures to buy a 300sqm rink with side barriers, skates, racks and benches would be in the region of £70,000. Costings for the accompanying accessories are also included in these table
- It also assumes that whenever used it can be sited on a flat, firm, level surface (usually indoors) which requires no additional levelling interventions.

## 7. Financial comparisons

### Expenditure

### Potential Income

#### YEAR 1 - HIRE

<u>Item</u>	<u>Costs</u>	<u>Item</u>	<u>£4 less VAT</u>	<u>£5 less VAT</u>
Structure & Build (hire)	£28,300	Skate Tickets*	£23,263	£28,681
Skate Exchange Marquee & Decoration	£7,800	Sponsorship	£12,500	£12,500
Site Electric	£500			
GYBS Site prep & fencing	£2,000			
Sound system	£1,500			
Management	£24,000			
Security	£18,720			
Medical	£6,450			
Marketing & Publicity	£18,500			
Insurance	£6,000			
Contingency 15% of overall	£16,840			
<b>Total</b>	<b>£130,610</b>	<b>Total</b>	<b>£35,763</b>	<b>£41,181</b>
<b>Cost to GYBC</b>			<b>£94,847</b>	<b>£89,429</b>

#### YEAR 1 PURCHASE

<u>Item</u>	<u>Costs</u>	<u>Item</u>	<u>£4 less VAT</u>	<u>£5 less VAT</u>
Structure & Build (purchase)	£70,000	Skate Tickets*	£23,263	£28,681
Repairs & Maintenance (5%)	£3,500	Sponsorship	£12,500	£12,500

Skate Exchange Marquee & Decoration	£7,800			
Site Electric	£500			
GYBS Site prep & fencing	£2,000			
Sound system	£1,500			
Management	£24,000			
Security	£18,720			
Medical	£6,450			
Marketing & Publicity	£18,500			
Insurance	£6,000			
Contingency 15% of overall	£23,845			
<b>Total</b>	<b>£182,815</b>	<b>Total</b>	<b>£35,763</b>	<b>£41,181</b>
<b>Cost to GYBC</b>			<b>£147,052</b>	<b>£141,634</b>

#### **YEAR 2 PURCHASE**

<u>Item</u>	<u>Costs</u>	<u>Item</u>	<b>£4 less VAT</b>	<b>£5 less VAT</b>
Structure & Build (purchase)	£0	Skate Tickets*	£23,263	£28,681
Repairs & Maintenance (5%)	£3,500	Sponsorship	£12,500	£12,500
Skate Exchange Marquee & Decoration	£7,800			
Site Electric	£500			
GYBS Site prep & fencing	£2,000			
Sound system	£1,500			
Management	£24,000			
Security	£18,720			
Medical	£6,450			
Marketing & Publicity	£18,500			
Insurance	£6,000			
Contingency 15% of overall	£13,345			
<b>Total</b>	<b>£102,315</b>	<b>Total</b>	<b>£35,763</b>	<b>£41,181</b>
<b>Cost to GYBC</b>			<b>£66,552</b>	<b>£61,134</b>

#### **YEAR 3 PURCHASE**

<u>Item</u>	<u>Costs</u>	<u>Item</u>	<b>£4 less VAT</b>	<b>£5 less VAT</b>
Structure & Build (purchase)	£0	Skate Tickets*	£23,263	£28,681
Repairs & Maintenance (5%)	£3,500	Sponsorship	£12,500	£12,500
Skate Exchange Marquee & Decoration	£7,800			
Site Electric	£500			
GYBS Site prep & fencing	£2,000			

Sound system	£1,500			
Management	£24,000			
Security	£18,720			
Medical	£6,450			
Marketing & Publicity	£18,500			
Insurance	£6,000			
Contingency 15% of overall	£13,345			
<b>Total</b>	<b>£102,315</b>	<b>Total</b>	<b>£35,763</b>	<b>£41,181</b>
<b>Cost to GYBC</b>			<b>£66,552</b>	<b>£61,134</b>

8. **3-year summary** – comparing net costs over 3 years of hiring and buying

a. **Net costs**

NET COSTS	HIRE	PURCHASE
	<b>£4</b>	<b>£4</b>
Year 1	£94,874	£147,052
Year 2	£94,874	£66,552
Year 3	£94,874	£66,552
	<b>£284,622</b>	<b>£280,156</b>
	<b>£5</b>	<b>£5</b>
Year 1	£89,429	£141,634
Year 2	£89,429	£61,134
Year 3	£89,429	£61,134
	<b>£268,287</b>	<b>£263,902</b>

- b. In addition – in the purchase option - there may be opportunities to use this mobile rink at other venues around the Borough. However it is estimated that adhoc transport, construction, security, staffing and potentially medical cover could be approaching £1500 for a weekend booking necessitating around 450 users to breakeven @ £4 a session. Alternatively the rink could be rent out to a third party outside of the festive season.

9. **Risk Implications**

- a. Reputational risk – some may see a roller-skating rink as a poor substitute to last year's ice-rink.
- b. The estimates for usage and sponsorship may not reach targets.
- c. Competitive risk: Some people may feel that we are competing with existing businesses in the town.

- d. Staffing risk: In buying a rink the current staffing levels may have insufficient time to manage the roller-skating rink as a business proposition.

#### **10. Conclusions**

- a. All the costs included in the table above would be subject to a competitive tender process.

#### **11. Recommendations**

- a. That Member's consider either the principle of hiring a roller skating rink for 43 days over the Christmas & New Year period and the principle of buying a rink, with it associated operating costs, with the potential for additional use beyond the festive season.

#### **12. Background Papers**

<b>Area for consideration</b>	<b>Comment</b>
Monitoring Officer Consultation:	
Section 151 Officer Consultation:	
Existing Council Policies:	
Financial Implications:	Yes detailed above
Legal Implications (including human rights):	Yes
Risk Implications:	Yes
Equality Issues/EQIA assessment:	
Crime & Disorder:	Not applicable
Every Child Matters:	Not applicable