

Report Title: **Commercial Directors Report**

Report of: Lucy Fenner, Commercial Director, Alexandra Park and Palace

1. Purpose

1.1 To update on the Board on commercial activity in the 4th quarter.

2. Recommendations

2.1 To note the commercial highlights.

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3. Executive Summary

3.1 This paper provides a review by the Commercial Director on major activity undertaken in the 4th quarter of the 2015/16 trading year, and a forward focus on the 1st Quarter of financial trading year 2016/17

4. Reasons for any change in policy or for new policy development (if applicable)

N/A

5. Local Government (Access to Information) Act 1985

N/A

6. COMMERCIAL HIGHLIGHTS

- 6.1 The Palace had 90% occupancy in January attracting 36,400 visitors. February attracted 63,000 visitors and March attracted 45,700. In total 145,100 visitors attended 17 events in the last quarter-an increase of 74,880 visitors and 9 additional events over the same period in 2015, an increase of 48%.
- 6.2 The Masters Snooker took place between Sunday 10th and Sunday 17th January, only the elite top 16 players are invited to compete. Ronnie O Sullivan won the title beating Barry Hawkins in the final to take the £200,000 prize money. Catering revenue was 5% down on last year's event however this can be attributed to a decrease in footfall compared with 2015.
- 6.3 Model Engineering returned for its tenth year and once again the client was delighted with the event delivery which ran alongside the snooker final. Similar to the Snooker catering revenue was down by 6% compared with last year's event takings. Again this was due to reduced footfall and dwell time.
- 6.4 The Ping Pong championship returned for its fourth year with an extension to the event open days with play on Friday 22nd – Sunday 24th January 2016 inclusive. Andrew Baggaley of England retained his title and the event was watched by more than 1 million people around the world.
- 6.5 The Excursion exhibition, displaying the latest group products and prices for days out, short breaks and group holidays, brought together more than 300 attractions, destinations, accommodation providers and tour operators from across the UK. This show ran alongside Ping Pong and achieved a footfall of 1,500.
- 6.6 In February we hosted seven nights of live music including performances from sold out Australian pop rock band Tame Impala, heavy metal band Slipknot and English DJ Jamie xx. In addition British rock band Enter Shikari performed to their largest (non-festival) audience.
- 6.7 The street food village achieved high food and beverage sales and continues to provide a unique offering to all our customers. In addition, the strong beverage sales at the live music events bolstered overall catering sales and helped to counteract the small percentage decrease in catering sales at exhibitions in this period.
- 6.8 International Antiques and Collectors Fair delivered another successful show with over 3,500 in attendance.
- 6.9 The London Nurse Show took place on Tuesday 23rd and Wednesday 24th February. This is now an established event in the nursing calendar and is also a free CPD accredited conference.
- 6.10 On Saturday 20th and Sunday 21st February nearly 6,500 Girl guides came to the Palace to celebrate 100 years of The Senior Section of the group on World Thinking day. Catering sales were up by 35% on previous years for this event with the "tuck shop" most popular.
- 6.11 The Royal yachting exhibition returned, visitor numbers were slightly lower than expected and this impacted on catering sales with a 10% decrease.

- 6.12 In addition to the above the operations team delivered efficient and effective turnarounds under extreme pressure. As the RYA show broke down, the Ospre police exams started to set up. As Ospre finished it was straight into the Parov Stelar concert which attracted 9,200 music fans. The events team continue to deliver to a high level of service under difficult conditions and the hard work of the house and cleaning teams should be recognised.
- 6.13 Drive In cinema started their two month tenancy on Thursday 10th March on the Pavilion car park. Films include Greece, Pulp Fiction and The Notebook. Many nights are already sold out.
- 6.14 At the time of writing London Festival of Railway modelling is currently setting up in the Great and West Hall. This is London's leading railway modelling event and showcases over 40 displays, hand-picked by The Model Railway Club.
- 6.15 Andy C late night concert will take place on Thursday 24th March 2016. Additional provisions for this event include added security and shuttle buses to support crowd flow and efficient egress.
- 6.16 The financial year will come to a close with our own in-house event Springfest held on Good Friday. This home grown idea developed by the events team means that we have successfully achieved 7 German bier festivals this calendar year, including our spring and winter event. Springfest's popularity was confirmed when it sold out in advance 4,300 tickets including 300 VIPS

7. FUTURE PUBLIC EVENTS

Event	Event Type	Date
Drive In Cinema	Park event	
Andy C (Late night)	Concert	24 th March
Moscow State Circus	Park event	22 nd March – 4 th April
Ally Pally German bier festival	Live event	26 th March
Big Stamp	Exhibition	9 th – 10 th April
The Cake Show	Exhibition	16 th -17 th April
Mechanix	Exhibition	19 th - 20 th April
Antiques	Exhibition	1 st May
Phex	Exhibition	18 th & 19 th May
RSPCA – dog walk	Park	22 nd May
Funfair	Park	26 th May – 5 th June
Tattoo Show	Exhibition	28 th & 29 th May
Street food & Craft Beer festival	Park	28 th & 29 th May
Haringey Box Cup	Sport	17 th – 19 th June
Street food & Craft Beer festival	Park	18 th & 19 th June
ABTT theatre show	Exhibition	22 nd – 23 rd June
Cyprus Wine Festival	Exhibition/ Community	25 th & 26 th June
The Last Shadow Puppets	Concert	15 th & 16 th July
Ally Pally Summer Festival	Park event	23 rd July
Funfair	Park event	July
Street food & Craft Beer festival	Park & pub event	24 th July
Luna Cinema	Park event	6 th & 7 th August
Street food & Craft Beer festival	Park & pub event	20 th & 21 st August
Foodies Festival	Park event	27 th & 28 th August
Phoenix Bar and Kitchen	Open daily	All Summer
Go Ape	Open daily	July onwards

8. SUMMARY OF THE FINANCIAL YEAR 15/16 (*figures listed as of 21st March 2016)

- 8.1 The Commercial Team have delivered one of the Palace's best years to date. Events and Catering targets have been exceeded and gross operating profit is 27% ahead of last year.
- 8.2 The Palace has hosted 180 incredible events, attended by over 720,000 visitors. In addition high profile events such as Darts, Ping Pong, Snooker, Haringey Box Cup, Legends of Gaming and Redbull were viewed live by millions of viewers on TV and online.
- 8.3 In conjunction with our ticketing partner See Tickets and through a strong digital marketing campaign we have sold 100,000 tickets to events.
- 8.4 Across the 9 spaces (including the park) and, taking into consideration more than one event takes place at once, the team ran events expanding the equivalent of 485 tenancy days and 403 event open days.
- 8.5 31 nights of music and our hugely popular festival village achieved £2.6 million in beverage sales and £710,000 in street food sales. 6 sporting events achieved £2 million revenue, 21 exhibitions attracted 150,000 visitors.
- 8.6 The team delivered 8 in-house events including Street food Craft beer festival, summer festival, Fireworks, German bier festival and Springfest. Some of our events are free entry and some are ticketed. In total 100,000 visitors attended "Ally Pally" events and these initiatives have successfully achieved 5% of the total gross event profit.
- 8.7 The sales team responded to over 1500 corporate enquiries and provisionally held over 340 dates. The top 3 reasons for an enquiry not progressing to a site visit were: availability, event not moving forward, and location. The top 3 answers to 'how did you find out about us?' logged by the sales team were: known the venue for years, via a venue finder / agent, or via the Alexandra Palace website.
- 8.8 In addition to the above corporate enquiries, 1200 Wedding enquiries were received and 22 hosted. The sales team minimise the number of confirmed weddings to ensure the strategic booking of spaces; maximising the potential of the halls with larger, high revenue generating events. The amount of time spent on wedding enquiries is supported by providing comprehensive pricing, availability and relevant information on the website. We will be able to convert more of these enquiries when additional space becomes available for example the additional hall supplied by the west yard storage project and the theatre.
- 8.9 Please find enclosed (appendix 1) the story of the financial year in pictures highlighting our live, sport, exhibitions and Park events.
- 8.10 Summer events
- 8.10.1 Over the next couple of weeks the team will launch the summer activity taking place within the Park and Palace. This is listed above (under point 7 above) and also included in appendix 2.
- 8.10.2 Detailed planning goes into all our own events and we aim to improve content year on year to attract new audiences as well as acknowledging regular Park users and the local community. The craft beer festivals will be extended across 8 days and 4

weekends between May – August 2016. The Summer Festival will follow the same format as last year with activities including a cinema screening, waterslide, silent disco, afternoon tea on the terrace, organ concert, leaning zone, showcase of our fundraising opportunities and the restoration project, 3 music stages, stalls for local businesses and activities from friends groups.

9. MARKETING

9.1 Website

The current website is now 3 years old. The business has grown significantly in this time with many other business areas requiring an online portal to communicate developments, updates, and opportunities available at the Palace including the restoration project, fundraising & learning and community. With over 90,000 visits to our website every week it is critical the site is easy to navigate and information can be easily sourced by our customers, clients and the general public.

The marketing team alongside our digital agency are developing new designs to accommodate these requirements.

9.2 Customer data

Marketing have been focussing on digital advertising and social media platforms in order to engage with new and existing customers. This is not limited to event promotion but also promotions for the Ice Rink, Learning and Community programmes, Park events, and activity in The Phoenix Bar & Kitchen. These platforms have provided a valuable source of customer data which can then be used to communicate and promote future events and offers. This continues to support with tickets sales to our events and the ice rink and will be integral to any future marketing campaigns for new spaces the Palace will be opening including the theatre in 2018.

9.3 Social Media

Current numbers of followers: Facebook (56,058); Instagram (5,685), Twitter (19,600) Snap chat (150) and our database now exceeds 148,000.

9.4 Photography/ Videography

The team have undertaken filming and stills of all the halls when empty. The pictures and footage will be edited so they can be used as sales tools including a filming brochure for location managers, virtual tour for the website and proactive sales presentations.

10. THE PHOENIX BAR & KITCHEN

10.1 The volume of events held at the Palace in this financial year has benefited the Bar and Kitchen footfall immensely and this business area has also exceeded its target for the year. Overall revenue for the year is more than £1.2 million, a 21% increase on the previous year.

10.2 The Phoenix bar and kitchen is a seasonal pub and when the sun is shining the garden can be at full capacity. On colder, darker days the pub can be very quiet or alternately is reliant on the event trade and footfall. This year the top four events that

drove the most profit into to the pub were: World Championship Darts, Masters Snooker, Florence and The Machine and Ben Howard.

- 10.3 For 8 months of the year between March – October we have high footfall around the park and building. Public trade during this period can be as much as £21k on a weekend even without an event taking place.
- 10.4 It is important that the team work hard to maximise from the seasonal days and events and an example of this is the scheduling of the craft beer festivals which have driven significant footfall to the pub. In turn this has introduced many more locals to one of London largest beer gardens. Building on this momentum, the number of craft beer events held will be doubled in the next financial year.
- 10.5 The team will continue to look at new initiatives and certain elements will continue to be improved over the coming months including the branding, menus and overall presentation.
- 10.6 The high financial figures achieved this year are a huge success story especially when considering that in 2010 this business unit was making a loss.

11 EPOS

- 11.1 EPOS tills have now been installed in all catering units within the business. We will learn even more about our customer's trends, favourites and spending habits which will enable us to report more accurately on business areas and ensure the price and offer is right and costs are controlled.

12. ICE RINK

- 12.1 The spring campaign has just launched and includes numerous promotional materials, flyers, posters, Facebook advertising, featured digital advertising, social media support and e-shots.
- 12.2 Club de Fromage continues on the last Friday of every month and has seen a 150% increase in Friday footfall. The next event date is 29th April 2016.
- 12.3 With the support of the marketing department the team continue to drive more ticket sales online. In this financial year we have sold 60,000 tickets online which equates to 30% of our total ticket sold. Over the coming months it's important we continue to drive more sales online to support this business area to grow and to reduce onsite costs.
- 12.4 The ice rink still remains behind budget and the marketing team are focusing efforts to increase sales. In addition new initiatives including karting on ice are being explored to improve revenue. Even though the rink is behind budget it is to be noted that it has still improved on its sales and profit from last year.
- 12.5 The Ice rink café has recently introduced a new menu and a new aesthetic around the serving area. These improvements have received positive feedback from customers and have also led to an increase in food and beverage sales. The alpine look and feel has been extended across the ice rink café to include a revised brand that incorporates historical elements and touches of Victoriana. The commercial purpose of this work was to increase customer dwell time and spend per head. There is also

the potential to extend this branding to the East Light Well which will become the main ice rink entrance once construction begins on the East Court.

13. Legal Implications

The Council's Assistant Director of Corporate Governance has been consulted in the preparation of this report, and has no comments.

14. Financial Implications

The Council's Chief Finance Officer has been consulted on these reports and has no additional comments to make.

15. Use of Appendices

Appendix 1

The story of the financial year in pictures including Live, Sport, exhibitions & Park events

Appendix 2

What's on - This Summer at Ally Pally.