

**CITY OF MARION
GENERAL COUNCIL MEETING
28 FEBRUARY 2017**

CONFIDENTIAL REPORT

Originating Officer: Tyson Brown, Unit Manager Cultural Facilities
Manager: Carol Hampton, Manager City Property
General Manager: Abby Dickson, General Manager City Development
Subject: Signatures Café
Reference No: GC280217F01

If the Council so determines, this matter may be considered in confidence under Section 90(2) and (3) (d) of the *Local Government Act 1999* on the grounds that the report contains information relating to commercial operations of a confidential nature the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information.



Adrian Skull
Chief Executive Officer

RECOMMENDATION:

1. That pursuant to Section 90(2) and (3)(d) of the *Local Government Act 1999*, the Council orders that all persons present, with the exception of the following persons: Adrian Skull, Chief Executive; Vincent Mifsud, General Manager Corporate Services; Abby Dickson, General Manager City Development; Jaimie Thwaites, Acting Manager Corporate Governance; Carol Hampton, Manager City Property and Tyson Brown, Unit Manager Cultural Services be excluded from the meeting as the Council receives and considers information relating to Signatures Cafe, upon the basis that the Council is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential given the information relates to commercial operations of a confidential nature the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information .

REPORT OBJECTIVE

The purpose of this report is to provide Council with an update on the operations of Signatures Café and propose an approach to assessing the future management of the café.

RECOMMENDATIONS

DUE DATES

That Council:

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| 1. Notes the update provided in this report and that a further report will be brought back to Council in April 2017. | 11 April 2017 |
| 2. In accordance with Section 91(7) and (9) of the Local Government Act 1999 the Council orders that this report, Signatures Café and the minutes arising from this report having been considered in confidence under Section 90(2) and (3)(d) of the Act, be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting. This confidentiality order will be reviewed at the General Council Meeting in December 2017. | December 2017 |

DISCUSSION

Signatures Café is an integral part of the Marion Cultural Centre (MCC) providing activation of the internal space and services to users of MCC. The operation or changes to the café need to consider the impact on MCC services.

Signatures Café, Hoffwood Pty Ltd (the Operator) has been operating from Marion Cultural Centre (MCC) with the following support from Council in an attempt to improve financial viability:

- Rent free until 2 July 2017
- Change in operating hours, and
- Reduced percentage of outgoings (from 7.14% to 3.15% up until 30 July 2017)

The cafe operates 8am to 3pm (minimum hours are Monday to Friday 10am – 3pm under the lease) and no weekend trading, this ceased during 2016. The Operator has also made changes to the menu and reviewed catering packages for events to reduce costs and improve profitability.

The Operator has indicated that the operational changes have not improved the income generation. Administration has worked alongside the Operator to implement a variety of measures to improve performance including:

- Increase weekday hours until 4pm (additional hour per day)
- Dedicated period meeting local businesses promoting venue hire, external catering services and the café and networks who regularly facilitate meetings, conferences and events where catering is outsourced
- Renewed menu
- Catering for functions e.g. wakes in the café space out of café operating hours
- Exploration of opportunities of MCC programs and activities to develop and deliver collaborative initiatives that increase centre awareness and visitation.

The Operator has indicated that he wishes to assign the lease to the current chef. This would be an owner operator model which will reduce costs and provide an incentive to the operator to be profitable. The proposed assignor has indicated that initially a similar level of financial support through rent free and reduced outgoings would be required. The assignor is willing to work closely with Council and once a profit is being made to increase the financial return to Council.

In order to support Council to fully assess the offer and to consider alternative business models for the future management of the café, a further report will be bought back to Council in April.