FINAL

REVIEW OF
THE CAMBRIDGE CORN EXCHANGE

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1. *SUMMARY OF THE REVIEW*

7.1 PURPOSE OF THE REPORT

The report considers the current governance and performance of the Cambridge Corn Exchange and related activity at the Guildhall. The review was carried out by RGA Consulting, led by Andrew Ormston, and supported by Paul Iles (Theatre Associate) and Neil Smith (Catering Associate). The research considered the strategic and market position of the Corn Exchange, the venue performance, and the views of audience and stakeholders. The report summarises the options open to the Cambridge City Council and makes recommendations concerning the future operation of the Cambridge Corn Exchange.

1.2 VISION AND PURPOSE OF THE CAMBRIDGE CORN EXCHANGE

The vision for the Cambridge Corn Exchange proposed in this report is; to provide an excellent year round programme of performance and events for all of Cambridge's residents and visitors.

The venue forms a key part of the arts and cultural provision of Cambridge City Council and the facilities and professional capacity of the Corn Exchange are also applied to a range of other cultural activities that contribute to City Council objectives.

The Corn Exchange is unusual in that it offers a flexible auditorium that can operate as a theatre, music venue, exhibition and conference space, and general entertainment venue.

1.3 A REVIEW OF THE CAMBRIDGE CORN EXCHANGE

Cambridge City Council appointed RGA to carry out a review of the Cambridge Corn Exchange. It is over seven years since the venue had been externally assessed. The project brief required us to consider the performance and efficiency of the venue, and the best operating model for the future.

The Corn Exchange forms part of an integrated Arts and Entertainments Division of the City Council. RGA have therefore considered the impact of potential change on the Council as a whole. The Guildhall is adjacent to the Corn Exchange and functions and events are operated through the same Division of the Council, resulting in this area of activity also being considered in the process.

1.4 RESEARCH

The research methodology of the review included: strategic review; market assessment; consultation; performance review; options appraisal; catering review; survey; and recommendations. Research tools included the use of an ACORN survey of market potential which considered 90 and a 10 minutes drive times in order to assess the immediate catchment of residents, and the wider population who would consider travelling to the venue. An on-line survey generated completed responses from almost 700 people, and 18 face to face and telephone consultations took place.
A range of comparative venues were considered, including consultation with two venue Directors. The catering review included consultation with the current contractor.

1.5 PERFORMANCE REVIEW

The performance review considered the impact and effectiveness of the programming of the Corn Exchange, and operational arrangements. Each key manager was interviewed and a wide range of data was interrogated to build up a clear picture of the performance and finances of the venue. The Review identifies the strengths and weaknesses in the programme, how the programme performs, and considers the optimum management, staffing and marketing arrangements for the venue.

1.6 THE AIMS

Following the research and review process the following three key aims were identified. With sub-sets of aims and objective organised under the following headings:

1.6.1 A More Pro-Active Service

- Audience Development and Outreach
- Use of the building
- The Guildhall and Corn Exchange
- Strategic Impact
- Thematic Activity

1.6.2 A More Connected Service

- Accountability and Transparency
- Internal Communications
- Investment and Agencies
- Partnerships
- Projects

1.6.3 A More Efficient Service

- Performance Management
- Management and Staff
- Energy Efficiency and Carbon Management
- Catering

1.7 OPTIONS

1.7.1 Introduction

The Cambridge Corn Exchange is a successful and respected venue, generating a turnover of approximately £4.2m. with a City Council contribution of approximately £0.5m. There is no compelling reason to change the governance model of the venue arising from the operation of the venue itself. The reasons to consider change are more to do with the desire to improve performance and impact identified in the Review's future aims, and increasing pressure on the public purse.

1.7.2 **The Options**

The SWOT and appraisal considers six different operating options in detail and scores each one against the aims identified in the Review. Each operating model, with the exception of a commercial programme operated in-house, has precedence elsewhere in the UK. Whilst the Corn Exchange could be operated by a commercial contractor for significantly less subsidy the venue would only deliver a small part of its current programme to a much narrower audience. Cambridge audiences would not be able to access a wide range of programming without travelling to London. The options appraised are:

Status Quo
- Improved in-house operation
- Stand alone Trust
- Multi venue Trust
- Commercial programme operated in-house
- Commercial programme and commercial management

1.7.3 Conclusions

The conclusions of the appraisal are that the improved in-house operation is the most attractive option for the City Council for the next three years, because the key improvements identified in the review do not require a change of governance. It is also recommended that the City Council enter into discussions with other venues about the longer term position of both venues, and to assess the potential benefits of a multi-venue trust being established in future years. It is also proposed that an Arts Development Trust should be established to enable partnership and project working and external arts investment to improve rapidly.

It is suggested that savings can be achieved through three areas of activity:

- Catering changes can increase income by an estimated £10,000 per annum
- Programming can increase income by an estimated £30,000 per annum
- Changes to technical staffing can save an estimated £20,000 per annum

Appendix D includes a report prepared by the venue concerning energy savings, indicating that capital investment of £27,000 would result in annual energy savings of £8,500. Given the importance of minimising environmental impact and long term financial sustainability it is suggested that this report is reviewed and the findings implemented.

1.8 RECOMMENDATIONS

1.8.1 Governance

- The Corn Exchange should continue to be operated by Cambridge City Council under a new Performance Management Framework which incorporates programming, audience, and financial strategic objectives and targets.
- A Member and Officer Working Group should oversee the formulation of the Performance Management Framework and the subsequent performance of the venue led by the venue management.
- Catering, functions and events at the Guildhall should be included in the Performance Management Framework and the remit of the proposed Working Group.
- Cambridge City Council should embark on a range of discussions with potential partners to consider the potential for multi-venue planning, co-ordination and delivery in the future.

1.8.2 Management

- A new senior management structure should be introduced that creates a direct line of reporting between venue and department head.
- Increased levels of delegation between the venue director and the managers responsible for each venue department.
- The integration of the box office with marketing under the Marketing Manager.
- A training, placement and mentoring programming for key managers should be introduced.
- Monthly reporting should include all operational areas and the performance of the programme against overall targets, and for each event at the venues.
- A quarterly report summarizing and evaluating performance, and providing information on the upcoming programme should be brought to the proposed Member and Officer Working Group.

1.8.3 Staffing

- The technical staffing of the Corn Exchange should be reviewed and rationalised.
- Bring the casual pool of agency staff under the management of the venue, subject to satisfactory terms and conditions being negotiated.
- The staffing and support services for Guildhall functions and events should be under the control of the Corn Exchange management. Where staff are line-managed by other departments a clear contractual link should be established where service specification and standards can be applied to each event.

1.8.4 Programming and Marketing

- A programming policy should be formalised and published, based on the existing 'balanced' programme philosophy.
- An incremental increase in commercially successful music events should be introduced over the next two years.
- Partnerships with other organisations and funding bodies should be secured around programming around occasional identified themes, and for the cautious introduction of flagship events to stimulate wider interest in the venue.
- Programming activity should be delegated within the venue management to increase the capacity for a more pro-active and engaged linkage with producers and promoters.
- The venue management should establish new targets for income achieved through the retention of box office receipts.
- Redesign the Corn Exchange website to create more interactive and targeted engagement with different audience segments.

1.8.5 Catering

- Allow the current catering contractor to close the daytime café operation.
- Consider the building of a multi-use space on a new mezzanine level in the Corn Exchange above the current Foyer or Schering Room.
- Encourage the current catering operator to provide a range of sandwich selections and buffets that can be offered to groups organising meetings within the Corn Exchange.
- Install new lighting in the St John's Bar and fit solid bar shutters so that the room can be used as an additional meeting space.
- Provide a refrigerated storage in Wheeler Lane to store extra beer at the correct temperature for busy performances when demand is high.
- Develop the combined Corn Exchange and Guildhall as a venue for medium to large conferences, events and dinners. This will require a new marketing strategy with re-worked brochures, menus and a dedicated web site where organisers can find all of the information that they require to plan their meeting or function.
- Invest in the appearance of the Large and Small Halls within the Guildhall including the approach corridors. This should include updating all of the fire regulations as required by the Fire Officer.
- Cambridge City Council to consider refurbishing the service kitchen attached to the Small Hall which is currently sub standard and poorly equipped, and also consider building a new kitchen facility in the Guildhall to service both venues.
- Alternatively, consider inviting future caterers to apply for a 10 year exclusive catering contract providing that they invest in a new kitchen within the Guildhall which will be used to service both venues.

1.8.6 Facilities

- Conduct a condition survey of stage equipment and Mechanical and Electrical (M&E) at the Corn Exchange prior to adopting, planning and implementing a phased programme of refurbishment and replacement.
- Carry out an energy audit and implement the resulting recommendations.
- Improve the black out of the Corn Exchange.
- Improve the visibility of the Corn Exchange, to the passer-by, with signage and more poster sites on the exterior of the venue.

1.8.7 Related Issues

- Cambridge City Council should prepare a three year budget for the Corn Exchange (2010 to 2013) that incorporates: savings arising from staffing and management changes; energy savings; increased catering income; and increased income from the venue programme.
- Cambridge City Council should consider establishing an arts development or community arts Trust to oversee and deliver against its own objectives and those of key partners.
- The City Council should engage with key regional and citywide arts and creative industries initiatives as a priority, paying particular attention to the Creative Hub proposals of Arts Council England and East of England Development Agency.
- The City Council should liaise with other venues and arts organisations and prepare an application to Arts Council England for audience development activity in Cambridge.

2. *CAMBRIDGE CORN EXCHANGE PERFORMANCE REVIEW*

2.1 INTRODUCTION

A review of the performance of Cambridge Corn Exchange has been undertaken and the results are summarised in the following sections. Diagrams have been used to illustrate the key information concerning the programme of the venue.

2.2 PROGRAMMING OVERVIEW

2.2.1 A Balanced Programme

The Corn Exchange programme creates a balance, variety and flexibility across many performing art forms. The management secures a successful and continuous combination of musicals, rock and pop concerts, comedy, children's shows, opera, ballet and classical music.

There are many influences, with programming guided by a number of complex factors. These include the aspirations of Cambridge City Council and, in future perhaps, a definable artistic policy, the known theatre and concert-going market, the availability of productions, the size of the stage, the potential box-office receipts, the contractual terms available and the energy and aspirations of the General Manager and the programming team. The General Manager is proud of his programme but, of course, there never was, and there never will be, an ideally programmed theatre and concert hall. Audience tastes change, and the same formulae cannot be repeated ad infinitum.

2.2.2 Programming Policy

Touring venues like the Corn Exchange have often been neglected by the arts funding system, with almost all revenue and project grants going to the producing company – but marketing, ticket pricing, media relations, audience development, outreach and education practice are a shared responsibility of a producing company and a venue, because the theatre is also speculating on the success of the attraction. Hence, it is more important than ever for the Corn Exchange to be explicit about its programming intentions, publishing an artistic policy with aims for each art form.

We make the following general observations:

- Programming initiative is on the rise elsewhere: receiving houses have become presenting venues, often with new ideas for producing thematic performances and large community theatre events through commissioning

-Detailed programming could be aligned to four areas: a) Commercial, profit-seeking (more rock and pop concerts), b) 'Flagship events (e.g., internationalism and working with a European festival for a special presentation), c) Thematic (e.g., working partnership with other agencies) and d) The Council's social inclusion agenda

-New Corn Exchange programming objectives should be defined as clearly as possible

-Although the General Manager adopts programming and attendance targets for each art form, these characteristics, including new alignments, should be discussed and approved by the Council, and published

-For the Council's social inclusion agenda, the Corn Exchange programme might be more representative of the Cambridge diverse communities through the General Manager engaging with other agencies and presenting theatres-and-concert halls, to create new performances through new partnerships; examples might be collaborations with BAME audiences. This would improve the programming, from the current, largely prescriptive approach with its passive audience engagement to more a more enabling, community participation

-Programming should include creative learning experiences, including occasional artist residencies. Instead of being a venue for one-off flying visits by classical orchestras, for instance, the Corn Exchange might change the dynamic and develop more lasting relationships with organisations that it names as associate companies. The relationship with frequently visiting companies could be taken to the next level, offering master classes and work with schools

-A small sum should be set aside in the annual budget for initiating and commissioning productions and projects; this sum would be a spur to obtaining funding contributions that match or exceed Council investment, from external bodies and working in partnership with other Cambridge arts organisations

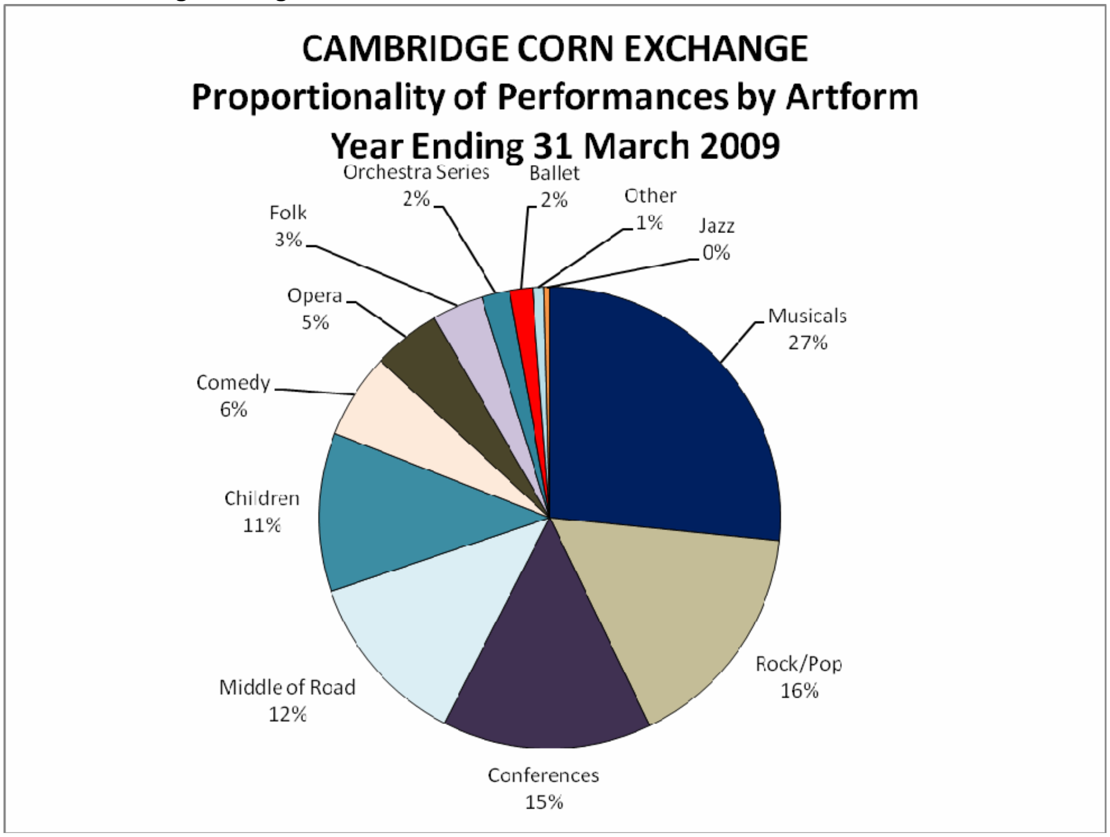
-The programme would benefit from enhanced responsibilities given to the management team, acting as producers for new projects

-New collaborations could be assisted by a new post of trainee producer, recruited from the Cambridge communities, perhaps supported with external funding

2.3 ANALYSIS

2.3.1 Programming Overview

Table 2.3.1: Programming Overview



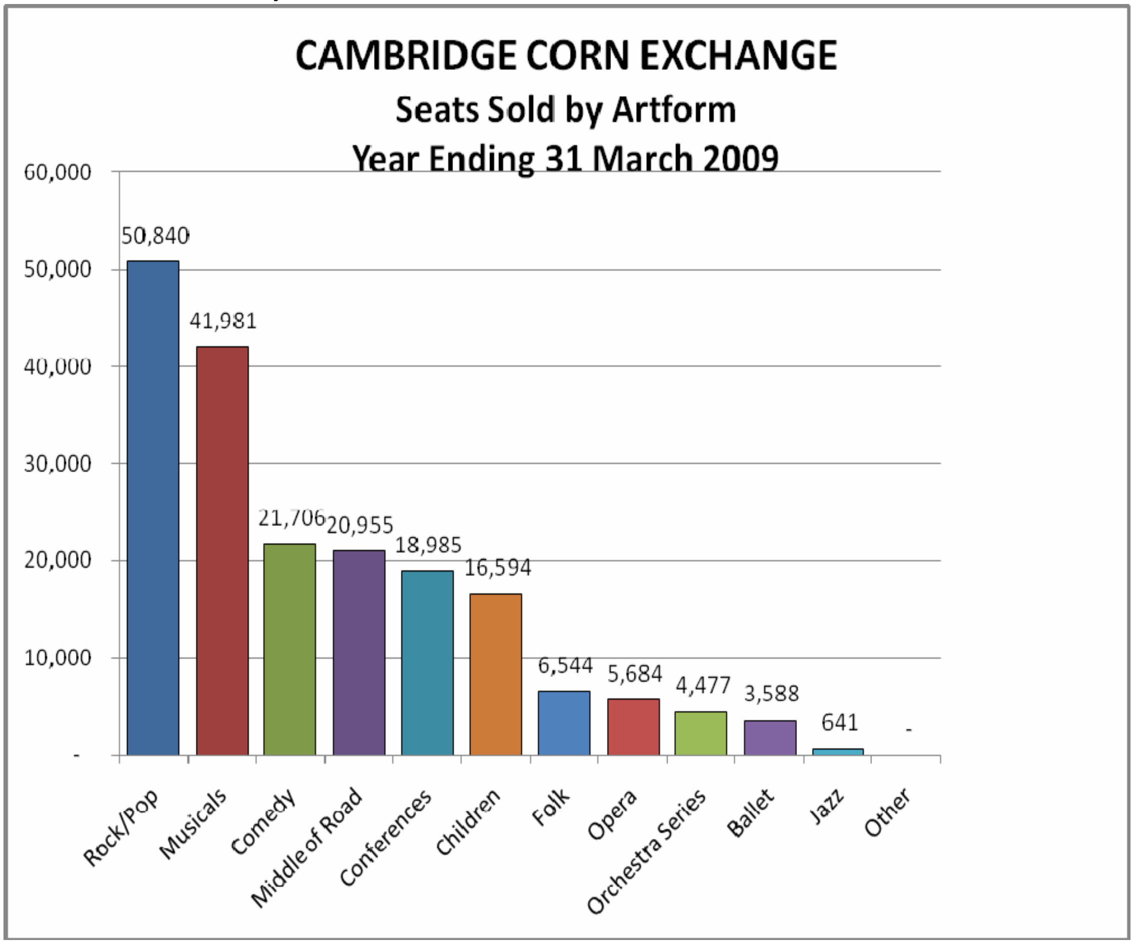
Source: RGA

- The general manager sets personal targets for programming ; all performing art forms suitable to the Corn Exchange are appropriately represented in the schedule, which is sensitive to market demand
- There were 252 performances in 2008-09; a low utilisation for a theatre (exceeded by 16 No 1 UK theatres) but high for a concert hall (which are characterised by one night stands)
- 112 dark days, mainly in the summer, when the Corn Exchange is proactive as a producer for an amateur/community musical, undertakes annual maintenance programmes, but could attract more conference business, especially if the Guildhall operation is enhanced
- Although programming is sensibly responsive to patron preference, patrons are 'attracted' to the shows rather than 'led' through audience development initiatives: the general manager might network more in the promoter fraternity and act occasionally as a producer, collaborating with others to create new events
- Over 43 per cent of shows are musicals and rock/pop concerts
- After many years of success, opera will be harder to programme, following closure of Ellen Kent, needing proactive manager-producer links
- The self-promoted classical concert subscription series comprised 5 concerts in 2008-09

- Programming is generally ‘upmarket’, avoiding artistes such as Roy Chubby Brown, Joe Longthorne and Jim Davidson, familiar in many of the large touring houses

2.3.2 Seats Sold by Artform

Table 2.3.2: Seats Sold by Artform



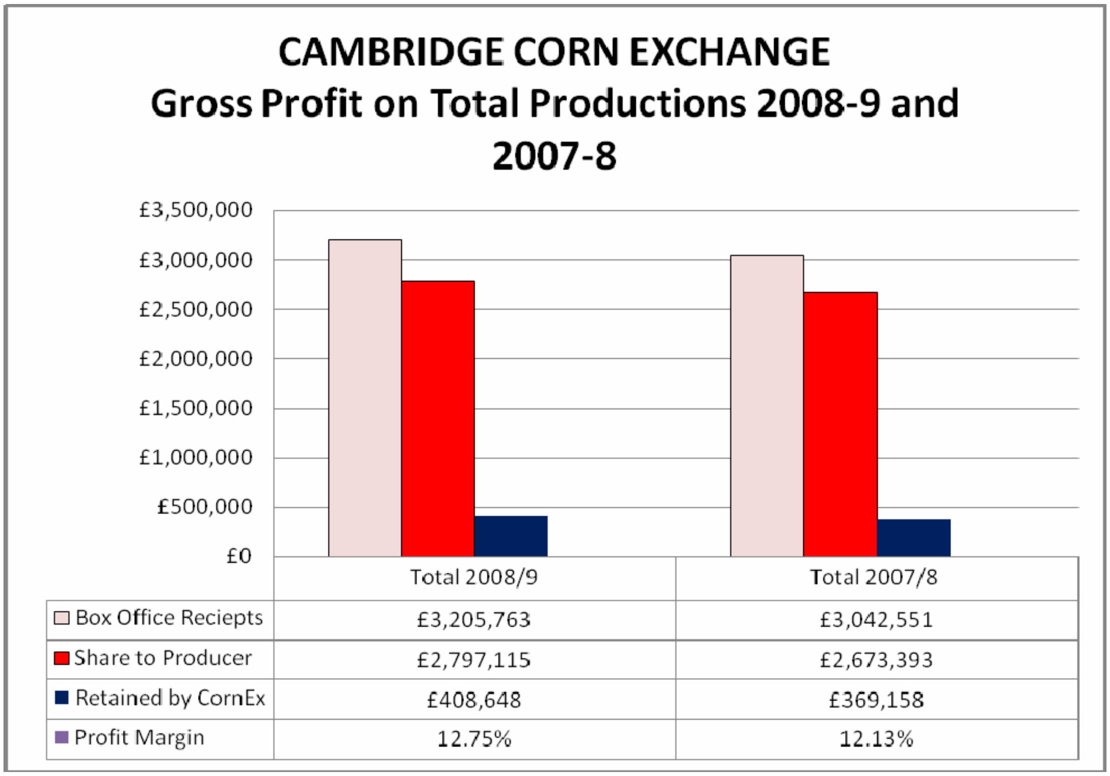
Source: RGA

- Theatregoer preferences for rock and pop concerts, and musicals, overshadows support for other art forms
- Annual attendance last year was 191,995
- Average of 761 paying patrons per performance (c. 55 per cent of variable capacity)
- Percentage occupancy is “average” for a No 1 theatre and concert hall
- The main competitor is the nearby Arts Theatre with 673 seats
- But other art forms demonstrate a low proportion of total annual attendance
- Programming is coherent and commercially focused, but there is a lack of ambition in most performing art forms
- Musicals perform at the Corn Exchange on second national tours
- There are good relations with producers, who appreciate the efforts of Corn Exchange management and staff

- With no pantomime (because of the Arts Theatre) the general manager has been adept at securing musicals for Christmas
- The classical concert series of 5 subscription concerts in 2008-09 was attended by an average of 895 patrons; given the number of classical concerts elsewhere in Cambridge, this would seem to be an excellent result
- There is no formalised education and learning programme (as at the Arts Theatre); one area of cooperation between the two venues could an expansion in this field

2.3.3 Gross Profit

Table 2.3.3: Gross Profit



	Total 2008/9	Total 2007/8
Box Office Reciepts	£3,205,763	£3,042,551
Share to Producer	£2,797,115	£2,673,393
Retained by CornEx	£408,648	£369,158
Profit Margin	12.75%	12.13%

Source: RGA

2008-09 was not an irregular year for margins

- Allowing for the above factors, a margin of 16% should be obtainable; had this transpired in 2008-09, the gross profit would have been £512,922; could the Corn Exchange earn more income through the retention of a larger proportion of box office receipts by investing more management time in the programming process?

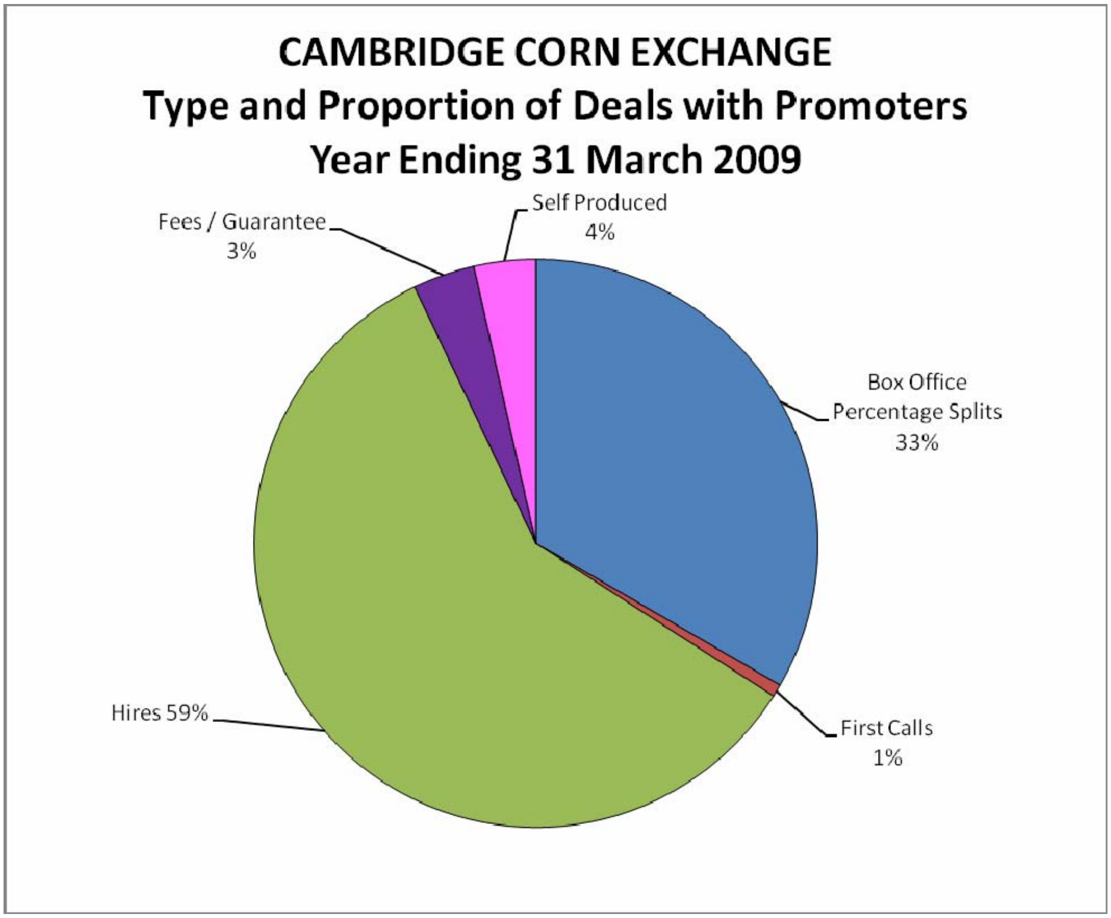
- Notwithstanding these poor margins, risk is well handled, with skilful negotiation by the general manager

- The Corn Exchange adopts a mixture of financial arrangements: there were 83 hire contracts, 47 contracts with percentage share terms, 1 first call, only 5 contracts on guarantees, plus 5 self-produced; this is a good spread of risk

2.3.4 Contract Terms and Profit Margins

The following chart shows the type and proportions of terms used in the 141 contracts negotiated in 2008-09, and the gross margins of profit generated by productions in the same period.

Table 2.3.4: Contract Terms and Profit Margins



Source: RGA

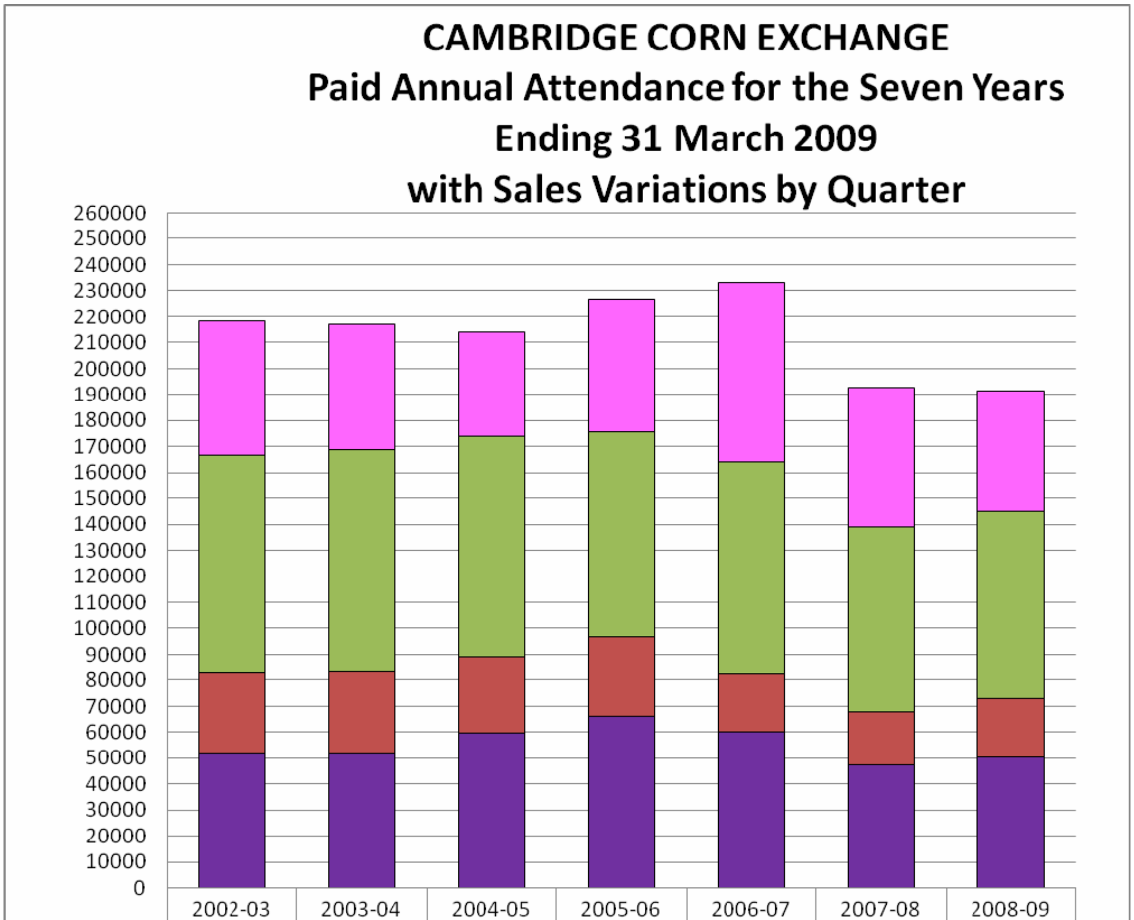
Table 2.3.4.1: Gross Profit and Margins on Productions 2008/09 (£1,000's)

Performance Type	Box Office Receipts	Producer's Share	Retained by Venue	Profit Margin
Rock / Pop	1,065	969	87	8.16%
Musicals	787	723	63	8.05%
Middle of the Road	387	328	59	15.28%
Comedy	426	372	54	12.59%
Children	77	48	29	37.17%
Opera	121	97	24	20.22%
Folk	140	126	15	10.36%
Ballet	77	65	12	15.16%
Jazz	13	11	2	15.94%
Orchestral	99	118	20	-19.85%

Source: RGA

2.3.5 Paid Annual Attendances

Table 2.3.5: Paid Annual Attendances



	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Jan -Mar	51447	48109	40262	50741	68990	53559	46481
Oct-Dec	83971	85687	84665	78957	81915	71183	72222
Jul-Sep	31428	31676	29355	30863	22119	20676	22439
Apr-Jun	51389	51558	59872	65987	60101	47123	50337

Source: RGA

The highest attendance in recent years was 233,125 in 2006-07

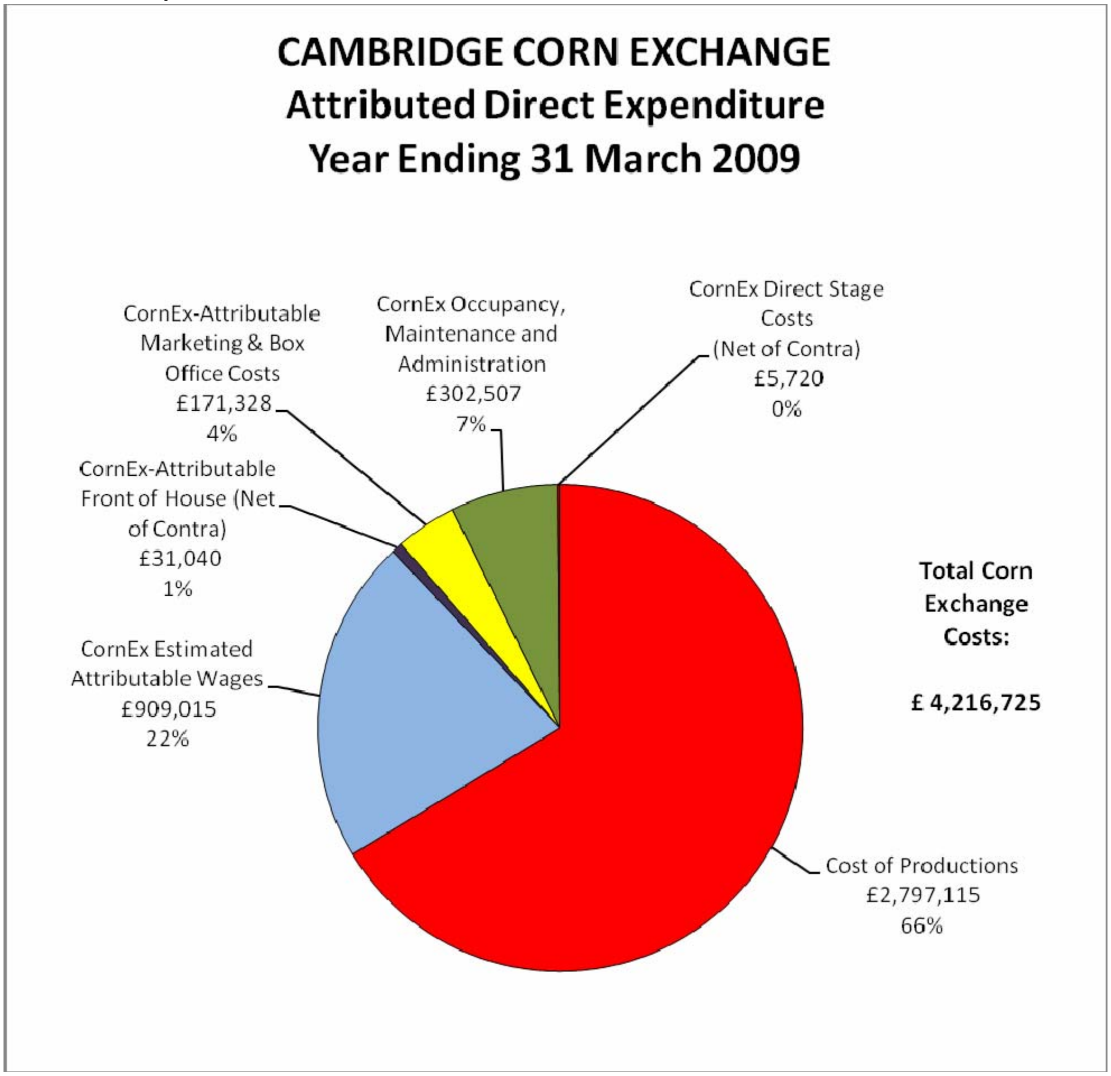
- Annual attendance is relatively stable over time, but the past two years have dipped below 200,000 – this may be a concern to Council, especially as the economic downturn did not occur until the second half of 2008-09

- The chart shows attendance by seasonality; as in all theatres, the autumn is the peak, and summer the most difficult – hence the Corn Exchange is dark for many of these weeks

- This points to the importance of improving conference trade, for summer usage, not an easy task but possible in a city such as Cambridge.

2.3.6 Breakdown of Direct Expenditure

Table 2.3.6: Expenditure Breakdown



Source: RGA

- There is no separate profit and loss account for the Corn Exchange; therefore, interpretation of the figures in customary theatre management and business accounting terms is difficult

- To assist financial understanding, there is an estimated redistribution of the Arts & Entertainment Department management accounts, allocating two-thirds of the costs to the Corn Exchange

- By these means, total income in 2008-09 was £4,216,725

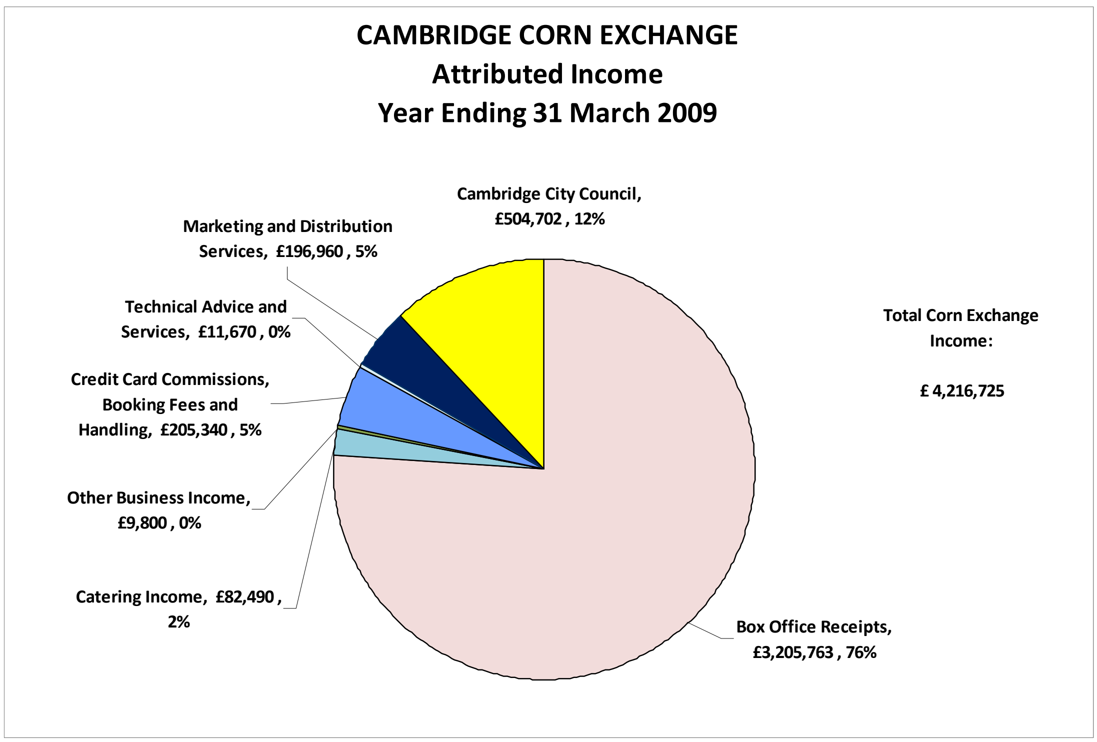
- Unlike the management accounts, we have included the cost of productions (being the share to producer), to better reflect the ratios of expenditure in the 'business'

– There are obviously economies of scale from an integrated A&E department: significantly, marketing is a lower proportion than in other theatres and concert halls

– Although the management produce adequate financial reports for staff, the Council's monitoring and evaluation would be improved by receiving succinct progress statements; our final report will include recommended templates.

2.3.7 Breakdown of Income

Table 2.3.7: Income Breakdown



Source: RGA

– The net operating loss for £2008-09 was £504,702

– For these purposes, we have shown a Cambridge City Council subvention of £504,702 – this "balances the budget"

– These figures are drawn from the management accounts and are unaudited

– The total box office income has been shown, to better reflect the turnover of the 'business'

– The catering income of £82,490 represents a contribution per patron of only 43 pence [see Catering report]

- The credit card commission, booking fees and handling charges – at 5 per cent of income (£205,340) is very low and well managed

- The income attributed to the Corn Exchange management account from marketing/distribution, at £196,960, exceeds marketing expenditure – this department may at first appear be the most profitable marketing operation in British theatre; although treatment of the contra account is unorthodox

Two recommendations flow from this section:
1) improve the retained margins by a target of £30K per annum;
2) improve the catering income with new bar arrangements.

2.4 MANAGEMENT AND STAFFING THE CORN EXCHANGE

2.4.1 The Corn Exchange management

The General Manager since 2001, Graham Saxby, combines the functions of programmer, theatre director and manager. He reports to Nigel Cutting, Head of Arts & Entertainment. By our observation and the comments we have received from producers who tour productions to the Corn Exchange it is clear that Mr Saxby and the venue have a high standing and reputation in the field of theatre management; much of the repute of the Corn Exchange stems from being a venue that deals fairly with producers. Contracts and payments to producers are made promptly.

2.4.2 The Venue Management Team

The staff are welcoming, friendly and supportive to visiting performers and patrons; this is due to the competence and knowledge that was clear from the interviews that we made with the managers: the Marketing Manager, Technical Manager, Finance & Administration Manager, Programme & Projects Officer and House Manager. Even though we have some reservations about some aspects of the management of the Corn Exchange, we have no doubt that in the current team the Council is fortunate to have managers of good experience, quality and, in some, with potential for development. That potential relates to developing a more proactive, networking and producing outlook by the General Manager – or, alternatively, more responsibility given to the Programme & Projects Officer and Arts Development Manager. Much of the staff's large workload is done unobserved and therefore warrants credit for this. We make several points about management.

2.4.3 Management Reporting

For management of programming and operations' risk and procurement, a new monthly reporting obligation should be implemented, with set member-delegations and accountability by management to a member and senior officer working group. This group should oversee the direction, key decisions and critique the results.

2.4.4 Management Responsibilities and Relationships

An obligation of several staff, especially the Marketing Manager, is to manage other arts and entertainment events, such as Cambridge Folk Festival and outdoor promotions; it is as a result of these overlaps that respective responsibilities may sometimes be strained, partly because of different planning cycles. Although the Head of Arts & Entertainment has a proper and sensible consciousness that he is not, cannot be and should not be executive as regards the programming and day to day administration of the Corn Exchange, there is a certain structural difficulty about his relationship with the General Manager. The new reporting structure might improve the structural relationship between the Head of Arts & Entertainment and the General Manager.

The Box Office reports directly to the General Manager; more commonly because of the dependency of sales on promotions, a Box Office of today is part of a venue's marketing department. We recommend that the sales function be integrated in the Marketing Department.

The General Manager may have too many functional responsibilities (see, for instance, marketing section); more responsibility, other than 'repeat' contract negotiations, could be delegated to the Programme & Projects Officer, and Marketing Manager, who each have potential and enthusiasm for undertaking more work in the 'networking with producer' role.

An example of a management structure appropriate to the City Council and Corn Exchange could be:

Tier 1	-	Executive Director - Community Services
Tier 2	-	Corn Exchange Director Head of Support Services Head of Arts and Events
Tier 3	-	Sales & Marketing Manager Technical Manager Operations Manager Finance & Administration Manager

This example assumes the current Programme and Projects Officer would be re-titled as Programming Manager and directly report to the Corn Exchange General Manager. Box office functions would fall under the proposed Sales and Marketing Manager.

2.4.5 Development

Training opportunities for managers are limited, and when combined with a curtailment of engagement with professional organisations and industry events means that the venue is in danger of not implementing best practice. An increase in occasional in-house producing (including education and audience development projects) would be best delegated to the Programme & Projects Officer, for whom a short placement should be organised, for instance, with a leading presenting venue such as the multi-purpose arts centre at the Barbican, London

2.4.6 Conferences and Functions

All aspects of increased conference trade need to be managed by one person (this is expected by hirers, unlike theatre and concert performances); improvement at the Guildhall concert room, combined with more conference effort by the Corn Exchange, could be achieved with the appointment of a new Conference Manager; this might be a post for a young, customer oriented events manager. For management structure, the Guildhall concert room and its servicing must be fully integrated with the Corn Exchange.

2.4.7 Staffing Levels

From a venue industry perspective – and especially having regard to the economies of scale offered by some central services provided by the City Council – we consider that, with one exception, the number of posts and their functions corresponds to efficient civic theatre norms for this operation. It is probable that a private operator could run the venues with four fewer office staff, because it would programme and negotiate the majority of contracts at head office, where other 'central services' such as marketing might reduce the requirement for office staff. It is unlikely that a trust company could operate the Corn Exchange with fewer staff. There is one too many full-time stage staff. Enhancement of the Guildhall would require one new full-time post; an 'all-rounder' manager.

2.4.8 Agency Staff

The Blue Arrow agency pool for casual staff/equivalents is a cumbersome mechanism for delivering the casual and flexible staffing that the venues need to function well. This arrangement came about as a response to changes in employee legislation, but has proven to be less efficient than hoped for. The Corn Exchange should directly employ its pool of casual staff ensuring that the anticipated service improvements are achieved and that costs are controlled within existing parameters.

2.5 SALES AND MARKETING

2.5.1 Overview

This is one of the most accomplished, commercially focused marketing departments that we have observed. At the centre of all Arts & Entertainments events and the Corn Exchange, the department is staffed by five fulltime people, plus two distributors. There is a competent Marketing Plan, 2009-2012.

Although we have not conducted a full marketing audit, this Review has been informed by a market analysis and an on-line customer survey (see appendices). There are 28 primary competitor performing arts venues within the market area (90 minutes drive), with maximum seating capacities ranging up to 2,000 patrons, averaging at 970. In Cambridge, the principal competitors are the Arts Theatre and the Junction. Their programmes rarely clash with the Corn Exchange. The market audit (Appendix A) indicates that the size of catchment and high propensity to attend should indicate higher than average venue performance when it comes to attendances and pricing strategies. The tourism market in Cambridge is expanding as described in Appendix A (2.6) indicating opportunities for further programme development in peak visitor periods.

When it comes to catering the analysis of supply (Appendix A: The Eating Out Market) indicates as many as 6 million covers within a 10 minute drive time of the Corn Exchange. The demand or propensity analysis within the same area translates into 1.8 million covers, indicating an oversupply of eating out facilities in the location.

The on-line survey results (Appendix B) support the growing importance of the venue website as both an informational tool and as a sales mechanism.

2.5.2 Commentary

We make the following observations:

- The venue has a tactical marketing plan, but lacks an overall marketing strategy that includes pricing strategy, market positioning, and development of new audiences. However, Corn Exchange marketing expenditure, at 4 per cent of total costs, accords with touring venue norms

- The Corn Exchange brand is not as strong as that of the Cambridge Folk Festival, especially during the latter's sales period; the Corn Exchange needs a stronger, refreshed identity

- The size of the marketing staff reflects their duties which elsewhere are partly undertaken by audience development agencies for a fee; distribution has become a commendable and profitable component

- Marketing would be assisted by better signage to the Corn Exchange, in the city centre, and illuminated poster displays on the building

- Stakeholder consultation carried out in the review indicated a widely owned ambition to attract attendances that reflect the economic and ethnic diversity of the city. Ticket price differentials are often not wide enough for attracting the widest potential audience. Producers often dictate seat prices in the contracts negotiated with the General Manager, but efforts should be made to price in accordance with access objectives, the standard of auditorium comfort (lower than many venues on the touring circuit) and, most especially, for improving the often-tokenistic discounts to children, families, seniors and students

- The website was one of the best in UK venues, but should be redesigned to keep pace with expectations for heightened interactivity, improved navigation, more use of video trailers, music audio, blogging, etc; we recommend that a digital strategy be prepared for the Corn Exchange

- Ecommerce can offer new market segmentation techniques, especially important for a multi-purpose venue with changing audiences; for instance, in our consultation with Reading (a comparable venue), over 60 per cent of sales are made online

- Ecommerce should include new Guildhall and Corn Exchange hospitality and conference centre web pages

- The Box Office function is normally part of a venue's marketing department; it would be straightforward to transfer responsibility from the General Manager to the Marketing Manager

- New Box Office systems with increased marketing tools are under active consideration; with the physical move of the booking office to new premises, there are good reasons for purchasing the new licence synchronous with the move to the new location (Council should be comforted by the department's research of 20+ other theatre box offices, made in 2008)

- The cost of the Corn Exchange calendar-brochures is recovered from the producer marketing contributions; this is very good

Efforts to market corporate and individual memberships are in progress; these would be more attractive if the hospitality suite is refitted. The analysis of the 'Eating Out' market supports the very poor performance of the café in the venue.

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2.6 THE INFLUENCE OF THE BUILDING ON OPERATIONS

2.6.1 Background

The purpose of this section is to consider the influence of the design of the Corn Exchange on the operation, management, maintenance and life cycle of the building as a theatre and concert hall.

The Cambridge Corn Exchange (built 1875) was remodelled by Cambridge City Council as a multi-purpose, large theatre and concert hall in 1986. There had been no large touring house since the closure of the 1,600 seat, privately owned and operated New Theatre in 1956 (demolished 1961). Cambridge had been well served for middle-scale theatre productions by the 671 seat Arts Theatre (built 1936, extensively rebuilt 1996), the smaller, remarkable 450 seat Festival Theatre (built 1814, housing a world-renowned company in the 1920s and 1930s, now a Buddhist Centre) and the 227 seat ADC Theatre, in continuous operation as a University theatre since being rebuilt in 1935. For music, there has never been a purpose-built symphony hall in Cambridge; concerts being given, as they still are, intermittently in College chapels and city's churches.

2.6.2 The Situation Today

In 2006, the Corn Exchange was overhauled with redecoration and some improvements carried out to the foyer, auditorium floor, seating areas and staircases. Notwithstanding the City Council's successful management of the venue, it may be timely to revisit the notion of a flexible space, especially as many newly built concert halls and theatres in other cities and towns, and new technologies, have changed perceptions of how audiences receive lyric theatre and concerts.

In the twentieth century, cinema and television redefined how audiences receive entertainment. The close-up and the proliferation of moving images have changed our perception of what constitutes a live performance. Large-format imaging, video gaming, the

Internet, and computer imaging have changed our way of seeing in the twenty-first century, making our homes into live-in venues, filled with all types of performance. Without a purpose-built theatre and a purpose-built concert hall, perhaps newer Cambridge venues like the Junction have responded better as a facility that serves today's audiences.

Good seeing and hearing go hand in hand; perception involves both aural and visual senses; for these, the Corn Exchange may now be dating rapidly. Whilst the venue works very well as a rock concert locale (often configured with standing room in the stalls), the great distance from the balcony to stage means that, despite the unobstructed clear view, over half of the audience does not feel well-connected with the stage. How can the audience actively interact with the performers? Many larger lyric theatres and concert halls are more intimate, with the performer seeming larger than life-size. Most new auditoriums of c. 1,500 seats also work well for unamplified performance.

2.6.3 The Challenges

Every theatre and concert hall has its own circumstances and constraints, but despite the technical and house management's ingenious accomplishments in making quick changeovers to the stage and auditorium, there are several shortcomings.

2.6.4 The Audience Experience

Because of the multiuse, patrons in the flat floor stalls are seated in moveable rows of uncomfortable chairs without armrests. Distribution of accessible seating for disabled patrons is poor. Sightlines from the balcony are impeded by a transparent, glass safety 'rail'. Technical solutions to assist the moving of seats, as, for instance, at the Derngate Northampton would be prohibitively expensive. Acoustic design was by 'luck' (of the high ceiling); enhancements for reflected and direct sound direction are absent (although we have not heard the natural classical concert sound at the Corn Exchange). There is no air-conditioning system an expectation of the contemporary audience. No complete auditorium blackout can be affected during daylight. The electronic survey results in Appendix B confirm that respondents consider the Corn Exchange to be only of a similar or slightly worse standard than other venues. Satisfaction with the venue is less good than with the staged programme it promotes.

2.6.5 The Stage

There is no fly tower; rigging mechanisms are an adapted, manual hemp system. Borrowed from sailing ships in the nineteenth century, will this be adequate in future? There is inadequate wing space, especially for ballet. There is no orchestra pit and no stage elevators; the band plays on the same level as the stalls. Staging and effects of significant magnitude are difficult to accomplish. There is no truck access from Wheeler Street to the get in and get out; this is the single most important consideration in stage planning-and-costs.

There is an inflexible technical infrastructure, especially over the audience, restricting rigging loads in front of the makeshift proscenium; this is not good for attracting large musicals today. Overhead stage and forestage access is challenging; there is no forestage grid common in new flexible theatres and concert halls (nowadays, simple hang points for lighting trusses and speaker arrays are augmented with aggressive forestage infrastructures that include a grid and fall-protection systems). Tons of scenic, lighting and audio equipment are needed to mount large musicals and amplified concerts and cannot be accommodated without detriment to heating and ventilation.

2.6.6 Backstage and Front of House

The standard of backstage dressing rooms and green room falls short of artist expectations today. There is no rehearsal space or other area for potential use as an education and learning suite. Social space and circulation is cramped, especially when capacity exceeds 500 patrons. Media systems for conference and hospitality areas (including the Guildhall) are inadequate for increasing this income. Lighting the foyer and auditorium does not fill the arriving patron with anticipation; it does not send the message that something special and intimate is about to happen (compare the atmospheric auditorium lighting at the Arts Theatre) – projected images fashionable in lighting modern (or bland) auditoriums are absent.

2.6.7 Cost Implications

'Green' building savings cannot be optimised. The labour costs of changing stage and stalls-seating configurations are often born by the Corn Exchange – even when shared with producers, the deal negotiated favours the visiting company more than elsewhere on the touring circuit. Since opening in 1986, we estimate that unrecoverable multiuse costs, at current values, may have totalled £450,000.

The extra costs of changing the venue from a makeshift proscenium theatre to a concert hall may be justified by the greater income from the judicious programming and staffing policy overall, but technology, if properly incorporated into a multi-purpose venue, can dramatically increase flexibility without dramatically increasing wage costs. Plant and M&E may be nearing the end of its life cycle, with much higher maintenance costs likely in future. The seating configurations depress higher ticket prices that might be charged in a purpose-built theatre or concert hall.

2.6.8 The Exterior

Heightened expectation of what might happen inside the Corn Exchange is not assisted by the design of the exterior; although a handsome listed building, there is no inviting glow; a good theatre and concert hall can convey its spirit and form through lighting at night – even more so if located in a commanding location befitting its status as a leading attraction in its own right. These factors are important for marketing. This points to a requirement to consider relocation of the Corn Exchange programme in any plans for new venue developments.

2.7 SWOT ANALYSIS

Table 2.7: SWOT

STRENGTHS	**RESPONSE**
– The Corn Exchange is a respected and well managed venue. – The Programme of the venue is balanced and attracts a wide range of audiences – Survey results in Appendix B indicate good levels of satisfaction with the staged programme – Numbers of performances and overall attendances are good – The location of the venue is good – The venue is in good condition – Financial performance is comparable to similar venues	– Management changes and development to maintain professional standing – Formalise programme policy and programme diary management – Maintain existing links to producers – Increase programming capacity in scheme of delegation and management development – Play an active role in City Centre planning – Continue to support planned maintenance – Maintain profitable elements of programme
WEAKNESSES	
– Programming is repetitive – Performance is average in a market where the opportunity is above average – Technical challenges increase costs/depress box office retention – Catering Services and oversupply in the eating out market – Isolated from Cambridge and regional arts scene – Audience doesn't reflect demography – Reporting and Accountability	– Increase delegation in programming role – Engage more with the performing arts industry, including potential co-production – Close the café in the daytime – Implement catering recommendations – Connect audience development and arts development – Introduce new reporting arrangements and systems
OPPORTUNITIES	
– Pro-active programming and improved deals – Audience Development Programme – Website renewal – Theatre Quarter – Expanding tourism market – Demand for city centre conference and function facilities	– Incremental increase in music promotions – Lead Cambridge venues in audience development proposal for ACE – Redesign of website – Improve venue signage and poster sites on building – Introduce a conference, functions and meetings service at the Corn Exchange and Guildhall

THREATS – Reduced political support – Reduced public subsidy – Lack of strategic direction and partnership – Failure to secure external investment for new initiatives – Lack of marketing strategic objectives resulting in no audience development – Impact of recession – Ageing equipment	– Introduce a new performance management framework and member/officer oversight – Formal discussions on multi-venue co-ordination, joint working, and potential for joint delivery – Support development of Cambridge arts and culture strategy, and consider a new partnership initiative for the co-ordination of Cambridge's independent arts network, and external investment – Devise and monitor a strategic marketing plan, to include pricing strategy and audience development objectives – Condition survey and repair and renewal schedule for facility – Energy audit and implementation – Reduce technical staffing costs, and increase income from catering and programme

Source: RGA

2.9 POLITICAL, ECONOMIC, SOCIOLOGICAL, TECHNICAL AND LEGAL ANALYSES

The PESTL analysis identifies the following influences:

Table 2.9: PEST

Political

- Increasing financial pressures on the City Council and a requirement to achieve savings
- Lack of an arts and cultural strategy for Cambridge
- Determination of local investment and strategic priorities by regional agencies
- Poor alignment with regional agencies concerning the arts and theatre
- A perceived lack of ambition and impact on City Council priorities
- Relationship between City Council, Universities, and independent sector

Economic

- Volatility of UK touring concert hall and theatre circuits and susceptibility to business cycles: predicting available attractions – tactical versus strategic implications
- Disposable income – price and the 'feel good' factor; link between discretionary activities and disposable income levels
- The credit crunch, the culture crunch and the return of inflation
- Pensions – disposable income
- E-government: development of Council delivery of services to venues via e-commerce
- Aspirations for linking the daytime and evening economies
- New leisure competition, e.g., home entertainment
- Growth of 'knowledge' economy
- Translating day visits to staying visitors

Sociological

- Cambridge has a diverse population, not reflected in the current audiences at the Corn Exchange
- Expectations of local government – continuously improving and investing
- Polarisation: 'cash rich and time poor' versus 'time rich and cash poor'
- Market area of Cambridge has high propensity to attend the arts but pockets of deprivation

Technical

- Ageing plant and equipment at the venue
- IT, mobile technology, changes in information and online booking expectations
- Changes to stage equipment and technology
- Below average audience comfort and experience
- Flexibility of venue to alter balance of programme
- Technical challenges of staging and get in impacting on financial performance

Legal

7. Pension and TUPE considerations arising from potential changes in governance
- Compliance with industry regulation and guidance on best practice, and on environmental impact

The key factors arising from the PESTL concern both external and internal working.

- The City Council and Corn Exchange must be more pro-active externally to secure working partnerships and investment for key areas of work, including programme and audience development.

- Longer term, joint governance may provide a more sustainable platform for the venue.

- Management changes include increased delegation in order to release capacity for a more pro-active and focussed approach to the venue programme and to audiences.

- In order to respond to funding, market and political change the Corn Exchange must become better at working with other organisations, respond more positively to the demography of the city, and communicate to become part of the fabric of the City Council.

3. REVIEW CONSULTATIONS

3.1 STRATEGIC ALIGNMENT

Cambridge is recognized as a world class centre of learning and culture, and is fundamentally important to the region as a whole. There is a perception that the city 'hasn't got its act together' concerning arts and culture, and that there is a lack of a cultural identity or unique selling point.

The two primary funding agencies for creative industries and the arts in the region are EEDA and Arts Council England East, have jointly developed a Prospectus for the Arts that identifies Cambridge as a Creative Economy Hub, with an expectation that future investment will be prioritised for this initiative. The City Council are clearly prioritising environmental improvement and this has not been translated into arts and cultural activity at local or regional level.

There are a range of strategically important initiatives currently underway relevant to the City Council arts team, including: a 2012 legacy project involving young people and the arts; a Creative Incubator project; Creative Learning in Partnership (CLIP); Team East Skills; and 'Light Nights' that looks to connect daytime and evening economies. Almost everyone consulted expects the City Council to be more pro-active in the fields of community arts, arts education, and city-wide arts co-ordination and multi-venue initiatives.

There is no current City Arts Strategy, Arts Development Strategy or Arts Fundraising Strategy, with the consequence that cross-boundary working and two tier working in the arts is limited, and links to businesses are underdeveloped.

3.2 **PROGRAMME**

The consultation process focussed on stakeholders so responses about the programme of the Corn Exchange are weighted towards an informed and committed arts audience.

The programme is considered to have some strengths such as the families and children's strand. However, there is a strong perception that the programme is repetitious and unexciting. The flexibility of the venue is both a strength and weakness, with the capacity to programme single nights of comedy, music or music theatre being perceived as incoherent. A programming policy was suggested as a positive step in communicating artistic aims and translating this into commitments to numbers of weeks of different programme types.

An underlying response from those consulted was a desire to see the programme reflect the needs of all of Cambridge's communities, and to attract more ethnic and minority (BME) attendance, and engage with young people. There was also an understanding that a long term audience development and education programme is required to achieve targeted attendance and participation.

3.3 VENUE

The venue is considered to be a stable and appreciated part of the cultural scene of Cambridge. The compromises needed for different types of programming, such as variable acoustic properties and sightlines, and a lack of intimacy, are counterbalanced by a genuine affection for the auditorium. However, to some the venue looks and feels the same as twenty years ago.

Branding and visibility are an issue, particularly in the context of aspirations to develop the immediate area as a theatre or culture district. Use of the foyer space is minimal in the daytime and when no performance is scheduled.

Perceptions of the management and operation of the venue are that this is not pro-active and that potential opportunities for an expanded community role or for greater efficiency or commercial exploitation may not be seized.

Other venue operators felt that Cambridge City Council was a helpful and supportive organisation for the arts in Cambridge, and that ensuring linkages between festivals, events and venues is as important.

Future change of governance is not necessarily seen as a key driver for improvement, and the point was made that improvements should be achieved prior to consideration of change of governance. Councillors have a strong interest in what the venue and City Council arts can contribute to the Council’s priorities and are not convinced that immediate change in governance will make a significant change to outputs. However, there is interest in the future potential for multi-venue co-ordination and management and a view that the time is right to open this discussion between the City Council and other venues, and the Arts Theatre in particular.

3.4 COMMUNICATIONS

A range of communications issues were raised in the consultation process, and this area is considered to need improvement. Other arts organisations commended the quality of informal linkages with officers, but appear frustrated about a lack of structured communication. The operation of the venue is causing some concern as stakeholders feel they aren’t kept aware of how the venue is performing. Councillors in particular are worried that lack of information obscures management issues, or a lack of commercial awareness.

There is clearly a lack of communication with partner agencies, including EEDA and ACE concerning arts in the city, leading to a position where agencies have taken a position about Cambridge and investment priorities independently of the City Council.

Outside organisations expressed a desire for a clearer lead on community arts activity as the roles of community development and arts development overlapped and sometimes resulted in confused communication.

Comments made about the website indicated a view that it is functional and useful, but now a little old fashioned and in need of bringing up to date. Comparator venues achieve as many as 100,000 hits on a website per week, and generate over 60% of sales from it. The service managers flagged up a priority to develop an on-line listings site. This view is not shared by ACE East and would be unlikely to attract external support.

Whilst the region currently lacks an audience development agency that carries out a range of audience development functions this is likely to change as ACE East merges with the South East, where an agency does already exist.

3.5 EXPECTATIONS

The management of the Corn Exchange are clear that the objective over recent years has been to provide an operationally and financially stable venue that provides a high quality and balanced programme of broad appeal. They (rightly) believe that they are achieving this objective. The venue management also believe that they have delivered efficiency savings and that this has been achieved without compromising quality, but rather at the expense of the more innovative end of programming, and in education and community activity.

These views are not necessarily mirrored by others in the City Council where the lack of performance reporting and an apparent lack of development in line with Council priorities are seen as problems. Elected members regularly receive the views of a wide range of stakeholders, and a perception of isolationism held among outside bodies is quickly communicated back into the City Council.

There are expectations within the Council that the Corn Exchange and the City Council’s arts capacity will deliver more strategic impact, operate with transparency and efficiency, and evidence this. The introduction of a Service Level Agreement and member /officer monitoring framework was suggested as a mechanism to take forward the venue. There are also external expectations that the City Council will be more dynamic and influential in the development of the city’s and region’s culture. The creation of an independent community arts trust was suggested as development that could deliver increased partnership, dynamism, and external investment. The prevalent view throughout the consultation was that these expectations were compatible with City Council support for the Corn Exchange.

3.6 CONSULTATION LIST

Liz Bisset (Director of Community Services)
Cllr Clare Blair (Chair of Community Services Scrutiny Committee)
Cllr Rod Cantrill
Jeff Charnock (Front of House Manager)
Megan Charnock (Programme and Projects Officer)
Nigel Cutting (Head of Arts and Entertainment)
Amar Dave (Head of Culture, Reading Borough Council)
Rachel Drury (Head of Policy, Arts Council England, East)
Cllr Chris Howell
Chris Humphris (Principal Accountant)
Caroline Hyde (Business Development Manager, Creative and Cultural Industries, Anglia Ruskin University)
Neil Jone (Marketing Manager)
Graham Long (Head of Culture, Sport and Tourism – EEDA)
Cllr Miriam Lynn
Elaine Midgley (Arts Development Manager)
Dave Murphy (Executive Director, Arts Theatre)
Julia Norton, Finance and Administration Manager
Graham Saxby (Assistant Head of Arts & Entertainments, and General Manager of the Corn Exchange)
Cllr Julie Smith
Cllr Sheila Stuart (Executive Councillor for Community Development)
Emma Thornton (Head of Tourism and City Centre Management)
George Unsworth (Manager, West Road Concert Hall)

4. AIMS

4.1 INTRODUCTION

The results of the research carried out within the Review revealed a number of key areas for improvement which have been grouped under three overarching aims for the service in the coming three years.

4.2 A MORE PRO-ACTIVE SERVICE

4.2.1 Audience Development and Outreach

Expand the audience to include more communities from around Cambridge, targeting under- represented groups.

4.2.2 Use of the building

Introduce more commercial and community use of the front of house areas.

4.2.3 The Guildhall and Corn Exchange

Jointly market the venues as function facilities, and improve catering and function services.

4.2.4 Strategic Impact

Work with partners to achieve economic, employment and training, community, and social impacts through the operation, programme and associated activities of the venue.

4.2.5 Thematic Activity

Develop thematic activity that contributes to City and Region objectives, and engage with arts and culture projects that are developed across Cambridge and the East of England.

4.3 A MORE CONNECTED SERVICE

4.3.1 Accountability and Transparency

Ensure that all relevant stakeholders are made and kept aware of the aims, objectives, targets and performance of the venue.

4.3.2 Internal Communications

Simplify lines of communication, and provide named lead officers for key areas of activity.

4.3.3 Investment and Agencies

Introduce a regular and formal liaison and planning structure for arts and culture with key agencies, and report back progress to the relevant senior managers and elected members.

4.3.4 Partnerships and Projects

Prioritise initiatives that meet the objectives of a range of partners. Seek to influence and support partners to respond to Council priorities. Align programming and arts activities with citywide and regional projects at every opportunity.

4.4 A MORE EFFICIENT SERVICE

4.4.1 Performance Management
Introduce a comprehensive and transparent system of performance management covering the operations and programming of the venue.

4.4.2 Management and Staff
Introduce changes to management and staffing to both introduce savings and increase productivity and effectiveness of key staff and managers.

4.4.3 Energy Efficiency and Carbon Management
Minimise carbon impact and assess and implement energy savings.

4.4.4 Catering
Implement the recommendations of a catering review to increase both the profitability, scope, and quality of catering and function services in both the Corn Exchange and Guildhall.

5. OPTIONS

5.1 INTRODUCTION

The SWOT and appraisal (Section 2.7 and 2.8) considers six different operating options in detail and scores each one against the aims identified within the Review. Each operating model, with the exception of a commercial programme operated in-house, has precedence elsewhere in the UK. Whilst the Corn Exchange could be operated by a commercial contractor for significantly less operating subsidy the venue would probably only deliver a small part of its current programme to a much narrower audience. Cambridge audiences would not be able to access a wide range of programming without travelling to London. The various options considered in this section are:

- Status Quo
- Improved in-house operation
- Stand alone Trust
- Multi venue Trust
- Commercial programme operated in-house
- Commercial programme and commercial management

Examples of well-run and successful theatres and concert halls can be found in each category in the UK; the form of legal structure has a major impact on the venue's motivations and affects the kind of supervision, committee or board, which in turn affects the frameworks within which the management and staff run the venue. No structure can guarantee that the Corn Exchange will live happily ever after. Each has a range of potential advantages and disadvantages, and the quality of the key staff (especially the theatres manager), Council executive or committee members is likely to be as influential in determining success as any of the other factors.

The Cambridge Corn Exchange is a respected venue, and there are no compelling reasons arising from the operation of the venue that makes a change of governance necessary. There is, however, a clear need to improve a number of aspects of the operation of the venue. There are also external financial and strategic factors to consider.

5.2 STATUS QUO

The Cambridge Corn Exchange is not a failing venue and the status quo may be viable for a limited period. The number and quality of performances presented at the venue each year conforms to what might be expected of a venue of its size. The current 'balanced programme' approach is successful in catering to a range of audiences, and touring managements and producers think highly of the venue.

5.2.1 Potential Advantages

The main argument for this approach is encapsulated as 'if it ain't broke, don't fix it'. No change would mean no disruption to the venue operations and maintain continuity. There would be a degree of financial certainty as the programme and overheads remained unaltered. Operating within the City Council means that some financial pressures experienced by independent venues are minimised, such as the management of cash flow, and the requirement to deal with deficits should they emerge at the end of year.

5.2.2 Potential Disadvantages

The current emphasis on efficiency savings and budget certainty has been effective in creating a stable venue but has meant that the Corn Exchange lacks ambition and is less entrepreneurial than independent organisations. The potential to engage with new audiences and to deliver on wider Council objectives suffers from a lack of effective external partnership. The connection to the City Council is uneasy as the systems and mechanisms to deliver clear and transparent performance information are not in place, and there is a lack of overarching arts and culture strategy and advocacy. Terms and conditions of employment for theatre staff are more costly than in commercial venues.

5.2.3 Conclusions

Continuing to operate the Corn Exchange as it is would lead to a downward spiral in programme quality as the pressure for further efficiencies and savings would escalate the areas of activity and approach that the Review has considered as requiring improvement. Low levels of partnership working and external investment will curtail potential programme and audience initiatives to widen participation and impact.

5.3 OPERATION BY CAMBRIDGE CITY COUNCIL – SERVICE LEVEL AGREEMENT

In this model the City Council would continue to operate the Corn Exchange with oversight provided by a member and officer working group, and governed by a new Performance Management Framework that defines programme, performance, and audience expectations. Arts development and audience development proposals would be devised with a range of partners, and a range of external funding sources would be accessed to deliver them, potentially via a community arts trust.

5.3.1 Potential Advantages

The advantages of continuity, cash flow, and end of year outlined in the previous model still apply to this approach. The working group and management framework arrangement establishes a clear link between priorities, performance and decision making. Members of the group would be advocates for the Corn Exchange within the City Council and externally.

The venue management would have a forum to present proposals to amend programming approaches to generate more income, or new audiences. A new approach to partnerships will increase external investment, which in turn will impact on engagement with new and more diverse audiences.

5.3.2 Potential Disadvantages

A Council run venue may remain less entrepreneurial than an independent one, and operational continuity makes implementation of operational and administrative changes challenging for senior management. External partnerships and investment may be more difficult to secure than through some form of independent entity, particularly if other organisations have queries about the Council's role as both a strategic organisation and a delivery agent.

Staffing costs are likely to be higher than operation through a commercial or independent organisation due to more generous employment terms and conditions. Pension costs are also higher as the pension scheme will remain open to new employees. This would be unlikely to be the case in an independent organisation.

5.3.3 Conclusions

Cambridge City Council has the characteristics and qualities needed to run a venue, in that it is politically and organisationally supportive, ambitious for the impact that the arts can make, and administratively competent. The improvements indicated in the Review could be undertaken by the City Council. However, arts development, fundraising and external partnership projects may be best delivered through a newly established arts development trust.

5.4 OPERATION BY A STAND ALONE INDEPENDENT TRUST

A broad range of theatres and concert halls are operated as stand alone Trusts across the UK. The most common model is where the Trust is constituted as a Company Limited by Guarantee, and registered as a charity. The Board of Trustees would usually include one or two elected members, and members with a range of appropriate skills, including Human Resources, Finance, and Marketing. Boards usually meet at least on a quarterly basis to consider the overall direction and performance of the venue, approve future plans (including seasons of programming), and make decisions necessary to the successful performance of the organisation. Sub-committees are often formed to oversee and support management concerning key tasks such as structural changes, financial planning, or capital development. Local Authority grants to independent trusts are issued via a Service Level Agreement which describes what is expected of both parties, and the performance standards and targets required of the venue.

5.4.1 Potential Advantages

A stand alone Trust is entirely focussed on its core business and with the right combination of Trustees and management can be very effective in delivering high levels of performance. Trustees are expected to actively contribute to the venue through fundraising contacts, active advocacy, and support in their areas of professional expertise. External fundraising benefits from the organisation not being part of the Council, and arts funding organisations are likely to be more open to proposals for new initiatives. Overheads may be lower due to the terms and conditions under which staff are employed offering more flexibility and in some cases lower rates of pay, the management of future pension commitments, and the absence of recharges for central costs applied by a Local Authority.

5.4.2 Potential Disadvantages

Senior management costs can be higher in an independent venue, where the Director or Chief Executive in particular may command a much higher salary than in Local Government. The transition costs of transferring assets and responsibilities may be prohibitive as a condition survey of the building and its facilities would be required, and could reveal the need for capital investment.

Many employees have worked for the Council for many years and the new Trust would be unlikely to be able to take on the pension liability for existing employees transferred under TUPE regulations. The Trust would be likely to implement an alternative pension arrangement for new employees creating a two tier system. A Local Authority tends to be the 'funder of last resort' and tends not be fully insulated from the impact of financial problems at a Trust venue, while at the same time be more susceptible to lobbying, and less in control of what is delivered. An individual venue is vulnerable to sudden changes in the market, and lacks a range of activities to absorb a sudden lack of touring product or audience share.

5.4.3 Conclusions

The benefits of a stand alone Trust tend to be exhibited in the dynamism, focus and efficiency of the organisation. In the case of Cambridge we believe that most of these benefits can be achieved in house, and there is no compelling reason for immediate transition to a Trust. There are a range of challenges and costs to be considered in the transition to a Trust and the Council may be better served by devoting its energies in the coming two to three years to implementing the improvements described in this report. Once improvements have been achieved it is suggested that the Council could consider establishing an independent Trust in the future.

5.5 OPERATION BY A MULTI-VENUE INDEPENDENT TRUST

Multi-venue Trusts operate a range of facilities that may otherwise be competing, and usually form a 'family' of complementary venues. The governance model is usually based on the model applied to a stand alone venue, but subsidiary companies or Trusts can be put in place to operate different parts of the operation, such as conferencing or restaurants. There are a range of venues in Cambridge that when combined offer a wide range of complementary programming, including: the Corn Exchange; the Guildhall; The Junction; the Arts Theatre; and West Road Concert Hall. The Corn Exchange and Arts Theatre have similar and complementary objectives, and jointly form a key theatres quarter in the city. The Corn Exchange and West Road Concert Hall offer established music venues of different scale. The Junction and Corn Exchange share aspirations of social inclusion and engaging young audiences.

5.5.1 Potential Advantages

The advantages that apply to a stand alone Trust also pertain to a multi venue Trust. The more sizeable and diverse market and customer base reduce risks associated with downturns in trading in particular parts of the offer. For example a poorly performing Christmas show in one venue is likely to result in increased sales in another.

The negotiating position concerning catering supplies and contracts, and with producers is often improved due to the scale of operations, and recruiting the optimum Board of Trustees is made easier.

A multi venue operation will also find programming co-ordination, and more ambitious and thematic programming easier to achieve. The rationalising and sharing of resources for education, development, and outreach should deliver greater impact and operational savings could be achieved in areas of joint delivery, including back office and box office.

5.5.2 Potential Disadvantages

The main disadvantages of a multi venue Trust lie in two areas: additional costs generated by the transition to a new organisation; and risks associated with losing focus or professional capacity in key areas of activity. Additional costs in transition arise in a similar fashion to those associated with the creation of a single venue Trust, but drawing together a number of different organisational processes and terms and conditions will make the transition process challenging. It could be that a number of safeguards will need to be negotiated with existing operators that restrict future flexibility of programming and a Board of Trustees would need be created that meant that each venue was strongly represented in the organisation.

5.5.3 Conclusions

A multi-venue Trust is an attractive option and could deliver benefits to a range of stakeholders and the Council itself. There would be some potential for back office and operational savings, as well as for more pro-active and ambitious artistic planning. The City Council should begin to explore areas of potential collaboration and joint interest with other venues in the city in the current year, beginning with preparing joint audience development proposals for the reconfigured Arts Council England organisation.

Should the City Council take forward the proposal to explore the establishment of a Trust to operate the Corn Exchange in the future the potential to form a multi-venue Trust should be discussed with the operators of other venues in Cambridge at the outset. Care should be taken to ensure that poorly performing or underfunded areas of work are dealt with prior to the formation of a new Trust.

5.6 COMMERCIAL PROGRAMME DELIVERED BY THE CITY COUNCIL

The Corn Exchange is a multi purpose and flexible venue that can be used for a variety of events and activities. The nature of the building dictates the balance of programme to a lesser extent than most theatres. The more commercial elements of music programming are successful at the Corn Exchange, attracting both local and London audiences. The Council could decide to change the venue into a commercially orientated music venue. The Corn Exchange would only open when commercial music tours required the venue. All other programming would cease.

5.6.1 Potential Advantages

Both the overheads and the programme related costs of the Corn Exchange would significantly reduce. Once redundancy and other related transition costs were expended the venue would require minimal subsidy from the City Council.

5.6.2 Potential Disadvantages

The conversion of the Corn Exchange to a commercially orientated music venue would mean that Cambridge and the surrounding area would not be served by larger scale theatre and entertainment. Audiences would need to travel to London, Norwich, Ipswich or the East Midlands, restricting access to this form of programme for many people. Numbers of performances across the year would radically reduce and this in turn will impact on the evening economy of the city.

5.6.3 Conclusions

The route to significant financial savings lies in the creation of a commercial music venue, only open to the public when appropriate rock and pop tours require the Corn Exchange. This option could be delivered by the Council, but would not be as profitable as a commercial management given the vertical integration of the industry, where circuits of venues access key artist's tours.

5.7 COMMERCIAL PROGRAMME AND MANAGEMENT CONTRACT

Most commercial music venues are operated as part of a circuit by commercial companies who tour product through venues around the country and sell the tour through both national and local promotion. The Corn Exchange is likely to be an attractive proposition for commercial operators given the demography of the City, and the absence of competing venues in the locale. Following the closure of the Cambridge Corn Exchange the City Council could invite tenders from reputable organisations to manage and programme the venue for a period of five or more years.

5.7.1 Potential Advantages

This option delivers the most financially advantageous future arrangement. By replacing a theatre with a commercial rock venue the need for subsidy would be eradicated. The programme would be likely to resemble that of the Academy venues in cities around the UK, and commercial operators are likely to have better access to touring acts than an in-house operation.

5.7.2 Potential Disadvantages

The disadvantages of this option are similar to those of the previously described option of a commercially programmed in house music venue. The programme would be particularly lean during periods of little touring activity.

5.7.3 Conclusions

This option is likely to be attractive to music industry operators given the location and characteristics of the Corn Exchange, and a significant saving would be delivered to the Council. Cambridge would then lack a venue capable of programming a wide range of touring productions and local residents would have to travel to London, Norwich, Ipswich or the East Midlands to access productions. Families and lower income residents would be consequently be most affected.

5.8 CONCLUSIONS

The conclusions of the options appraisal of the optimum operating model for the Corn Exchange are:

- in-house operation of the venue accompanied with the implementation of the review recommendations is the best option for the next three years;

- the advantages of an in-house mixed programme venue can be fully realised by forming an associated arts development trust to take forward external investment partnerships, cross boundary and two tier working, and thematic projects;

- the City Council should lead discussions between all venues in Cambridge to examine the potential for joint working, co-ordinated programming, and collaborative projects in the short term. Consultation concerning the feasibility and wisdom of establishing a joint operating Trust for a number of venues in the future should be undertaken in the next six months.

6. KEY CHANGES

6.1 INTRODUCTION

A number of key changes to the operating model of the Cambridge Corn Exchange are recommended. A detailed list of actions, with responsibilities, timescale, and partners will be identified in the action plan that accompanies the full review document.

6.2 FINANCE AND EFFICIENCY

6.2.1 Performance Management Framework

Develop and implement an annual Service Level Agreement with the Corn Exchange, monitored regularly by a joint officer / member working group.

6.2.2 Management Restructure

Create a new more transparent and flatter senior management structure for arts and entertainment, and rename the Division to reflect the connections with the cultural industries.

6.2.3 Delegation

Delegate more within the venue management, giving programming responsibilities to the management team.

6.2.4 Staffing

Implement efficiencies in the stage staffing, and by bringing the management of the pool of casual staff in-house.

6.2.5 Performance Management

Introduce a transparent performance management system with monthly reporting on the performance of the venue programme and ancillary activities.

6.2.6 Financial Returns from the Programme

Implement a programme of work with producers and touring companies to improve the margins of return generated by the deals made to secure the venue programme.

6.3 ENHANCED IMPACT AND ADDED VALUE

6.3.1 Cambridge Arts Strategy

Lead a partnership initiative to develop and publish a Cambridge Arts Strategy by April 2010.

6.3.2 Arts Development Trust

Establish an Arts Development Trust with strong Council leadership and representation, and delegate responsibility for arts projects, external fundraising and partnership, and thematic initiatives to the Trust. Service the Trust from within the Arts and Entertainments Division.

6.3.3 Thematic Initiatives

Develop content and initiatives as part of the Cambridge Creative Hub proposals. Prioritise arts initiatives around Council priorities, and diverse audiences, young people, and environmental sustainability in particular.

6.3.4 Brand and Visibility

Draw up proposals for improved signage and poster sites around the Corn Exchange, update the website design and functionality, and rebrand arts and culture in the City Council. Improve awareness of the venue and its programme across the Council workforce and among elected members.

6.4 LONG TERM SUSTAINABILITY

6.4.1 Communications and Advocacy

Introduce a systemic and comprehensive programme of engagement with key partners at local and regional level. Ensure the aims and performance of the venue are understood and reported on to the elected members and senior management of the Council.

6.4.2 Multi venue Trust

Enter into discussions with the Board of the Arts Theatre about the relationship between both venues, shared aims and objectives, and the potential for joint working and in the longer term and joint Trust.

6.4.3 Energy Efficiency and Carbon Management

Commission and implement a carbon minimisation strategy based on a value for money analysis of achievable energy savings.

6.5 CATERING CHANGES

The daytime café operation is never likely to be profitable and the facility as currently managed is not an asset to the Cambridge Corn Exchange. The daytime café should be closed and the catering operator should provide a range of sandwich selections and buffets that can be offered to groups organising meetings within the Corn Exchange.

Some physical enhancements should be considered.

- The building of a multi-use space on a new mezzanine level in the Corn Exchange above the current Foyer or Schering Room would increase capacity, as would installing a new lighting in the St John’s Bar and fitting solid bar shutters so that the room can be used as an additional meeting space.
- Bar business will benefit from the provision of a refrigerated storage in Wheeler Lane to store extra beer at the correct temperature for busy performances when demand is high.

Development of a combined Corn Exchange and Guildhall as a venue for medium to large conferences, events and dinners is proposed. This will require a new marketing strategy with re-worked brochures, menus and a dedicated web site where organisers can find all of the information that they require to plan their meeting or function. It will also require investment to improve the appearance of the Large and Small Halls within the Guildhall including the approach corridors. This should include updating all of the fire regulations as required by the Fire Officer.

Cambridge City Council should also consider refurbishing the service kitchen attached to the Small Hall which is sub standard and poorly equipped. Consideration should also be given to building a new kitchen facility in the Guildhall to service both venues. Alternatively, future caterers could be offered a longer contract providing that they invest in a new kitchen within the Guildhall which will be used to service both this and the Corn Exchange. For this they will need to be offered exclusive catering rights over both venues and probably a minimum 10 year contract to provide all catering services to functions, meetings and events within the combined complex.

6.6 PERFORMANCE REPORTING

We recommend that current reporting is augmented by the following forms for simple financial reporting to the proposed member and officer working group:

Table 6.6.1: Monthly Performance Report

CAMBRIDGE CORN EXCHANGE MONTHLY REPORTING STATEMENT: INCOME AND EXPENDITURE Month Ended_____________					
	2009 Month Total	(2009 Month Budget)	Variation +/-	2009-10 Months Total Cumulative	(2008-09 Months Total Cumulative)
Number of Weeks in Month					
Paid Attendance (excluding complimentary)					
Net Box Office Receipts					
LESS Producer's Share					
RETAINED by Cambridge Corn Exchange					
ADD Booking Fees					
ADD Hire of Corn Exchange/Guildhall					
ADD Sponsorship					
ADD Project Grants					
ADD Contra Income (excluding wages recovered)					
ADD Programmes (net)					
ADD Merchandise (net)					
CORN EXCHANGE TOTAL INCOME					
LESS: Wages (Stage and performance after wages contra)					
ADD: Catering Franchise Income					
VENUE AND CATERING					
LESS Wages (Admin, Box Office & Marketing)					
LESS Estimated Venue Overheads					
ESTIMATED SURPLUS/DEFICIT					
LESS: Cambridge City Council assistance					
Other Grants					
TOTAL GRANTS					
BALANCE					

Source: RGA

Table 6.6.2: Weekly Actual Results

CAMBRIDGE CORN EXCHANGE MONTHLY REPORTING STATEMENT: INCOME AND EXPENDITURE Month Ended____________							
Month and Week Number	Month No.	Week No.	Week No.	Week No.	Week No.	Week No.	(Previous Year)
Week Ending Saturday	TOTAL FOR MONTH	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	(Month Ending)
Number of Weeks in Month							
Names of Productions							
No of Performances							
Paid Attendance (excluding complimentary)							
Average Performance Attendance							
Yield (average ticket price)							
Net Box Office Receipts							
LESS Producer's Share							
RETAINED by New Theatre/City Hall							
Add Booking Fees							
ADD Hire of Venue/s							
ADD Sponsorship							
ADD Project Grants							
ADD Contra Income (excluding wages recovered)							
ADD Programmes (net)							
ADD Merchandise (net)							
VENUE TOTAL INCOME							
LESS: Wages (Stage and performance after wages contra)							
ADD: Catering Franchise income							
VENUE AND CATERING							
LESS Wages (Admin, Box Office & Marketing)							
LESS Estimated Venue Overheads							
ESTIMATED SURPLUS/DEFICIT							

Source: RGA

Table 6.6.3: Annual Summary

CAMBRIDGE CORN EXCHANGE CUMULATIVE ACTUAL INCOME AND EXPENDITURE ACCOUNT FROM________TO________ (x trading weeks) WITH REVISED ESTIMATE TO END OF FINANCIAL YEAR						
	Actual at previous statement (No of Weeks)	**ADD Results this Month (No of Weeks)**	**Actual to date (No of Weeks)**	**Variance to budget to date +/-**	**Budget for this year**	**Total Revised to end of year**
	£	**£**	**£**	**£**	**£**	**£**
Box Office Retained by Corn Exchange						
LESS Overheads						
Plus Net Ancillary Income						
Plus Booking Fees						
Plus Net Catering Surplus/Franchise Income						
Plus Council Operating Assistance						
Plus Other Grants						
NET Operating Surplus/ Deficit						

7. RECOMMENDATIONS

7.1 GOVERNANCE

- The Corn Exchange should continue to be operated by Cambridge City Council under a new Performance Management Framework which incorporates programming, audience, and financial strategic objectives and targets.
- A Member and Officer Working Group should oversee the formulation of the Performance Management Framework and the subsequent performance of the venue led by the venue management.
- Catering, functions and events at the Guildhall should be included in the Performance Management Framework and the remit of the proposed Working Group.
- Cambridge City Council should embark on a range of discussions with potential partners to consider the potential for establishing a multi-venue approach to programming, co-ordination, and delivery in the future.

Timescale	Resources & Partners	Lead
March 2010	City Council leadership, liaising with Arts Council England, Norfolk County Council, the Arts Theatre, The Junction, West Road Concert Hall	Director of Community Services

7.2 MANAGEMENT

- A new senior management structure should be introduced that creates a direct line of reporting between venue and departmental head.
- Increased levels of delegation between the venue director and the managers responsible for each venue department.
- The integration of the box office with marketing under the Marketing Manager.
- A training, placement and mentoring programming for key managers should be introduced.
- Monthly reporting should include all operational areas and the performance of the programme against overall targets, and for each event at the venues.
- A quarterly report summarizing and evaluating performance, and providing information on the upcoming programme should be brought to the proposed Member and Officer Working Group.

Timescale	Resources & Partners	Lead
November 2009	City Council HR Arts Council England Creative and Cultural Skills	Director of Community Services supported by service managers

7.3 STAFFING

- The technical staffing of the Corn Exchange should be reviewed and rationalised.
- Bring the casual pool of agency staff under the management of the venue, subject to satisfactory terms and conditions being negotiated.
- The staffing and support services for Guildhall functions and events should be under the control of the Corn Exchange management. Where staff are line-managed by other departments a clear contractual link should be established where service specification and standards can be applied to each event.

Timescale	Resources & Partners	Lead
January 2010	City Council HR & Legal Teams Guildhall Management Catering Contractor	Venue management

7.4 PROGRAMMING AND MARKETING

- A programming policy should be formalised and published, based on the existing 'balanced' programme philosophy. A complementary strategic marketing plan including pricing strategy, market position, and audience development aims to be published.
- An incremental increase in commercially successful music events should be introduced over the next two years.
- Partnerships with other organisations and funding bodies should be secured around programming around identified themes, and for the cautious introduction of flagship events to stimulate wider interest in the venue.
- Programming activity should be delegated within the venue management to increase the capacity for a more pro-active and engaged linkage with producers and promoters.
- The venue management should establish new targets for income achieved through the retention of box office receipts.
- Redesign the Corn Exchange website to create more interactive and targeted engagement with different audience segments.

Timescale	Resources & Partners	Lead
January 2010	Member /Officer working group Arts Council England	Venue management

7.5 CATERING

- Allow the current catering contractor to close the daytime café operation.

- Consider the building of a multi-use space on a new mezzanine level in the Corn Exchange above the current Foyer or Schering Room.

- Encourage the current catering operator to provide a range of sandwich selections and buffets that can be offered to groups organising meetings within the Corn Exchange.

- Install new lighting in the St John's Bar and fit solid bar shutters so that the room can be used as an additional meeting space.

- Provide refrigerated storage in Wheeler Lane to store extra beer at the correct temperature for busy performances when demand is high.

- Develop the combined Corn Exchange and Guildhall as a venue for medium to large conferences, events and dinners. This will require a new marketing strategy with re-worked brochures, menus and a dedicated web site where organisers can find all of the information that they require to plan their meeting or function.

- Invest in the appearance of the Large and Small Halls within the Guildhall including the approach corridors. This should include updating all of the fire regulations as required by the Fire Officer.

- Cambridge City Council to consider refurbishing the service kitchen attached to the Small Hall which is currently sub standard and poorly equipped, and also consider building a new kitchen facility in the Guildhall to service both venues.

- Alternatively, consider inviting future caterers to apply for a 10 year exclusive catering contract providing that they invest in a new kitchen within the Guildhall which will be used to service both venues.

Timescale	Resources & Partners	Lead
March 2010	Catering contractor City Council procurement City Council asset management	Venue management

7.6 FACILITIES

- Conduct a survey of stage equipment and Mechanical and Electrical (M&E) at the Corn Exchange prior to planning and implementing a phased programme of refurbishment and replacement.
- Carry out an energy audit and implement the resulting recommendations.
- Improve the black out of the Corn Exchange.
- Improve the visibility of the Corn Exchange with signage and more poster sites on the exterior of the venue.

Timescale	Resources & Partners	Lead
October 2010	City Council asset management City or County Council heritage management	Venue management

7.7 OTHER

- Cambridge City Council should prepare a three year budget for the Corn Exchange (2010 to 2013) that incorporates: savings arising from staffing and management changes; energy savings; increased catering income; and increased income from the venue programme.
- Cambridge City Council should consider establishing an arts development or community arts Trust to oversee and deliver against its own objectives and those of key partners.
- The City Council should engage with key regional and citywide arts and creative industries initiatives as a priority, paying particular attention to the Creative Hub proposals of Arts Council England and EEDA.
- The City Council should liaise with other venues and arts organisations and prepare an application to Arts Council England for audience development activity in Cambridge.

Timescale	Resources & Partners	Lead
December 2009	Independent Arts Organisations Regional agencies City venues	Proposed Member / Officer Group

APPENDIX A - THE ARTS MARKET

KEY FINDINGS

Some key points have been highlighted from this Section:

- 28 primary competitor performing arts venues were identified within the market area (90 minutes drive). Maximum theatre capacities range from 500 to 2,000 people, averaging at 970 people. The most popular artforms advertised at the venues are comedy, pop music and children/family shows. Sport shows, films and circus performances were the least popular.

- The average price for a tickets in the competitor performing arts venues is approximately £16, although this will vary with type of performance;

- The Cambridge Arts Theatre and The Junction are key local competitors, which target the family and youth markets, respectively;

- Sizing the potential market to attend performing arts in the market area and comparing this to seat availability indicates there is strong demand for performing arts in the area. Data suggests that a high number of people are visiting arts venues outside of the area (most likely London) to attend shows. This is extremely positive for the Cambridge Corn Exchange;

- There are no planning applications for any new performing arts developments in Cambridge.

Conclusion:
There is a high number of competitor arts venues in the market area, excluding the major London theatres, offering a large range of performance types. Applying a rough calculation of the number of potential audience numbers and the number of seats available in the market area suggest a high amount of frustrated demand for performing arts. This is extremely positive for the Cambridge Corn Exchange.

1 INTRODUCTION

RGA have provided a summary of the UK performing arts market and provided key findings from the Performing Arts report published by Mintel in November 2008. This is the most comprehensive research study into this market in the UK.

2 SUMMARY OF THE UK PERFORMING ARTS MARKET

In the last ten years, the number of people going to the theatre has increased significantly – rising from 36% to 50% between 1998 and 2008. Of these, however, most are infrequent attendees, with 62% of theatre-goers going once a year or less often. Consumer research finds that 45% of UK adults have attended the performing arts in the previous 12 months, with musicals (29%) and plays (24%) being the most popular forms. Ballet/dance and opera are the least popular, attracting 8% and 5% respectively. Just over half of recent visitors to the performing arts have only been to see one type of event – most likely a musical.
Ballet/dance and opera tend to be seen by those that have already been to other performances.

While women show a preference for the performing arts, particularly musicals, ballet/dance and opera, the most important indicators for attendance are still social class, educational attainment, ACORN group and levels of gross annual household income. The subsidised sector is extremely active in making the performing arts more accessible, however, through reduced ticket prices and imaginative marketing. The government also announced two schemes in 2008 aimed at making children and young adults more interested in the arts, including free tickets for the under-26s. The sector is using new ways to reach people, with performances shown at cinemas and through increased online content, including streaming of entire productions.

2007 was a record year for London theatres. Admissions reached 13.6 million, the highest ever recorded, with revenue of £469.7 million. Between 2003 and 2007, London admissions were up 17%, with average ticket prices up 24%. While average ticket prices were £34.46 in London, they were £15.66 in the regions for the 200508 period. As well as increased funding over the period and better facilities, commercial theatre benefited from greater publicity through shows such as How Do You Solve a Problem Like Maria?

Among those that express an interest in attending the performing arts, going to the venue's website is the most popular way to book tickets (43%). While men, ABC1s and 20-54-year-olds prefer a venue's website, women, 55-64-year-olds, C2DEs and those on low incomes are just as likely to use any way of approaching a venue directly. Over-65s and those without qualifications prefer phoning or visiting the venue's ticket office in person. Three in ten UK adults think that tickets are too expensive for them. While this attitude is linked to lower income and social class, it persists among a fifth of ABs and those with moderate income.

There has been an increase in funding for the subsidised sector since 2000, leading to companies being transformed, venues refurbished and renewed focus on innovation and audience development.

Arts Council England (ACE) subsidy for regularly funded organisations in 2006/07 accounted for 33% of total income for theatre and 39% of total income for dance organisations. Following several recent reviews, funding bodies will be moving towards objective judgements about excellence, innovation and risk-taking and away from measurable criteria, such as audience numbers. The UK will take part in a Cultural Olympiad as part of the 2012 London Olympics; however, the industry is still concerned that money will be diverted from the arts to pay for the Games. While subsidised venues are benefiting from refurbishment and new development, public funding is still not forthcoming to renovate 40 historic commercial theatres in the West End, despite considerable investment from owner-producers.

While an older and more affluent population is favourable for the performing arts, the current economic climate does not look promising for many leisure sectors. A visit to the theatre is the type of personal treat that people cut back on in difficult times, while any loss of corporate hospitality and arts sponsorship could hit hard. Several West End shows have already announced early closure. While the subsidised sector is cushioned somewhat, commercial theatre will be looking for tried and tested productions with wide audience appeal.

The opportunity to increase attendance exists, with 66% of UK adults agreeing that they are likely to/want to go to a performing arts event in the future. Musicals are most popular (45%), followed by plays (35%), although ballet/dance and opera remain niche interests (15% and 12%). While those that have already been to a performance in the past 12 months are the most enthusiastic, almost half of those that haven’t been express an interest in going in the future. Those less familiar with the performing arts are most likely to want to go to see a musical – perhaps indicating its suitability as an introduction to other performances.

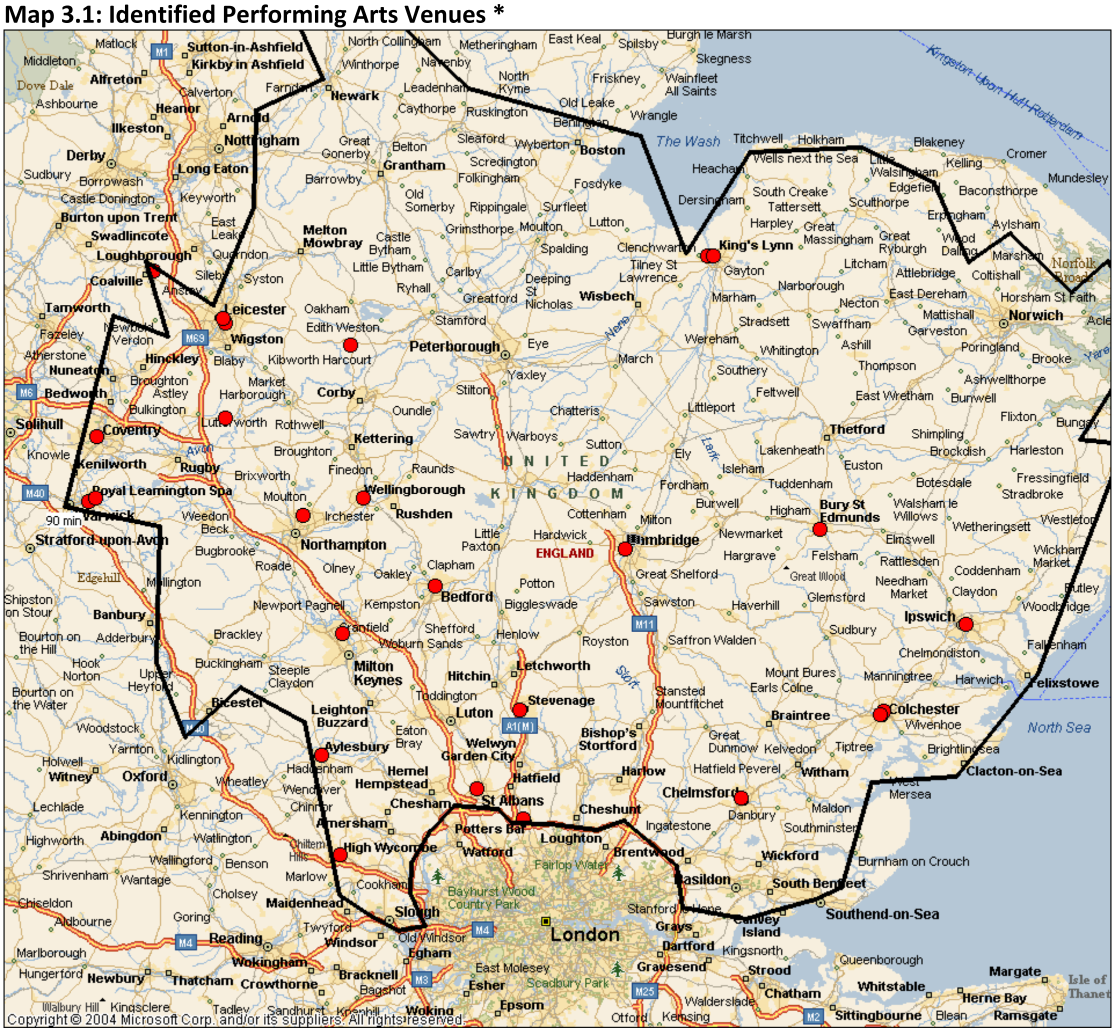
While negative attitudes to the performing arts receive relatively low responses from consumers, tickets being too expensive and there not being enough choice close to home are the most likely to feature. A quarter of adults would only go on a special occasion, although fewer than one in ten cite barriers such as lack of time, poor quality regional productions and difficulty getting tickets. While attendees and non-attendees have very similar attitudes, those that haven’t been in the last 12 months are more likely to state that they haven’t got the time or there’s never anything on that interests them. On a positive note for the industry, less than 5% of respondents agree with clichéd ideas such as performing arts being mainly for posh/rich people or that they wouldn’t know what to wear, indicating that the industry has successfully overcome these barriers and is no longer perceived as elitist for the most part.

3 COMPETITOR PERFORMING ARTS VENUES – AN AUDIT

Performing arts venues within a 90 minute drive time of the Cambridge Corn Exchange were identified for the purpose of this Study. All venues south of the M25 Ring Road were excluded. Venues were identified via the Local Authority websites and Yell.com.

Within the 90 minutes drive time market, 28 performing arts venues with a maximum capacity of over 500 people (seated) were identified. A full list of these venues plus the performance types advertised on their websites is included in Appendix A. Map 3.1 plots their locations.

Map 3.1: Identified Performing Arts Venues *



Source: RGA Research/Microsoft Autoroute

* The 90 minutes drive time isocrhone used has been drawn on this map.

The 28 venues identified have a total seating capacity of 36,197 (average 970 seats per venue). Of these, eight have standing capacities (average 1063 per venue). Over half advertise their facilities for private hire for meetings and events, and 52% offer catering facilities, ranging from a bar to adjoining cafes and brasseries.

The most popular types of performances advertised on the venues' websites are comedy (82%), popular music (78%) and children/family shows (70%). The least popular artforms advertised are sport shows/performances (7%), circus shows and film (both 11%).
Approximate prices for a typical performance at these venues ranges from £3.50 to £45.00, depending on show type, venue size and seat location. The average price for the competitor set venues (as advertised on their websites) is £16.00.

4 PRIMARY COMPETITOR PERFORMING ARTS VENUES

Within the market audit of competitor performing arts venues, RGA recognises that two venues in Cambridge should be highlighted as key local competitors; the Cambridge Arts Theatre and the Junction.

The Cambridge Arts Theatre
The Cambridge Arts Theatre is a matter of yards away from the Cambridge Corn Exchange, with a slightly smaller maximum capacity of 666 people. The venue has a mixed programme, including drama, dance, music and Christmas shows. The Theatre has strong links with Cambridge University, and is well-established as a 'family venue'. Recently, the Theatre has been forced to close its restaurant, due to poor performance, but has established an informal partnership with the Cambridge Chop House; a local restaurant.

The Junction
Established in 1990, the Junction is a predominantly youth-focused venue which hosts performances such as comedy, live music, dance, drama and club nights specifically targeting younger audiences (under 30) and consciously providing an outlet for new artists and 'cutting edge' performances. The venue holds charity status and works closely with several other charitable arts organisations.

5 OTHER VENUES

Additional research was conducted to establish the supply of other performing arts venues which have a capacity of less than 500 people. Venues were identified via the same channels as the primary competitors, i.e. Local Authority websites and Yell.com. These have not been included in the audit, as they are not deemed to be key competitors.

96 venues were identified; the majority of the other venues are small theatre venues or arts centres. The average maximum capacity of the other venues in the market area is 262 people. Although facilities may not be ideal for arts organisations who are likely to consider the Cambridge Corn Exchange, budgets often limit use of arts specific venues. The presence of these venues also highlights the interest of arts in the 90-minute market area.

6 LOCAL PROPENSITY TO ATTEND THE ARTS

Research and our experience suggest that the potential market for the performing arts and live entertainment market at the Cambridge Corn Exchange would be local residents up to a 90 minutes drive. ACORN profiling for drive times up to 90 minutes have been detailed in Table 1.6.1 providing propensities for attendance at theatre performances. All data is based on population figures provided within the Market background section.

Table 6.1: Potential Visits to the Performing Arts by the population within a 90 Minute Drive Time

	Data For Market Area	Data as % For Market Area	Data as % For GB	Index Average = 100
0-90 Minutes Drive				
Theatre/Musical	2,199,711	40%	37%	109
Ballet/Dance	448,745	8%	7%	117
Opera	266,650	5%	4%	122
Haven't Been at all	2,451,699	45%	46%	98

Source: RGA Research/CMA/ONS

The market analysis shows that within 90 minutes drive of the project site, 40% of the population, some 2.2 million people, have visited the theatre in the last 12 months. This figure is higher than the national average (37%), as are the propensities to have attended ballet/dance and Opera performances. This is encouraging for the Cambridge Corn Exchange, and indicates a good level of interest in performing arts.

Table 6.2: Potential Expenditure on the Performing Arts by the population within a 90 Minute Drive Time

	Data For Market Area	Data as % For Market Area	Data as % For GB	Index Average = 100
0-90 Minutes Drive				
£10 or less	288,234	5%	6%	88
£11 to £20	1,271,806	23%	24%	97
£21 to £35	1,982,841	36%	37%	98
£36 to £50	1,341,199	25%	23%	107
£51 to £100	335,722	6%	6%	102

Source: RGA Research/CMA/ONS

Considering price paid for tickets to performing arts shows, ACORN data indicates that residents in the 90-minute drive time to the Cambridge Corn Exchange are more likely to pay higher prices for performing arts shows. The most common price range expected is £21 to £35, although there is a higher than average index of people who would pay over £36. Again, this shows high interest in performing arts in the market area.

7 DEMAND AND SUPPLY ANALYSIS

Demand and supply analysis provides indicative attendance for a new performing arts centre expected from a market. The calculations presented in this Section should be treated with caution given the generalisation of performing arts and utilising national averages. It should be noted that there are many variables which influence arts attendance.

This Section is based upon an estimation of the available tickets in the market area versus an approximation of the “available” arts attendees.

There are three ACORN (2001) Categories which have a higher than average propensity to attend the arts; “Wealthy Achievers”, “Urban Prosperity” and “Comfortably Off”. Table 7.1 presents population numbers up to 90 minutes drive time from the project.

Table 7.1: Total Potential Arts Market within 90 Minutes Drive

ACORN Category	90 Minutes Drive
Wealthy Achievers	1,904,420
Urban Prosperity	332,553
Comfortably Off	1,747,887
Total Potential Arts Market	**3,984,860**

Source: ACORN

Within a 90 minutes drive from the project site, there are just under 4 million potential arts attendees.

In order to determine annual demand for arts events, it is necessary to determine the number of times, on average, that an individual attends an arts event during the year. Statistics from the Mintel’s “Performing Arts, UK” (November 2008) assists us to make a calculation.

The survey shows the average number of attendances per year for various performing arts events. The figures can be used to arrive at a weighted average for the number of performing arts events per year, as follows:

Table 7.2: Average Number of Attendances

Average Number of events	1	2	3+
Value	**1**	**2**	**3**
Musical	47%	76%	93%
Play	27%	72%	94%
Pantomime	19%	30%	67%
Ballet/Dance	5%	12%	57%
Opera	25%	10%	37%
Average percentage	**20%**	**40%**	**70%**

Source: Mintel

Applying the average percentage to the values, it is possible to arrive at an overall average number of arts events attended per year.

(1 x 0.20) + (2 x 0.40) + (3 x 0.70) = 4.7

The “average” attendance by people who attend performing arts events is approximately five event per year. Applying this to the potential arts audiences within a 90 minute drive time from the Cambridge Corn Exchange provides the average number of arts attendances per year, see Table 7.3.

Table 7.3: Average No. of Arts Attendances per Year within 90 Minutes Drive Time

Category	90 Minutes
Total Potential Arts Market	3,984,860
Average Number of Arts Attendances per Year	18,728,842

Source: RGA Research

The results indicate that within a 90 minute drive time there is an average of just under 19 million arts attendances per year.

It is then necessary to calculate the total number of seats available for theatre and musicals within the market area. The total capacity of all the primary competitor venues within the market area of 90 minutes from the Cambridge Corn Exchange is 26,197. Assuming that the average venue operates for six nights a week, forty-six weeks of the year, the total annual capacity for the area is 7,230,372.

Comparison with the demand figure of up to 90 minutes drive time, 18,782,842 potential attendances per year suggests three scenarios; there is an extremely high number of people attending performing arts events outside the area (likely to be London’s West End, a high number of attendances in smaller venues, and a high degree of frustrated demand. RGA expect the reality to be a combination of all three scenarios. This is extremely positive for the Cambridge Corn Exchange and indicates a significant potential market.

8 FUTURE SUPPLY OF PERFORMING ARTS VENUES

Following conversations with local planning officers, RGA are not aware of any planning applications for major new, proposed performance venues in the Cambridge area.

APPENDIX A THE CONFERENCE AND EVENTS MARKET

KEY FINDINGS AND OBSERVATIONS

The key findings from this section are:

- There is good supply of conference and meeting facilities across Cambridgeshire (30 venues), with 'other' venues constituting most of the supply (53%);

- A concentration of supply is found in the immediate vicinity of Cambridge Corn Exchange, in the town centre, with other properties located across the rural landscape within a 30 minute drive;

- The average rack day delegate rate offered by the venues was £41.06 and the average room hire rate was £1,839.23;

- The conference supply appears to be well developed. Pricing is competitive and there are a numerous venues offering a range of sizes;

- 'Purpose Built' venues offer the cheapest day delegate rates (average £35.95), but have the most expensive average room rate (£2,792). Additional revenues streams are important for non-dedicated venues as they support regular activities and we believe that this finding shows an effective management of room rates;

- No new stand-alone conference, meeting and event developments were identified in the Cambridge area.

Conclusion:
The Cambridgeshire market area is well supplied with conference facilities and there do not appear to be any major developments entering the market in the near future. RGA suggests that the conferencing market could be a lucrative avenue for the Cambridge Corn Exchange, offering a central venue with a large capacity. However, considering findings from the RGA Visitor Survey, current satisfaction levels with conferences and events held at Cambridge Corn Exchange are low and would benefit from some development.

1 INTRODUCTION

RGA has examined the UK and the market area conference and events sector to assess the potential scope for business the Cambridge Corn Exchange, in Cambridge. This is a highly competitive market and to fully assess the potential demand for conference and events facilities it is first important to understand the nature of the UK sector.

The definition of a 'conference venue' can vary according to the source of information, but the British Association of Conference Destinations (2008) defines it as:

- A paid-for facility (i.e. rented, not a company's in-house meeting rooms) containing;
- At least three meeting rooms for hire with;
- A minimum capacity of 50 people theatre-style in its largest room.

2 SUMMARY OF THE UK CONFERENCE AND EVENTS SECTOR

The three year annual averages (2005-2007) indicate that an estimate of £8 billion of income was generated through conferences. This is a significant decline from pervious three year averages (2004-2006) which showed conference income at £9.8 billion. The decline in the economy appears to be having an impact on spending within this sector;

There were an average of 396 conference events per venue, resulting in a total of 1.38 million conferences in the UK (based on three year averages (2005-2007);

Hotels are the most popular venue to hold a conference (61%); however this is a likely result of the fact that there are more hotels in the UK than other conference venues;

Around half of all conferences in the UK are generated by the corporate / for profit sector, followed by the Government and public sector with 35% and 17% by associations;

The autumn period is the busiest for the conference sector and Tuesday, Wednesday and Thursday are the most popular days for corporate and association sector events. There is therefore potential for facilities to expand this market throughout the whole week, whilst attracting a weekend market through the weddings and celebratory events sector;

The three year average daily delegate rate was £39.00 (2005-2007) which is broadly in line with previous three year averages. The 24 hour delegate rate was £130.00 which is lower than pervious three year averages (e.g. £135.00 annual average for period 2003-2005);

Location, price/value for money and access are the most popular influences on destination selection for both association and corporate conferences;

Statistics indicate that the association and corporate sector are becoming more confident in finding and booking events independently of an organiser or event management company;

The top three audio visual items used by both corporate companies and associations were a PC/data projection, a sound system and a flipchart;

62% of corporate organisers admitted they do not measure return on investment from events; although believe that their business results improved significantly or slightly as a result of hosting a conference or live event;

The top three cities in each sector are London, Birmingham and Manchester with London the clear leader.

3 MARKET AREA CONFERENCE AND EVENTS SECTOR

RGA has profiled the key conference and events venues with capacity of over 200 people, within a 30-minute market area and has found a good supply in both hotel and non-residential venues. Table 3.1 provides an overview of the competitive set within the market area, excluding the Cambridge Corn Exchange, but including the Cambridge Guildhall.

Table 3.1: Overview of Competitor Conference/ Events Venues within the Market Area*

Type of Conference and Event Venue	Number	% of Total Supply	Average Rack Day Delegate Rates	Average Room Hire Rate*	Average Maximum Theatre Capacity	Average Maximum Banqueting Capacity
Hotel	7	23%	£44.54	£1,464.57	240	176
Purpose Built	7	23%	£35.95	£2,792.00	447	173
Other	16	53%	£41.19	£1,502.00	423	230
Total	**30**	**100%**	**£41.06**	**£1,839.23**	**387**	**203**

Source: RGA Research *Room hire rates quoted excluding 15% VAT at the time of research.

Table 3.1 highlights the developed nature of the conference and events supply across the market area, with 30 venues identified. ‘Other’ venues constitute the majority of the supply in the area (53%) which includes educational institutions, arts venues, sports venues and visitor attractions. This is the category which Cambridge Corn Exchange would fall into. This is followed equally by hotel and purpose built venues (both 23%).

RGA notes that most venues in the market area offered both a delegate rate and a room hire rate. This illustrates the developed and competitive nature of the conference market in the local area and indicates the venues are using price to segment the market.

The average quoted rack day delegate rate (DDR) in the market area is £41.06, and £41.19 in venues defined as ‘other’. A delegate rate is an all-inclusive rate that encompasses general refreshments, lunch, materials and equipment, room hire and VAT.

Generally, ‘other’ venues, for whom conferencing is not a primary activity, offer cheaper rates and are not as well marketed to the conferencing market. However, in this market area, it is evident that ‘other’ venues are competing well with their counterparts and highlights the popularity of Cambridge as a conferencing destination. Additional revenue streams for non-dedicated venues are important as they support core activities.

The largest average theatre capacity (447 people) within the competitor venues is found within the 'purpose built' venues (which includes Chilford Hall with a maximum capacity of 1,000 people), followed by 'other' venues (423 people). Hotels, on average have the lowest maximum capacity (240), but charge on average the highest delegate rates.

Overall there appears to be a good range of conference, meeting and event facilities within the market area, catering for a range of budgets. When comparing the market performance with the Cambridge Corn Exchange it is evident that the Corn Exchange has larger than average facilities, and could comfortably compete with other venues in the area.

Table 3.2 provides an overview of the competitor conference, meeting and event venues within the market area, their maximum capacities and rates where available.

Table 3.2: Competitor Conference Venues in the Market Area

	Max. Theatre Capacity	Max Banquet Capacity	Day Delegate Rate	Room Hire Rate
Best Western The Gonville Hotel	200	150	£48.50	£1,547.00
De Vere University Arms Hotel	300	270	£45.00	£2,500.00
Crowne Plaza Cambridge	250	150	£35.00	£55.00
Cambridge Belfry	230	110	£70.00	£2,000.00
Menzies Cambridge Hotel And Golf Club	200	180	£49.50	£1,800.00
Slepe Hall Hotel	200	140	£28.75	£350.00
Huntingdon Marriott Hotel	300	230	£35.00	£2,000.00
Wellcome Trust Conference Centre	300	48	£64.00	£15,000.00
Chilford Hall	1000	400	£32.00	£2,450.00
Abington Hall Conference Centre	230	110	£40.25	£800.00
Over Conference And Community Centre	200	160	n/a	£360.00
Priory Centre	400	220	£19.50	£244.00
Burgess Civic Hall	500	220	£24.00	£495.00
Hinchingbrooke House	500	50	n/a	£195.00
Wood Green Enterprises Ltd	300	220	£34.50	£434.70
The Junction	222	80	n/a	£6,000.00

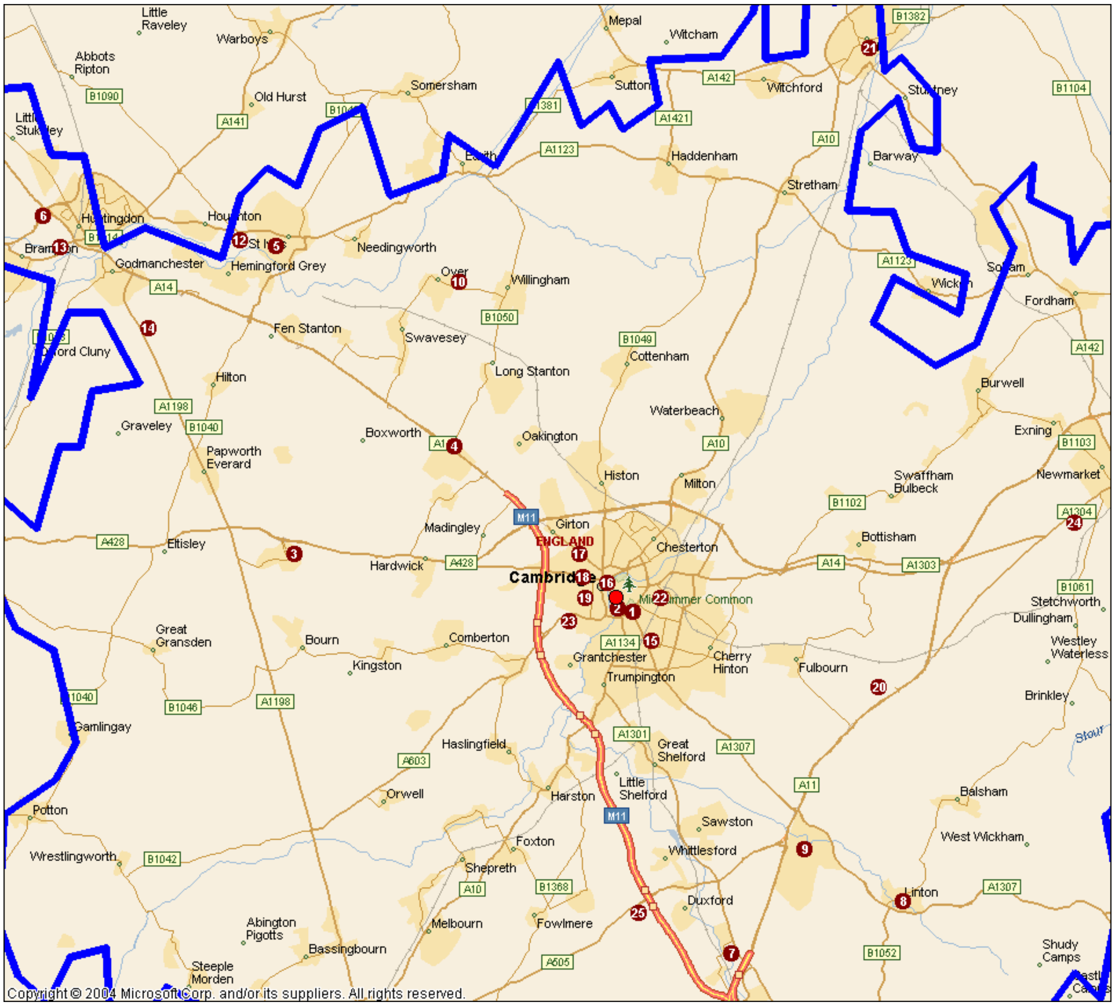
	Max. Theatre Capacity	Max Banquet Capacity	Day Delegate Rate	Room Hire Rate
Cambridge Guildhall	646	250	n/a	£1,610.00
St. John's College	250	300	£45.43	£500.00
Homerton College	300	270	£52.33	n/a
Fitzwilliam College	250	70	n/a	£943.00
Churchill College	300	400	£35.00	£725.00
Robinson College	270	36	£44.00	n/a
Faculty Of Music Cambridge*	499	n/a	n/a	£1,610.00
Queens College	240	30	£46.00	£776.25
Great Wilbraham Hall Barn	300	200	n/a	£2,850.00
Ely Cathedral	1200	n/a	n/a	n/a
David Lloyd Club Cambridge	300	300	n/a	£250.00
Cambridge Rugby Union Football Club	220	200	£25.00	£575.00
Newmarket Racecoures	500	500	£54.05	£1,750.00
Imperial War Museum Duxford	200	100	£34.44	n/a
Best Western The Gonville Hotel	200	150	£48.50	£1,547.00
De Vere University Arms Hotel	300	270	£45.00	£2,500.00

Source: RGA Research

n/a Details not available

All venues are plotted on Map 3.1. This map shows that there is a concentration of competitor venues in Cambridge and to the north east, around Huntingdon. Other venues are dotted across the rural landscape.

Map 3.1: Competitor Conference venues within the Market Area



Source: RGA Research/ Microsoft Autoroute

4 FUTURE SUPPLY OF CONFERENCE AND EVENT FACILITIES

RGA contacted the local planning office to determine any new conference or event venue planning proposals in the market area. No major developments were noted within this sector in Cambridge.

APPENDIX A. THE EATING OUT MARKET

KEY FINDINGS AND OBSERVATIONS

Key findings from this section include:

- Within a ten minute drive of the Cambridge Corn Exchange, RGA identified a sample of 148 restaurants and 58 cafés. The range of cuisine is extensive in the restaurants, with several international cuisines on offer. The cafés supply is considered to be very good;

- ACORN profiling indicates that the propensity for the local market to eat out is higher than national averages;

- Eating out frequently (about once per week) is undertaken by the range of the local population, although those classified as 'Urban Prosperity' represents the largest group, this is followed closely by those classified as 'Comfortably Off' and 'Hard Pressed';

- No new major catering facilities were identified as coming into the market. However, entry into this market is frequent and to be expected.

Conclusion:
There is an extensive supply of catering facilities in the market area and that there is extremely high competition in this market. Findings from the Cambridge Corn Exchange Visitor Survey and the catering review suggest that the current catering provision is not popular with visitors current visitor.

RGA suggests that the Cambridge Corn Exchange should not compete in the local catering market, but should still offer some beverage and snack provision to complement the programme. The venue should consider working collaboratively with local cafes to offer a 'pre-theatre' menu or discounts for attendees to the Cambridge Corn Exchange, as well as arrange catering provision for private functions and business conferences held at the venue. This will allow greater focus on the quality of the core product offered at the Cambridge Corn Exchange and will allow a more efficient use of space.

1 INTRODUCTION

RGA recognises the need to maximise revenue generation operations to support the core function of the Cambridge Corn Exchange. A brief analysis of the current catering supply in a ten-minute drive time and recognition of national trends has been conducted.

2 SUMMARY OF THE UK LEISURE VENUE CATERING MARKET

The leisure venue catering sector has grown by 15% between 2003 and 2008 to a current value of £2.2 billion. This is slower than the growth of the total eating out market and suggests that some leisure venues are not maximising their services.

Theatre catering has decreased by 1.8% between 2001 and 2006, museums and art galleries achieved 16.7% growth and cinemas 14.4%.

Theatre catering is the least performing of all sectors, particularly due to the limited opportunities to target the customers per performance. Average spend per head is estimated to be £1.07 in 2009 and customers are likely to be from the ABC1 socio-economic grouping.

Cinema catering is predominantly snacks and cold beverages and average spend per head in estimated to be £2.15 in 2009, which is higher as many outlets restrict food and drink not bought within the venue to be eating in-house. Typical customers a affluent younger individuals.

Museum and art gallery catering is also experiencing challenges as many visitors bring pack lunches. Average spend per visitor is estimated to be £1.32 in 2009.

The three leading leisure venue catering contractors are Compass Group, Elior and Sodexho. It is noted many leisure venues independently operate their catering facilities to re-invest any profit back into the facility.

Key customer views indicate that leisure venue catering is too expensive, not appealing and there are too many queues.

Market opportunities and trends indicate leisure catering venues need to become more customer savvy and seek to offer similar products and services to what can be found elsewhere in the market. Healthy and ethical traded food is now a major concern for consumers and combating queues should be addressed to reduce negative experiences.

3 COMPETITOR CATERING VENUES WITHIN TEN MINUTE DRIVE

It is recognised that there is a range of the catering facilities (cafes and restaurants) within the market area (ten minutes drive). The restaurant and café supply within this immediate area is presented below, categorised by cuisine type.

Table 3.1: Sample Restaurant and Cafe Provision in within Ten Minute Drive of the Cambridge Corn Exchange

Style	Number of Units
Total Restaurants	148
- American	5
- Chinese	16
- English	19
- European	2
- Fast Food	5
- French	6
- Greek	3
- Indian	27
- Italian	18
- Japanese/Noodle Bar	5
- Jewish	1
- Korean	1
- Mediterranean	4
- Mexican	4
- Modern	5
- Polish	1
- Public House	7
- Seafood	1
- Spanish	3
- Thai	4
- Turkish	4
- Vegetarian	1
- Vietnamese	1
- Unclassified	5
Total Cafes	58
Total Cafes and Restaurants within Ten Minutes	**206**

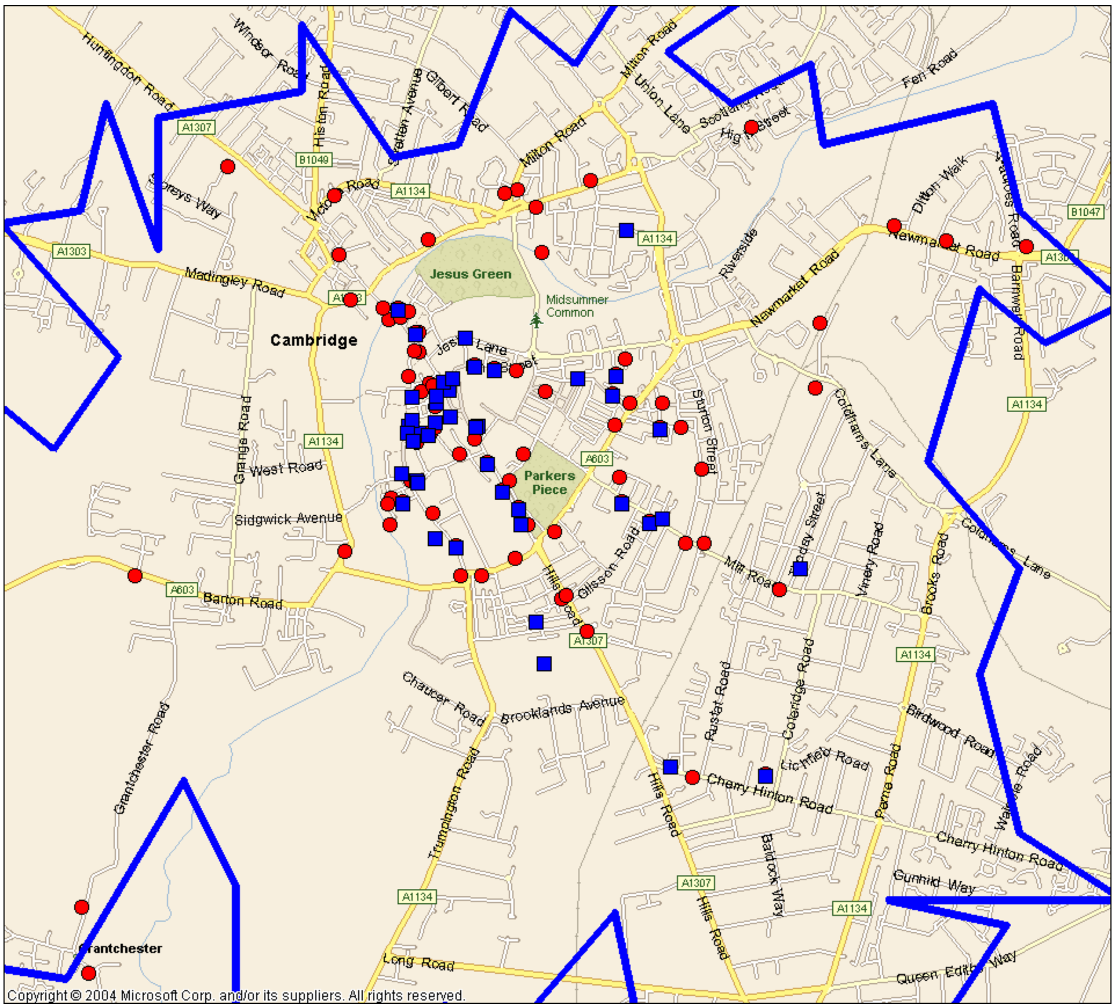
Source: RGA Research / Various directories

Full service restaurant provision appears to be very well supplied within the ten minute drive market area of the Cambridge Corn Exchange. International cuisine is popular, as found across many urban areas in the UK.

Our research identified 58 cafés within the market area, which we consider to be high. This supply will be boosted by the range of take-away outlets, such as sandwich shops which can offer hot and cold drinks in addition to standard lunch goods.

Map 3.3 plots the catering venues.

Map 3.1: Location of Restaurants and Cafes within a Ten Minute Drive



Source: RGA Research/ Microsoft Autoroute

4 LOCAL PROPENSITY TO EAT OUT

Utilising the ACORN profiling for the ten-minutes drive from the Cambridge Corn Exchange, an estimate of potential numbers of those eating out can be established. The figures are based on the ACORN population statistics and are summarised in Table 4.1

Table 4.1: Potential Eating Out Population within 10-Minutes Drive from the Cambridge Corn Exchange

0-10 Minutes Drive	Data For Market Area	%	GB Average	Market Area Index*
Individuals who have eaten out in the past three months				
Pub/Bar/Restaurant	**35,115**	**48%**	**53%**	**90**
Café/Coffee Shop	**27,369**	**37%**	**34%**	**109**
British Restaurant	17,876	24%	24%	101
Chinese Restaurant	20,768	28%	26%	108
Hotel Restaurant	15,485	21%	22%	96
Fish/Chip Shop Restaurant	17,937	24%	24%	102
Pizza/pasta Restaurant	18,576	25%	23%	110
Indian Restaurant	17,532	24%	21%	113
Burger/Fried Chicken Bar	16,935	23%	21%	110
In-store Restaurant/Café	9,859	13%	15%	89
Other restaurants (Italian/ vegetarian etc.)	13,942	19%	14%	135
Other ethnic restaurants (Thai etc.)	10,388	14%	10%	141

Source: RGA Research/Mintel/CMA

* The index figure provides an indication of the relative size of a particular group compared with the UK population as a whole. An index of 100 means that the group accounts for the same proportion of individuals in the market area as in the UK overall. An index of more than 100 means that the group is over-represented within the market area and an index of less than 100 that it is under-represented.

Within the market area, approximately 27,369 individuals have eaten out in a café/coffee shop in the past three months. Furthermore, pub/bar/restaurants have been visited by around 35,115 residents.

It is recognised this market will be further supplemented by the numbers of day and overnight tourists visiting the area.

Table 4.2: Frequency of Eating Out Population within 10-Minutes Drive from the Cambridge Corn Exchange

0-10 Minutes Drive	Data For Market Area	%	GB Average	Market Area Index
At least twice or more per week	9,881	13%	10%	134
About once per week	14,459	20%	18%	109
About once per fortnight	13,082	18%	18%	99
At least once per month	15,067	20%	23%	89
At least once every three months	13,440	18%	20%	91
Never	4,012	5%	15%	36

Source: RGA Research/Mintel/CMA * Figures are rounded

The figures suggest that the local market has a higher than average propensity to eat out on a regular basis, with 20% of the population eating out at least once a week and 20% at least once a month. Again, these figures are positive for this Study as it indicates that the local resident market is more likely to eat out compared to national eating out patterns.

When investigated at an 'ACORN group' level it is evident that frequent eating-out (about once per week) is undertaken by a broad mix of individuals with 'Urban Prosperity' the largest visitor group with some 8,578 people, followed by 'Comfortably Off' (2,419 people) and 'Hard Pressed' (1,759 people).

5 FUTURE SUPPLY OF RESTAURANTS

Following a consultation with planning officers no major new entries have been identified. RGA note that entry into the catering sector by new competitors is easy and frequent.

APPENDIX A ECONOMIC BACKGROUND

KEY FINDINGS AND OBSERVATIONS

- The 2006 population of Cambridge is 120,000, representing 21% of the total population of Cambridgeshire;

- The ACORN profile shows a population of some 92,059 people within a ten-minute drive of the Cambridge Corn Exchange and over 5.5 million within a 90 minute drive;

- Broadly speaking, the immediate population is affluent. 44% of the population are "Urban Prosperity"; well educated and prosperous, including both older wealthy people and young professionals. They have high levels of disposable income and display a high propensity for eating out and visiting the theatre, but may be time-poor. 27% of the population belong to the "Comfortably Off" category. These people may not be as wealthy, but have few major financial worries. Educational qualifications are in line with national averages and have a higher than average interest in Golf and gardening. The same two groups are also the most prevalent in the 90 minute drive market area, albeit with a higher incidence of "Comfortably Off". The Cambridge Corn Exchange should recognise these variations in profile and use different marketing tactics to target each segment;

- The population of Cambridgeshire as a whole is expected to increase by 34% between 2006 and 2031. This is compared with an average increase of 25% across the East of England;

- Cambridge has excellent transport and communication links, with direct access to the M11, which links to the M25 Ring Road;

- Historically, the economic indicators for Cambridgeshire have been positive. There is a significant influence of academia and research on the local economy, which is a traditionally very stable sector. For this reason, Cambridge is likely to fare better than many other regions in the UK in the current economic climate. Again, this profile of residents should influence programming at the Cambridge Corn Exchange;

- Cambridge is a regionally important tourism hub. The volume and value of tourism to the East of England has shown a slight increase between 2006 and 2007. Cambridge has also experienced growth in the volume of tourism, and expenditure is significantly more per person per trip. One of the most popular reasons for visiting Cambridge is shopping;

- There are a number of key regeneration programmes in Cambridge aimed at encouraging business development and increasing the population on the city outskirts. The city centre itself will benefit from the redevelopment planned for the area around Cambridge Railway Station.

1 INTRODUCTION

RGA has provided a summary of the status of the economic environment of Cambridge. This helps to provide a profile of the market area and the context within which the Cambridge Corn Exchange is operating.

2 ACORN PROFILE

The 2007 population estimate of Cambridge was 120,000. This represented 21% of the total population of Cambridgeshire.

RGA commissioned a profile of the ten-minute and 90-minute drive areas using ACORN, a geo-demographic profiling tool that classifies the population and households into groups. This profiling tool is useful in gaining an overview of the socio-demographic makeup of the local markets and is based upon data from the 2001 Census and a wide variety of lifestyle and expenditure surveys.

The ten-minute drive market areas was assumed to best represent the local users of the Cambridge Corn Exchange, for performances, group meetings and its catering facilities. The 90-minute drive market area was deemed to capture the day visit market. RGA assume that most people will travel a maximum of 90 minutes to attend live performances.

A map of the ten and 90-minute drives are presented in Appendices. The population and households within the catchment area are classified into one of five broad "groups", and then into one of fifty six "types". Table 2.1 provides an overview of the population within a ten-minute drive of Cambridge Corn Exchange.

Table 2.1: ACORN 2007 Population Profile within a Ten-Minutes Drive of Cambridge Corn Exchange

ACORN Group	Data For Area	Data as % For Area	Data as % For the UK	Index Average = 100*
1 Wealthy Achievers	7,940	8.6%	24.8%	35
2 Urban Prosperity	40,848	44.4%	12.0%	370
3 Comfortably Off	12,094	13.1%	27.7%	47
4 Moderate Means	1,026	1.1%	13.8%	8
5 Hard Pressed	11,725	12.7%	20.8%	61
Unclassified	18,426	20.0%	0.9%	2,288
Total Population	**92,059**	**100%**	**100%**	**100**

Source: RGA Research/CMA/ONS

* The index figure provides an indication of the relative size of a particular group compared with the UK population as a whole. An index of 100 means that the group accounts for the same proportion of individuals in the market area as in the UK overall. An index of more than 100 means that the group is over-represented within the market area and an index of less than 100 that it is under-represented.

The figures indicate a relatively affluent population. By far the largest group is the "Urban Prosperity", representing 44% of all people in the market area compared with a national average of 12%. The second largest Group is "Comfortably Off", accounting for 13% of all people. However, compared to the national average (28%) this is much less. The interests, backgrounds and resources (in terms of both income and time) of these groups must be taken into consideration when considering development options for the Cambridge Corn Exchange.

Each Group is then subdivided into Types. A summary of the characteristics of the three dominant Types for the ten-minute drive market area is presented below.

Type:	Well-Off Professionals, Larger Houses & Converted Flats
Group:	Prosperous Professionals
Category:	Urban Prosperity
Size	10,238
Index:	1,300
Housing:	Houses tend to be large, with four or more bedrooms, often in Georgian and Victorian terraces. There are also high levels of converted flats, some of which are privately rented.
Household Composition:	Many are owner-occupied by professional couples and families. The younger singles in these areas will often be sharing flats and houses.
Education/employment:	Most are well-educated individuals in professional and managerial occupations, but there are also students and young singles starting out on their careers.
Income and Expenditure	Incomes tend to be high, with many residents earning over £50,000 a year. They are financially aware and have high levels of savings and investments. They also have high levels of credit card usage.
Leisure and lifestyles	Residents enjoy the arts, including theatre, classical music, opera and the cinema. Most widely read newspapers are The Guardian, Independent, The Times and Observer. Foreign travel and skiing are popular leisure activities.

Type:	White Collar Singles and Sharers, Terraces
Group:	Starting Out
Category:	Comfortably Off
Size	7,959
Index:	379
Housing:	Most of the housing is terraced with some converted flats. Purpose built flats are rarer. Renting from a private landlord is higher than the national average, but many are buying their properties on a mortgage.

Household Composition:	Most households are two or three bedrooms, with a mixture of singles, couples and flat and house sharers, in their 20s and 30s
Education/employment:	Residents are well qualified, usually to A-level and degree standard. The older individuals in this type are often already in successful professional and managerial careers. Others are in the low managerial roles, as well as clerical occupations. Some work in the education and healthcare sectors. The term-time population in this type is above average.
Income and Expenditure	These individuals are slightly higher than average holders of savings and investment products such as ISAs, unit trusts and stocks and shares. They are also likely to use the Internet for savings accounts and to source credit cards.
Leisure and lifestyles	Their preferred newspapers are The Guardian, Independent and Observer. They are likely to have cable TV and are keen on exercise and sport, as well as theatre, music and the arts.

Type:	Suburban Privately Renting Professionals
Group:	Educated Urbanites
Category:	Urban Prosperity
Size	7,832
Index:	440
Housing:	Most residents are living in purpose built flats, with between one and two bedrooms, in attractive suburbs and satellite towns. Many are still renting, although some have purchased their homes.
Household Composition:	A large proportion of houses are made up of single people, sharers and couples without children
Education/employment:	In their late twenties and early thirties, they are well educated and are developing their careers in professional and managerial jobs.
Income and Expenditure	Family income is higher than the national average and these individuals often have investments, stocks and shares. They are frequent users of credit cards. They like spending their money on holidays, shopping for clothes and eating out.
Leisure and lifestyles	These people are very comfortable with using the Internet in all aspects of their life including booking their holidays and leisure activities online. They are interested in current affairs, the theatre and the arts.

The immediate population around Cambridge Corn Exchange is mostly in the mid to higher-end of the spectrum.

These groups tend to show higher than average levels of income and disposable income, with an interest in theatre and the arts. This has positive implications for the Cambridge

Corn Exchange, and indicates a local population who are likely to support the theatre and attend events.

The key Types in the immediate market area tend not to have children. Indeed, there is a high number of young singles, couples and home sharers. This information will help guide programming at the Cambridge Corn Exchange, to best suit the local population.

Table 2.2 provides an overview of the population within a 90-minute drive of Cambridge Corn Exchange.

Table 2.2: ACORN 2007 Population Profile within a 90-Minutes Drive of Cambridge Corn Exchange

ACORN Group	Data For Area	Data as % For Area	Data as % For the UK	Index Average = 100*
1 Wealthy Achievers	1,904,420	34.5%	24.8%	139
2 Urban Prosperity	332,553	6.0%	12.0%	50
3 Comfortably Off	1,747,887	31.7%	27.7%	114
4 Moderate Means	682,376	12.4%	13.8%	90
5 Hard Pressed	793,830	14.4%	20.8%	69
Unclassified	55,213	1.0%	0.9%	114
Total Population	**5,516,279**	**100%**	**100%**	**100**

Source: RGA Research/CMA/ONS

* The index figure provides an indication of the relative size of a particular group compared with the UK population as a whole. An index of 100 means that the group accounts for the same proportion of individuals in the market area as in the UK overall. An index of more than 100 means that the group is over-represented within the market area and an index of less than 100 that it is under-represented.

Again, these figures show a fairly prosperous population. Over a third of all residents within a 90-minute drive of Cambridge Corn Exchange are classified as “Wealthy Achievers”, compared with a national average of 25%. As with the immediate population, the second-largest group is the “Comfortably Off”, accounting for just less than a third of all households.

Each Group is then subdivided into Types. A summary of the characteristics of the three dominant Types for the 90-minute drive market area is presented below.

Type:	Well-Off Managers, Detached Houses
Group:	Flourishing Families
Category:	Wealthy Achievers
Size	329,148
Index:	180
Housing:	They live in large detached houses and many people have paid off their mortgage. As a result, their high value homes are the significant financial assets, even if they are not always in the most expensive areas of the country.

Household Composition:	People tend to be a little older, with households being a mix of couples with older children, empty nesters and some retired people.
Education/employment:	Only a fifth of residents will be educated to degree level. Over a third will have no qualifications. Despite this, a good proportion of people will be employed in lower managerial positions, intermediate positions and professional managerial roles.
Income and Expenditure	High family incomes support a good lifestyle. There is also money left over for investments in guaranteed income bonds, regular savings plans and high interest investments. Some households will have a private pension plan.
Leisure and lifestyles	This is a gentler, traditional lifestyle with outdoor activities such as Golf, gardening, bird watching, hiking and visits to places of interest such as stately homes. Families only eat out from time to time. Their interest in the theatre/ the arts is slightly above the national average.

Type:	Well-Off Working Families with Mortgages
Group:	Flourishing Families
Category:	Wealthy Achievers
Size	241,948
Index:	172
Housing:	Usually large detached houses, with four or more bedrooms. Houses are mortgaged rather than owned outright.
Household Composition:	The neighbourhoods comprise young, well-off commuter families, with many pre-school and primary children.
Education/employment:	Employment is largely in senior managerial and professional occupations, and many households in this type have both adults working.
Income and Expenditure	These affluent families have high levels of savings, including ISAs, stocks and shares and unit trusts.
Leisure and lifestyles	They lead an active lifestyle, enjoying walking, playing Golf and going to the gym. These consumers enjoy drinking wine, which they often buy by the case through mail order. They also enjoy eating out in restaurants on a regular basis. They have a higher than national average interest in gardening and the theatre and have a higher than average propensity to be members of the National Trust.

Type:	Younger White Collar Couples with Mortgages
Group:	Secure Families
Category:	Comfortably Off
Size	230,106
Index:	181

Housing:	Houses are typically mortgaged semi-detached properties with two or three bedrooms
Household Composition:	Generally aged in their late twenties or early thirties, these couples are likely to have just started or be starting a family. There are many pre-school children.
Education/employment:	People are employed as middle managers, office and clerical staff. The more senior have company cars.
Income and Expenditure	Incomes are well above average. Some people might make small investments in stocks and shares or ISAs and may start a child savings plan. They are careful with their money.
Leisure and lifestyles	Europe is a popular destination for holidays given that many have small children. Being younger, they participate in exercise and sport and gym membership is common. They may also play golf. They have lower than average interest in current affairs, but have a very high interest in skiing and going to the cinema.

As with the ten-minute drive market area, the population in the wider market area is also fairly affluent. Two of the three most dominant ACORN 'Types' are classified in the "Flourishing Families" group and the third is in the "Secure Families" group- highlighting the high incidence of families in the area.

Typically, "Flourishing Families" are wealthy families with mortgages, with high car ownership. They take regular holidays and are quite active, enjoying sports, playing Golf or going to the gym. Taking the family to the cinema is also a favourite pastime. PC ownership is common and they are comfortable with new technology.

Again, this information should inform programming for the Cambridge Corn Exchange, but also suggests that patrons will embrace technological changes, such as online ticket purchases and mobile phone ticketing.

3 KEY ECONOMIC INDICATORS

Across Cambridgeshire, 83% of the population is economically active (compared with 79% for Great Britain). Unemployment in the county stands at 4.8%, which is slightly lower than the national average of 5%.

Rates of pay in Cambridgeshire are above the regional and national average, with gross weekly pay averaging £513. This may be reflective of the significance of Cambridge University.

Correspondingly, the major employment sector in Cambridgeshire is services (82%) with public administration, education and health representing the largest sector (32%), followed by distribution, hotels and restaurants (20%). Traditionally these are not sectors which have high rates of pay, but again this emphasises the global importance of Cambridge University.

Cambridge has excellent transport and communication links, with direct access to the M11 linking to the A1 north and the M25 Ringroad around London. and three international airports within a one hour drive.

4 ECONOMIC GROWTH

The population of Cambridgeshire is expected to increase by 34% between 2006 and 2031. This compares with a 25% increase expected across the East of England. Within Cambridgeshire, this increase is likely to be most significant in the urban areas, most notably Cambridge. The UK as a whole is experiencing an ageing population, which will put increased stress on the economy.

The UK economy is currently experiencing a downturn in the economy due to a number of factors, including the global credit crunch. The risks to UK economic growth have become weighted towards the downside since last September and in the report titled 'UK Economic Outlook' (March 2009), PricewaterhouseCoopers forecasts UK GDP growth to be less optimistic than the average independent forecast (it should be noted that the current climate makes forecasting particularly difficult)..

Based on the main scenario, PricewaterhouseCoopers (PwC) forecasts UK GDP to fall by just over 3% in 2009 and be broadly flat in 2010. This would involve a severe recession with GDP falling in each quarter up until Q1 2010, followed by a very gradual recovery thereafter. The main scenario reflects a combination of slow real earnings growth, rising unemployment, falling house prices, reduced credit availability and slower global growth.

This recession is expected to be worse than the early 1990's recession in terms of the cumulative loss of output implied, but similar to the early 1980's recession. This forecast is subject to significant margins of uncertainty and PricewaterhouseCoopers have detailed two alternative scenarios: 'early recovery' and 'prolonged recession'. It is recommended that businesses stress test their plans against the 'prolonged recession' scenario, which envisages a 5% fall in GDP in 2009 with output continuing to decline throughout 2010. This is not noted as the most likely scenario as yet, but certainly cannot be ruled out.

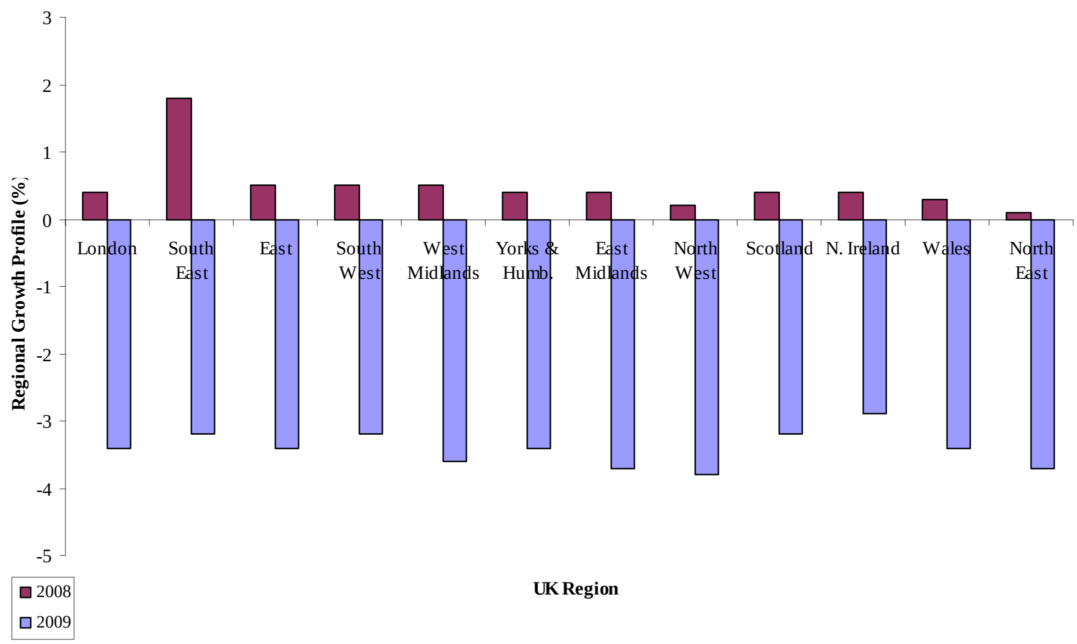
Consumer spending growth is also expected to slow from 3% in 2007 and 1.6% in 2008 to around -3% in 2009 and 0.75% in 2010, as a weak housing market, tight credit conditions, subdued real disposable income growth and rising unemployment all act as a drag on household spending.

Tighter borrowing terms and uncertainty about market demand will be likely to cause companies to delay or cancel their investment plan in this scenario, while housing investment will continue to decline for at least the next year. Total investment is therefore expected to drop by more than 10% in 2009.

Projected divergences in growth rates between sectors remain significant, although most sectors will suffer from a significant downturn. Relatively more cyclical sectors such as manufacturing, construction and distribution, hotels and catering tend to be worst hit, but other private sector services also suffer significant contractions of output in 2009. Utilities and government services are much less affected by the downturn.

In the following graph, PricewaterhouseCoopers presents a forecast of regional growth to 2009 based on the UK main scenario (detailed above). The projected growth differentials between regions are driven in part by variations in industry structures, although the model also takes account of relative regional growth rates. The regional estimates are subject to wider margins of error in comparison with national data, which is based on more up to date information.

Figure 4.1: PricewaterhouseCoopers Regional Growth Profile (March 2009)



Source: PricewaterhouseCoopers

Overall, the East of England indicates decline in line with much of the country for 2008 and the forecast for 2009 suggests decline of 3.4%. Mid and north England are expected to suffer the greatest during this period as a result of the slowdown in manufacturing output, whilst London and the South East will likely suffer through problems in the financial sector. It is expected that differing areas within the regions will vary with regard to actual economic position; however no region will be unaffected by the recession.

5 REGENERATION IN CAMBRIDGE

Following informal enquiries with the Cambridge City Council Planning and Regeneration departments, a number of significant developments were identified:

Cambridge East

The Cambridge East Area Action Plan was formally adopted in February 2008, with the aim of developing land at Cambridge Airport into 10 to 12,000 new dwellings and associated infrastructure, to become 'a modern, high quality, vibrant and distinctive new urban quarter for Cambridge'.

As well as significant housing on the site, the Action Plan outlines the need for cultural and community facilities, to cater for the approximate 27,000 new residents.

Cambridge Southern Fringe

A number of housing developments are proposed for areas across the southern fringe of the city. These will total up to 4,500 new homes, including Clay Farm (2,300 dwellings), Trumpington Meadows (1,200 dwellings), Glebe Farm (230 dwellings), Bell School (310 dwellings) and Ardenbrooke's, which will include new clinical facilities and a biomedical research park.

The major development scheme will also include leisure, recreation, new schools and local shopping facilities.

North West Cambridge Master Plan

A 120-hectare site, owned by Cambridge University, bounded by Huntingdon Road (A1307), Madingley Road (A1303) and the M11, has been put forward for development. The proposals are still very much in the early stages, but proposals include

- one or more new colleges
- housing for University staff
- academic facilities
- housing for sale
- research and development space
- community facilities such as primary school, shops
- public open recreational space
- nature conservation areas
- park-and-ride and park-and-cycle areas

Land Between Huntingdon Road and Histon Road (NIAB Site)

A mixed use development comprising 1780 dwellings, a primary school, community facilities, retail units and associated infrastructure. The proposed non-residential elements will include a large retail store of approximately 1200 sq. metre and up to six additional retail/service units of approximately 100 sq. metre each. Sport, recreational and allotment facilities will also be provided on site.

Orchard Park

Previously known as Arbury Park, this is a new district for the city, which is currently under construction. The site is due to provide 900 new homes for the city, including 270 'affordable homes'. Work started on the mixed development in 2006, and was due to be completed in 2009, but work has halted since September 2008.

Cambridge Railway Station Area Redevelopment
An outline planning application was submitted to the council in July 2008 by Ashwell Developers, regarding the development of a 25 acre site in CB1, next to Cambridge Railway Station. The development will be a mixed-use scheme, with a new transport interchange, new public square, office-space and residential units, a hotel and a new healthcare clinic.

6 TOURISM OVERVIEW

Tourism expenditure in the East of England was around £1,474 million in 2007. This figure represents a 15% increase on performance in 2006.

Overnight tourists spent approximately 33 million days in the East of England in 2007, a 3% increase on 2006 figures. Over two thirds of the trips made to the region in 2007 were as a holiday, specifically visiting friends and relatives. On average overnight visitors spent £139 per trip and £45 per night, and stayed an average of three nights.

Tourism in Cambridge itself is an important industry to the local economy, generating approximately £334 million, and employing over 6,500 people in the city. VisitCambridge report that 4.6 million people visit the city annually, spending on average £242 whilst there.

In a survey carried out by the Cambridge Tourism Board in 2008, 55% of respondents visited the city for heritage/museum attractions and 11% visited to attend a theatre performance or evening concert. This was the 6th most popular reason (out of 14), behind shopping, visiting gardens, eating out and guided walks. This information should be considered in any future cross-marketing tactics considered for the Cambridge Corn Exchange.

Within Cambridgeshire there are some key visitor attractions (2007 visitor numbers in brackets), including The Fitzwilliam Museum (27,7073), Hinchingbrooke Country Park (estimated 260,000) and Kings College Chapel, (234,350).

APPENDIX B - CAMBRIDGE CORN EXCHANGE VISITOR SURVEY

KEY FINDINGS AND OBSERVATIONS

- RGA surveyed 696 respondents, via an online survey, distributed on the Cambridge Corn Exchange mailing list. The average age of the sample was 50, and 98% of respondents classified themselves as 'White'. The majority of respondents lived in Cambridgeshire, with 37% living outside of Cambridge itself;

- The majority of respondents show high levels of use of the internet for researching and booking tickets to cultural performances. This is an important communication portal for the Cambridge Corn Exchange and should be updated regularly and maintained at a high standard;

- Musical events, including standing and seated concerts and musical theatre are popular with respondents, and score highly on satisfaction levels. The venue appears to perform less well for theatre/drama performances, irrespective of the popularity of this art-form generally in the area and at other theatres;

- Good levels of satisfaction were found amongst the core aspects of the Corn Exchange, including the website, customer service, range of programming and box office facilities. However, the ancillary facilities such as the food and beverage facilities and car parking score low. These are important aspects to the overall quality of visit and should be addressed;

- Respondents chose the words 'fun', 'friendly' and 'fantastic' to best describe their experience of the Cambridge Corn Exchange. Again, this shows very high levels of support for the venue;

- Compared to other cultural venues visited, respondents rated the Cambridge Corn Exchange 'about the same', or 'a bit worse'. Main reasons for this choice were poor seating and poor acoustics. However, respondents also commented that the venue was a good intimate venue for standing concerts;

- Most respondents indicated that they would be very likely to visit the Cambridge Corn Exchange again, mostly to attend music performances, in line with what people have attended previously;

- The main barriers to attendance to performances at the Cambridge Corn Exchange were the high price of tickets, lack of car parking facilities, expensive food and beverage and poor quality seating. These were key themes which stood out strongly throughout the survey and should be a priority in any future development of the venue.

1.1 RESEARCH METHODOLOGY

An electronic questionnaire was designed by RGA and approved by the project steering group. The questionnaire was distributed by the Cambridge Corn Exchange to a mailing list sent by the Cambridge Corn Exchange and advertised on the Cambridge Corn Exchange, with a prize draw for four tickets to a show offered as an incentive.

1.2 SURVEY SCOPE

For the purposes of this study, the research findings were analysed for the data collected by 5th May 2009. During this period, 694 responses were collected. This has greatly surpassed our expectations and we are very encouraged by the response that we have received. We have presented these findings below.

Wherever possible, RGA have compared the results of this survey to those of the MRUK 'Cambridge Arts and Entertainment' survey carried out in 2007 for Cambridge City Council. It should be noted that the MRUK survey was distributed by post, whereas RGA's survey was an online survey. This may account for some discrepancies in respondent profiles.

1.3 RESPONDENT PROFILE

1.3.1 Age

The average age of the sample is 50. The largest age cohort is 45-54, accounting for 34% of all respondents. This is closely followed by the 35-44 cohort, accounting for 29%. The two lowest cohorts were the 65-74 and 75+ age brackets, accounting for 2.6% of respondents in total. The average age of respondents to this survey is in line with the average age of respondents to the MRUK survey.

1.3.2 Gender

73% of respondents were female and 27% were male. There was a higher number of female respondents to the survey than to the MRUK survey, which received two thirds of its responses from females.

1.3.3 Ethnic Group

The vast majority (96%) of respondents classified themselves as 'White'. 3% of respondents declined to answer, meaning only 1% of respondents classified themselves as non-white. This should be an important consideration when building future audience development plans.

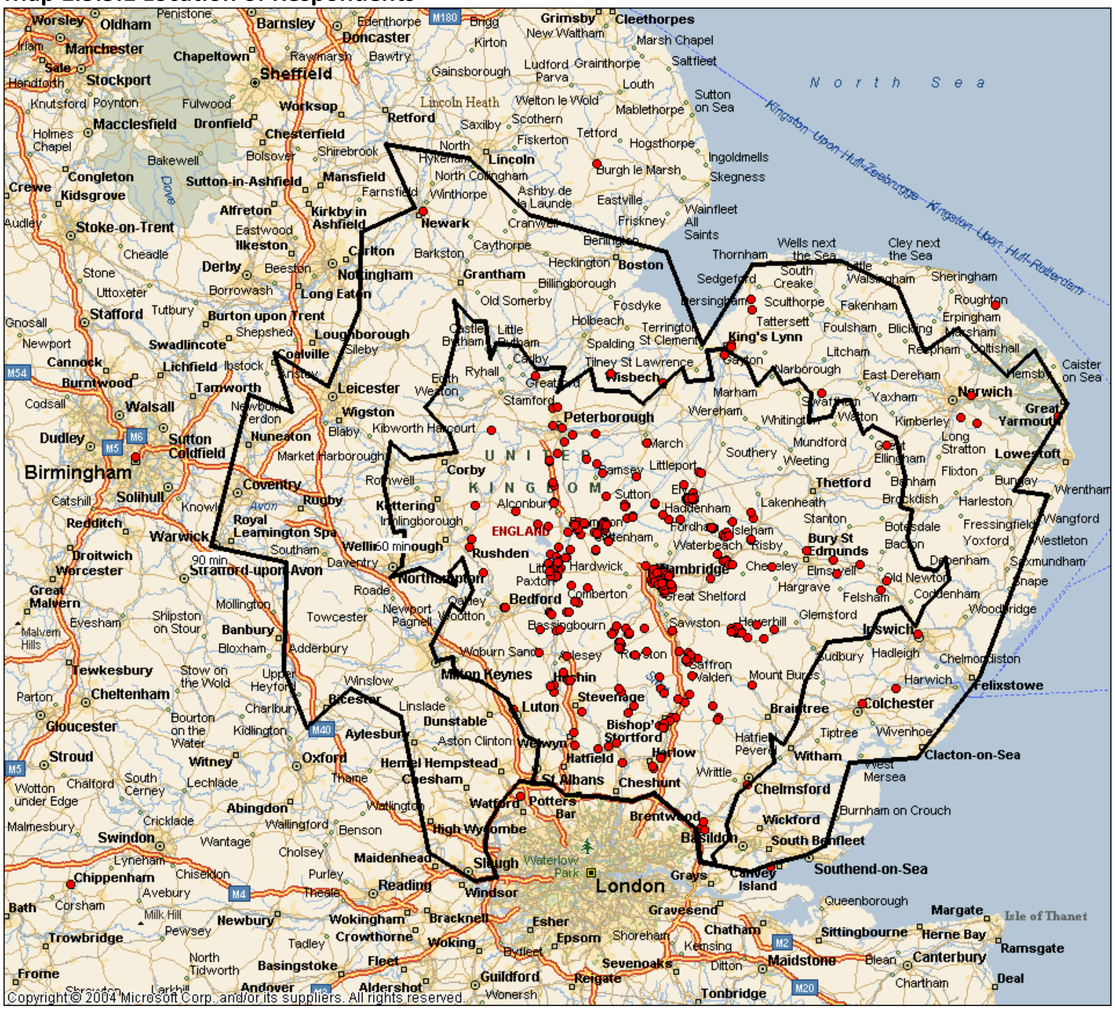
1.3.4 Employment Status

Half of the respondents are employed on a full-time basis, followed by 25% who are employed on a part-time basis. Corresponding to the lower average age of respondents, only 7% are retired, compared to 26% of respondents to the MRUK survey.

1.3.5 Place of Residence

27% of respondents live in Cambridge and just under two fifths of respondents (37%) live in Cambridgeshire, but not in Cambridge. Map 1.3.5.1 plots residents by their postcode. The distribution of respondents across neighbouring counties, may suggest the need for improved parking facilities at the Cambridge Corn Exchange, or programming performances and events in line with public transport facilities. Map 1.3.5.1 also shows that most respondents live within a 60-minute drive of the Cambridge Corn Exchange.

Map 1.3.5.1 Location of Respondents



Source: RGA Research

1.4 PREVIOUS VISITS TO THE CAMBRIDGE CORN EXCHANGE

1.4.1 Group Profile

95% of respondents have visited the Cambridge Corn Exchange in the past three years. This is unsurprising given the method of distribution of the survey. However, amongst the more general public surveyed in the MRUK research, the Cambridge Corn Exchange had the highest awareness levels, with 99% of all respondents having heard of the venue. Both of these findings show that the venue has an encouragingly high profile in Cambridge.

Just less than 30% have visited between six and ten times in the last three years, followed by 13% who have visited three times in the same period. The average number of times visited the Cambridge Corn Exchange was six over the last three years, equating to two visits per year.

This correlates with results from the MRUK survey which found that 34% of respondents had visited the Cambridge Corn Exchange between one and two times in the last 12 months and was the most frequently visited arts venue in Cambridge, ahead of the Fitzwilliam Museum and the Arts Theatre.

Group size ranged from one to 36, with an average group size of three people. The average number of adults per group is three and on average one child per group. The vast majority (97%) did not visit the Cambridge Corn Exchange as part of an organised group visit.

1.4.2 Purchasing Tickets

The Cambridge Corn Exchange website appears to be the most popular method of purchasing tickets, with half (49%) reporting to have used the site to purchase tickets for their last visit. RGA notes that this may be somewhat inflated, given the method of data collection from this survey.

This is followed by purchasing tickets over the phone (25%) and in person at the venue (16%).

1.4.3 Performance Attended

When asked which events respondents had attended at the Cambridge Corn Exchange, the most popular artforms were; musical theatre (40%), seated popular music (37%), stand up concert (36%) and comedy (30%). The least attended events were; conference/exhibition (1.7%), lecture/talk/debate (1.9%) and visiting the café only (2.2%).

1.4.4 Facilities and Programming

Respondents were asked to rate specific aspects of facilities at the Cambridge Corn Exchange, to determine areas for improvement outside of the cultural offer. Facilities were graded on a scale from one (extremely poor) to five (extremely good). The website scored highest, achieving 3.83 out of five. This was followed by customer service (3.78), range of programme (3.77) and box office facilities (3.65). RGA deems this to be very positive, as these are arguably the most important aspects of a visit to the Cambridge Corn Exchange.

Aspects which scored the lowest were car parking facilities (2.67), food and beverage facilities (2.8) and café facilities (3.01). Again, these are ancillary facilities and suggest that the core aspects of the Cambridge Corn Exchange are performing well.

The apparent dissatisfaction with car parking facilities corresponds with the fact that many visitors to the Cambridge Corn Exchange live outside Cambridge, and are therefore likely to drive to the venue. The Cambridge Corn Exchange should consider working with local car park operators, to offer a discounted parking price to patrons to ensure visitors are not dissuaded from attending events.

Respondents were also asked to rate the quality of the performances seen at the Cambridge Corn Exchange, again on a scale from one (extremely poor) to five (extremely good). Respondents were most satisfied with the quality of modern music concerts which scored 4.45 out of five, comedy (4.43), musical theatre (4.4) and stand up concerts (4.39).

Conference/exhibitions, lecture/talk/debates and opera all scored lowest (3.52, 3.58 and 3.95 respectively). RGA believes these to be overall good satisfaction levels with performances at the venue.

To gain more insight into To gain more insight into exactly which performance types were best perceived at the Cambridge Corn Exchange, RGA cross-tabulated satisfaction levels with the type of performance people had attended. Those who have attended a 'circus' type performance at the venue reported highest satisfaction levels, scoring it 4.6 out of a possible 5. This was followed by those who had attended a stand-up concert, who scored that performance type 4.5 out of 5. People who had attended a conference were least satisfied with the event scoring it 3.58 out of 5 (but note that there were a small number of respondents to this).

Should the Cambridge Corn Exchange wish to continue to host conferences and events in the future, they investigate further whether the offer should be improved.

More generally, respondents were presented with a list of adjectives to describe their experience of the Cambridge Corn Exchange. The most popular words chosen were 'fun', 'friendly' and 'fantastic'. 'Vibrant', 'stimulating', 'cultural' and 'expensive' were also words used. The positive nature of most of these words is encouraging for the current project.

1.5 PREVIOUS VISITS TO OTHER CULTURAL VENUES

Two thirds of all respondents have visited other theatres in the last year. The most popular theatres visited include the Cambridge Arts Theatre, the ADC, the Junction and London theatres (general). This highlights the popularity of local venues as well as the large pull of nearby London venues.

This latter finding correlates to the finding in the MRUK survey that nearly half of respondents (48%) agree or strongly agree that 'I have to travel to other cities, like London, to see the types of events that I enjoy'.

At the other venues, respondents have attended musical theatre performances (50%), theatre/drama (44%), seated popular music and Christmas shows (both 21%). Again, this highlights the relatively low position Cambridge Corn Exchange holds as a venue for drama.

When asked to compare the Cambridge Corn Exchange against the other venues visited, two fifths of people rated it 'about the same'. 27% rated it 'a bit worse' and 14%, 'a bit better'. Explanations to these answers largely related to the poor quality of seating in the auditorium ('too close together', 'uncomfortable', 'lack of tiered stalls seating') as well as the poor acoustics. However, those who rated the Cambridge Corn Exchange as better as other venues they have visited, largely commented on the venue as a good venue for standing music concerts, because of the relative intimacy compared to other venues.

1.6 GENERAL AWARENESS OF ARTS AND CULTURE EVENTS

To identify potential marketing avenues, RGA asked respondents to highlight where they found out about upcoming events in the local arts and culture sector. By far the most popular, and probably the least surprising, given the method of data collection used for this survey, was mailings (including e-mail lists), which are used by 73% of respondents.

The second-most popular avenue was theatre websites (60%), followed by local newspapers/magazines (47%) and theatre programme (32%). Travel agents and tourist information centres were the least-used avenues, highlighting the fact that most respondents to the survey are local residents. The high usage of mailings, email lists and theatre websites shows that potential markets to the Cambridge Corn Exchange are comfortable with researching and booking tickets online. Online communication and marketing should be a priority for the venue to reach potential audiences.

Interestingly, email alerts were only used by 16% of respondents to the MRUK survey. For them, publicity material and articles in newspapers or magazines were the most popular methods of finding out about arts events, receiving 84% and 80% of responses respectively. This suggests that although online marketing may be beneficial for those already engaged with the Corn Exchange, the venue should also use more traditional publicity material and should work with local newspapers to attract new visitors.

1.7 FUTURE INTENTIONS TO VISIT CAMBRIDGE CORN EXCHANGE

1.7.1 Programming Improvements

Encouragingly, two thirds of respondents are ‘extremely likely’ to visit the Cambridge Corn Exchange and 30% are ‘likely’ to visit. Suggesting a definite interest in the venue. Specifically, 64% of all respondents would like to see a musical theatre performance there, 58% would like to see comedy and 56% would like to attend a seated popular music performance. Broadly, these correlate with performance types that people have visited in the past.

Comparing future intentions to visit specific artforms to previous visits, there is a high discrepancy between comedy performances, theatre/drama, musical theatre and modern music concerts, suggesting that these are the aspects of the programming that should be developed.

1.7.2 Facilities Improvements

Two thirds of respondents believe that the offer of cheaper tickets would encourage them to visit the Cambridge Corn Exchange more frequently.

In addition, just under two fifths (36%) also perceive car parking facilities to be a barrier to their visit, 35% of respondents would like to see cheaper food and beverage, and 34% would like to see improved seating. All of these have been reoccurring themes throughout this survey.

The main general barriers to attending arts and entertainment events identified by the MRUK survey are that performances ‘cost too much’ (51%) and that it is ‘difficult to find time’ (40%). RGA notes that these are common barriers to attending arts events.

1.8 OTHER COMMENTS

Respondents were given the opportunity to make additional comments about the Cambridge Corn Exchange. RGA has chosen some which we feel encapsulate the majority.

‘I find the online booking facility quite frustrating. It often does not allow booking but does not say why. The allocation of seats seems totally random and i think it would be much better if there was a plan of seats/spaces available so one could see the selection of available seats and therefore choose accordingly. I have booked seats for concerts as soon as they have been released and found better seats were available a week later - it seems a bit unfair!! Also the visibility from the tiered seating is not particularly good and sometimes the sound is a bit dodgy too ... however I still have a great time when I visit!’

‘Once in the auditorium the performances are usually enjoyable, the front of house is dreary and refreshments are nothing special so a visit to the Corn Exchange doesn't feel like a special evening out.’

‘Good Local venue, good range of acts at good prices.’

‘Poor acoustics downstairs when visited for a comedy performance - quite a lot of the show was inaudible.’

‘Flat floor seating is very uncomfortable, especially during a performance when you can't move too much. Insufficient leg room between rows.’

‘For me the two priorities that would really improve Cambridge Cornex are : Sorting out your acoustics (bounces round the boxy walls) and seat selection option on the website.’

‘The Corn Exchange is a great venue to see bands. It offers the chance to get to see the well respected artists (e.g. Elbow, Amy Winehouse etc) at close proximity. My only criticism is that who ever is in charge of booking the artists does not seem to have their finger on the pulse of what's hot and what's not. There is a great deal of repartition from year to year. I therefore feel that this venue is not being used to its full potential.’

‘Excellent disabled facilities, staff friendly and helpful, don't like the booking fee.’

‘Everything about a visit to the Corn Exchange is enjoyable but the sound system has been a problem in my experience for years and nobody seems to sort this out when mentioned, an apology alone is not enough when you have spent good money to attend. Local people would prefer to enjoy a trip to their local theatre but you lose confidence.’

‘Can get very, very hot. Not very comfortable.’

‘A luxury experience because the cost is so prohibitive. In my experience the cost does not always guarantee the quality I would expect.’

'There is only one problem, that is toilet facilities. Very squashed to get in the Ladies & not enough cubicles.'

'Very impressed by innovative range of programmes and entertainment - have booked several events for 2009.'

APPENDIX C REVIEW OF THE CATERING AND CONFERENCE SERVICES WITHIN THE CAMBRIDGE CORN EXCHANGE

1. SUMMARY

RGA was asked to review the current and potential catering and conferencing operations within the Cambridge Corn Exchange and the Guildhall as part of a larger review associated with the Corn Exchange. We visited the buildings on Wednesday 22nd April 2009, a day when the Corn Exchange was to host a performance by the rock group, 'The Levellers'.

Initially we examined the daytime café which is set up in the foyer of the building. We noted low trade level on that day and subsequent examination of the trading figures confirmed that it is a loss making venture in its present form and throughout the last 20 years has never traded well. We examined the potential reasons for this and concluded that the venture in this location would never be viable.

Next we examined the bar operations which are extremely successful as they serve the needs of show patrons who are a captive audience for an evening. The short service periods before the start of a show and at the interval give the operators of theatre bars a challenge but this operation is well set up and fairly efficient though we noted a need to have additional chilled storage for extra beer supplies on busy nights.

The Corn Exchange also hosts some conferences and meetings and it has four current spaces available for rental. We examined these together with the concept of adding an additional multi purpose bar and meeting room on a new mezzanine floor above the existing foyer.

Finally, RGA examined the relationship between the Corn Exchange and the Guildhall which was formed around two years ago so the former could promote the latter as a venue for conferences and functions. The main advantage is that as a complex, the two neighbouring buildings offer a large venue for a meeting or conference together with two large halls where their delegates can have receptions and meals.

We found that the facilities within the Guildhall were impressive but were in need of redecoration. In addition we noted that the fire precautions and escape route markings were temporary and must be updated as soon as possible.

We also discovered that the kitchen facilities within the Guildhall were of a poor standard and make recommendations on how these could be improved.

The scope of this assignment did not include a market assessment for conferences in Cambridge so our recommendations are based on our current knowledge of this sector across the UK.

Overall, we concluded that the daytime café in the foyer of the Corn Exchange should close but that the current caterers are encouraged to retain the ability to provide sandwiches and buffet lunches to small meetings held in the Corn Exchange or Guildhall. Further we suggest that an additional chilled beer store be located in Parsons Court.

In addition we recommend the improvement of the marketing for the two buildings as a conference, function and events venue which will attract new business to the complex.

Finally, we make suggestions for the long term development of the catering facilities within the Guildhall which may be funded by the building owners, Cambridge City Council or could be provided by a caterer as part of a longer concession period.

2. SITE APPRAISAL

2.1 OVERVIEW OF THE CORN EXCHANGE

The Cambridge Corn Exchange is a five story brick faced building that dates from the mid Victorian period. It is currently used as a theatre and entertainment venue hosting a range of live acts including opera, musicals, rock bands and comedians.

The building last underwent a major refurbishment in 1986 and is generally in a good state of repair. It has a Grade 2 listing which prevents any changes being made to its external structure and fabric.

Map 2.1.1 Location Map

Source RGA/Microsoft Autoroute

1 Cambridge Corn Exchange
2 Cambridge Guildhall

Photograph 2.1.1: Cambridge Corn Exchange Front Elevation from Wheeler Street

Source RGA

2.2 CURRENT USE AND ORIENTATION

The Corn Exchange occupies an L shaped site in the centre of Cambridge with the main entrance on Wheeler Street which is to its north, Corn Exchange Street is to its east and the west is Parsons Court. Other office buildings are to the south of the site.

The building has for many years been an entertainment venue and will continue with this as its primary use into the future.

2.3 ACCESS

The main public access to the Cambridge Corn Exchange is through the front door on Wheeler Street. This is a grand entrance, in keeping with a Victorian public building which has been adapted to conform to the DDA regulations by raising the external pavement to provide ramps and a level entry for wheelchairs users.

There is a goods entrance off Wheeler Lane which is used for beer deliveries as well as offloading bank equipment. There are four fire exits onto Corn Exchange Street.

2.4 VISIBILITY

For such a large building, the site is not highly visible. This is because it is in the middle of a highly built up area so is surrounded by other tall buildings which restrict sight lines and obscure it from the main pedestrian through routes.

The frontage is relatively narrow at around 20 metres and its position behind the Guildhall building hides it totally from Market Place and pedestrian areas of Guildhall Street and Petty Cury.

Photograph 2.4.1: Corn Exchange Street Elevation

Source RGA

The main façade is onto Corn Exchange Street which is a relatively narrow lane with one-way traffic and a cycle lane. The building, whilst impressive has no signage to identify it as a café, bar or entertainment venue.

Wheeler Street is also has one way traffic heading away from the Corn Exchange so those approaching it are either on foot or on bicycles. These users will have a good view of the front of the building but again there is no signage on the building to inform then that there is a café inside. There is a one metre high, free standing display on the pavement outside the main entrance but this is obscured by the railings making it almost invisible except for people walking on the ramp access. There is also a loose banner attached to the railings which further obscures the sign.

2.5 RELATIONSHIP TO DEMAND GENERATORS

The Grand Arcade, one of the main shopping centres for central Cambridge is within 100 metres of the front of the Corn Exchange. This shopping mall contains a John Lewis store as well as other major high street retailers but the majority of users do not pass the door.

To the north, on the opposite side of the Guildhall Building is the main market which has a range of stalls selling a wide variety of items from fabric to specialist foods. Both Market Street and Petty Cury give access to Stanley Street which is a pedestrianised high street with most of the normal range of shops including Marks and Spencer.

Between Stanley Street and Corn Exchange Street is a modern shopping area known as Lion Yard and behind this is the Grand Arcade shopping development which includes a John Lewis department store.

In the immediate area are most of the shops that can be found in town centres across the UK and their presence indicates that this is a busy commercial area but one which pulls the footfall away from the streets surrounding the Corn Exchange.

On Pees Hill to the west of the Guildhall there is the former 'One Two Tea' tea room. Notices show that it closed in December 2008 because of lack of trade blamed on the economy and a poor tourist season. We also visited the Cambridge Arts Theatre on Pees Hill to be informed that their 4th Floor Restaurant had also closed because of lack of business.

We were informed that Jamie Oliver the celebrity chef plans to open a new restaurant within the Guildhall building, directly opposite the Corn Exchange. This is expected to be the fourth of his 'Jamie's Italian' outlets but no construction work had started at the time of our visit. The nature of this business and the publicity that will surround its opening may act as a catalyst to re-energize the catering businesses in the immediate area.

Cambridge is a university city with two major institutions, Cambridge University itself with its range of colleges spread around the city and Anglia Ruskin University with its campus on the A603 to the east of the town centre. Neither is particularly close to the Corn Exchange and so students will only use the venue to attend events.

2.6 CONCLUSIONS

Our analysis of the site is indicates that it is not an ideal location for a café, or restaurant:

- The site is in hidden from most of the shoppers using the main stores in the centre of Cambridge by other large buildings in surrounding streets. It is also not on a direct route to anywhere and the narrow streets within the surrounding one way system further restrict passing trade.

- The Grade 2 Listed status of the building prevents signage being erected so the visibility is further diminished.

- Other restaurants and cafes in the immediate area have failed and are closed.

We note however that:

- Jamie Oliver, plans to open a restaurant opposite the Corn Exchange which may encourage a new group of customers into the immediate area.

3 *REVIEW OF THE CURRENT CATERING OFFER*

3.1 FOYER CAFÉ AND BAR

The main entrance of the Corn Exchange opens into a foyer which is known as the Schering Room. This is an area with doors at the far end to access the auditorium. On either side are metal staircases leading to the balcony seating and a flat mezzanine level within the auditorium which was set with loose seating during our visit. The auditorium can hold up to 1462 people.

On the right side of the main auditorium entrance is a long bar with a range of beer heads and a back bar for spirits. Immediately to the left of the entrance is a small coffee bar which sells Costa Coffee and between this and the staircase is a food service counter with ambient and refrigerated display cases for food and soft drinks. The Coffee Bar can be used to sell alcohol when the Corn Exchange has a show. The over counter is decorated with 'Think' banners which appears to be a logo used by Kudos Hospitality, the contract caterer. There are also two display posters promoting yoghurt pots that were not on display for customers to purchase.

The area is carpeted and when in use as a café is set for 40 covers around ten laminate top tables.

Photograph 3.1.1: Foyer café from the main entrance.

Source RGA

The menu on offer is a simple café offer but the food in the heated display cabinet looks as though it had been there for some time and would not be edible. There was a soup kettle on the counter and a limited range of sandwiches on offer together with crisps and biscuits.

During our visit, we noted ten customers, most of whom had coffee or tea and a biscuit or muffins only. We did not observe any meals being eaten. There is a small kitchen to the rear of the food counters where meals can be prepared. This was equipped with a stove a fryer and a microwave as well as refrigeration so is capable of producing a reasonable number of meals each day. There is also a further store with a walk-in cold store and a dishwashing area to the front of the building.

The Lunch Menu is served from 12:00h – 14:30h

Ciabatta Pizza served with chips & salad garnish	£4.95
Or served with side salad	£4.50
Jacket Potatoes - Plain	£4.95
Or served with, prawn mayonnaise, beans and cheese,	
tuna and sweet corn or side salad	£5.55
A selection of freshly homemade baps starting at	£2.50
A selection of freshly made paninis	£3.95
Served with chips & salad garnish	£4.95
Bacon Rosti Roll	£4.95
Served with chips	£5.95
Scampi, chips and green vegetables	£5.95
Breaded Haddock, chips and green vegetables	£6.50
Soup of the day served with butter and fresh bread	£3.95
For the sweet tooth – freshly baked cookies, cakes and muffins.	
Prices start from just	£0.60

Source Cambridge Corn Exchange

Photograph 3.1.1: The Coffee Bar.

Source RGA

Photograph 3.1.2 The Food Counter

Source RGA

The current opening hours for the Foyer café are:

Monday – Saturday 09:00h – 15:30h Monday to Saturday except for dates when the Corn Exchange is being used for a daytime event. At these times, the café is closed.

There is only one piece of street advertising at the entrance and this is hidden behind the railings so is only visible to people who walk past the front door. The operators are not permitted to place any other advertising on the outside of the building. The fact that the building is Grade 2 listed is given as the main reason that the café cannot be promoted however there are several notice boards on the Corn Exchange Street walls promoting future shows within the venue.

When there is an evening show in the Corn Exchange, all of the furniture from the café must be stacked and stored as soon as it closes in order to allow maximum access for show patrons to use the foyer and the bars.

Table 3.1.1: Café Trading Figures for Fiscal Year 2008-09

	Days Trading*	Total Annual Sales 2008 - 2009	Average Daily Sales
Daytime Café	276	£24,953.91	£90.41

Source Cambridge Corn Exchange/RGA

* Trading days taken as those where a sale was recorded.

Food is also served on show evenings as a condition of the licence. Here a simple menu is offered to allow for fast service and it generates considerably more revenue than the daytime service.

Table 3.1.2: Total Catering Revenues 2008-09

	Days Trading*	Total Annual Sales 2008 - 2009	Average Daily Sales
Daytime Café	276	£24,954	£90.41
Evening Café	179	£41,161	£229.95
Total	276	£66,115	£239.54

Source Cambridge Corn Exchange/RGA
* Trading days taken as those where a sale was recorded.

The current catering operator is Kudos Hospitality, a division of the Crown Group who own and operate a wide range of venue and event catering businesses. Kudos Hospitality is their venue management division and they appear to operate the Cambridge Corn Exchange as a bars contract and place very little effort into the daytime café. They offered to invest in improved promotions and menus when they won the contract some three years ago but quickly integrated the service under the bars manager to take charge of the whole operation.

We are informed that since 1986, there have been seven catering operators in the building including major players such as the Compass Group. None has made a success of the daytime café in the foyer of the Corn Exchange and from the figures given to us for the Daytime Café we would believe that it would be impossible to make a profit without a considerable increase in the takings. RGA estimates that breakeven would be achieved on a turnover of £45,000 per annum which represents an 80% increase in turnover with no increase in wage costs.

Table 3.1.3 Estimated Trading Figures for Daytime Café 2008-09

	Current Trade		Break Even	
Sales	£24,954		£45,000	
Estimated cost of sales (35%)	£8,734		£15,750	
Gross Profit		£16,220		£29,250
Wages = 2 FTE @ £12,000 gross	£24,000			£24,000
Utilities (5%)	£1,247			£2,250
Consumables (5%)	£1,247			£2,250
		£26,494		£28,500
Net Operating Profit (Loss)		(£10,274)		£500

However, if the catering is taken as a whole, we suggest that the operation will make a small contribution to the profitability of the overall contract.

Table 3.1.3 Estimated Trading Figures for Total Café Operations 2008-09

Sales	£66,115	
Estimated cost of sales (35%)	£23,140	
Gross Profit		£42,975
Wages = 2.5 FTE @ £12,000 gross	£30,000	
Utilities (5%)	£3,305	
Consumables (5%)	£3,305	
		£36,610
Net Operating Profit (9.5%)		£6,265

3.2 THE BARS

This operation is dominated by the bar which occupies the right side of the foyer. It is not open during the day but the service area is in full view of any café customers.

The main bar is set up with a range of beer fonts serving a range of beers, lagers and cider including; Becks, Stella Artois, Whitbread Best Bitter, Murphy's Stout and Strongbow Cider. Most are prices between £3.50 and £3.95. The bar also offers a limited range of spirits, mixers, soft drinks and crisps. There are chilled cellars behind all bars but these are small and difficult to work. There is no easy solution to this and any new cellar would lead to much longer beer pipe runs which increases ullage. One solution may be to provide a refrigerated store in Wheeler Lane which could be used to hold excess stock for busy nights at the correct temperature, thus avoiding the beer fobbing issues that occur when warm kegs are used and the flash coolers cannot cope with the demand.

Photograph 3.2.1 Main bar on right of foyer

Source RGA

During performances, these bars are extremely busy so they have been arranged in service stations to allow the maximum number of staff to be serving at peak times. Safety is an issue and we understand that many rock promoters insist of beer being served in plastic glasses which prevents the service of bottled beers at this venue.

On the first floor of the building is located the St John's bar. This is in the foyer space behind the boxes used for disabled customers as it is the only area that can be accessed by the wheelchair lift. The room can accommodate 150 customers. Despite the white ceiling and a window onto Parsons Court, this is a dark space so is currently either used for people to mix and socialise at an interval in a performance or for storage of band equipment. We believe that this bar is only used on 50% of events when the main bar is very busy. Patrons are then directed towards the St John's Bar to relieve the crush in the main foyer.

Only half of the bar is currently set up for use and the remainder is used for storage. At the time of our visit, it was being used by crew for 'The Levellers' the band who were playing that evening.

This space could be better used and if properly decorated and lit could provide an additional meeting space or even a rehearsal or workshop room and still be used as a bar when required.

Photograph 3.2.2: St John's Bar

Source RGA

The combined bar revenue for the fiscal year 2008-09 was £343,749.

Table 3.2.1 Bar Revenues for Fiscal Year 2008-2009

Bar	Days Trading*	Total Annual Sales 2008 - 2009	Average Daily Sales
Main Bar	179	£278,750	£1,557
Café Bar	179	£44,615	£249
St John's Bar	88	£19,384	£220
Total	179	£342,749	£1,915

Source: Cambridge Corn Exchange/RGA
* Trading days taken as those where a sale was recorded.

From these, we estimate the net operating profit for the bars to be:

Table 3.2.1 Bars Net Operating Profit for Fiscal Year 2008-2009

Sales	£342,749	
Estimated cost of sales (45%)	£154,237	
Gross Profit		£188,512
Wages (17.5%)	£59,981	
Utilities (5%)	£17,387	
Consumables (5%)	£17,387	
		£94,755
Net Operating Profit (27%)		£93,757

It should however be noted that these are estimates based on industry standard percentages and they make no allowance for fees due to the venue from Kudos Hospitality, management costs of the operator or costs associated with banking, depreciation, or taxation.

We understand that in 2008-2009 the venue received a rental fee of £64,000 and that this is to rise to £74,000 in 2009-2010 with a rider that it will increase further to £80,000 if the turnover rises above £404,000 over the year.

3.3 COMPETITORS AND NEARBY RESTAURANTS

3.3.1 The Cow

The closest competitor is the Cow pub on the opposite side of the junction between Wheeler Street and Corn Exchange Street. It has a larger street presence and some visibility towards the Market Square, it should be busier than the Foyer Café opposite. However we there were few customers in during our visit.

The pub is painted in a deep red with black windows and seems rather sombre and a little uninviting. It also offers a range of café type meals during the day including pizzas and paninis.

It benefits from events at the Corn Exchange as it acts as an overspill bar for pre-event drinks.

3.3.2 Carluccio's Caffe

A modern Mediterranean style restaurant with a presence on Corn Exchange Street, opposite the side of the venue, but its main entrance is off Fisher Square at the entrance to the Grand Arcade Shopping Centre.

This light and airy eatery has around 200 seats and offers a pasta based menu with other Italian dishes for around £15 - £25 for a dinner and £12-£15 for a lunch.

It uses the name and reputation of Antonio Carluccio, the Italian chef who founded the chain of restaurants although he is no longer its owner. This outlet does serve Italian coffee in a pleasant atmosphere and will also be the key competitor for the new Jamie's Italian Restaurant when it opens.

3.3.3 Stazione

An Italian street café at the start of Petty Cury, this looks a busy outlet with pavement seating and waiters hovering, giving the feel of a European pavement restaurant.

Menu was a normal Italian style but could not be studied as the waiters were ready to draw you in or send you packing!

3.3.4 Cambridge Chop House

Located on King Parade, one block from the Corn Exchange, this restaurant serves traditional English meat dishes including pork chops, beef chops, bangers and mash and chopped chicken. There is a roast served at lunchtime and meals cost around £15 - £25.

They have an association with The Cambridge Arts Theatre now that their restaurant is closed.

3.3.5 Jamie's Italian Restaurant (proposed)

This new restaurant has not yet started construction but has been talked about both locally and in the catering press for two years. It is to be located in the Guildhall Building on the site of the current Tourist Information Centre and will face onto Wheeler Street.

His web site www.jamieoliver.com/italian does not even list Cambridge as opening in 2009 so its completion will be at least another year away. The same website claims that the menu offers rustic, simple dishes from the best ingredients we can find and a dinner will cost £20 - £25.

3.3.6 Starbucks

There is a Starbucks outlet on the first floor of the Grand Arcade. This is close to the entrance to John Lewis within the shopping mall and is only 100 metres from the front of the Corn Exchange but in a much more favourable position with a considerably larger footfall.

3.3.7 Costa Coffee

There are two Costa Coffee outlets nearby. The first is a small unit on the ground floor of the Grand Arcade but there is also another outlet on Sidney Street, within the main high street shopping area of Cambridge.

The following restaurants are now closed!

3.3.8 The Cambridge Arts Theatre Restaurant.

Formally located on the 4th floor of the Arts Theatre on St Edward's passage, this restaurant closed as it was a drain on the theatre's resources.

3.3.9 One 2 Tea

A speciality tearoom and leaf tea shop located beside the Cambridge Arts Theatre, this site is now empty. The note on the door explains that it closed on the 23rd December 2008 because of the economic climate and a poor tourist season.

3.4 CONCLUSIONS

Kudos Hospitality has a profitable operation at the Corn Exchange.

The daytime café operation as it stands is not profitable and even if a substantial marketing budget was assigned to it, the ambiance and the irregular opening hours make it less attractive than other cafes and restaurants in the area.

In addition, the position of the building behind the Guildhall, hidden from the people in the main shopping areas makes this unlikely ever to succeed. This view is reinforced by the fact that the tearoom on Pees Hill is also closed because of poor trading.

The bars are however good cash generators and the Kudos Hospitality is keen to retain this contract.

The new ‘Jamie’s Italian Restaurant’ is likely to benefit from events that take place in the Corn Exchange but the reverse is unlikely to be true. It will be able to offer pre-show meals at a time when the Corn Exchange is concentrating on selling beer and whilst Jamie Oliver’s name may draw new customers into this area of Cambridge, they are unlikely to be seeking a coffee, preferring a more substantial meal in the restaurant. The new restaurant will compete directly with Carluccio’s in the Grand Arcade complex rather than the Foyer Café.

Any catering developments within the Corn Exchange should be focused on the bars and whilst it should retain a capacity to produce sandwiches and light lunches for any events that take place within the building during the day, we suggest that consideration should be given to closing the daytime café.

4. MEETINGS AND CONFERENCES IN THE CORN EXCHANGE and THE GUILDHALL

4.1 THE CORN EXCHANGE.

As a theatre, the Cambridge Corn Exchange is an ideal venue for larger conferences. It has a maximum seating capacity for 1462 delegates but it would be unusual for it to be booked to this level for anything other than evening meetings at there is not the catering infrastructure to accommodate this number for teas and coffees.

The Guildhall, opposite the Corn Exchange has two halls with a maximum capacity of around 650 so this is perhaps the ideal maximum for a full day conference. Events requiring overnight accommodation is dependent on the availability of hotel bedrooms in the area but as a University town, Cambridge usually has additional rooms available over the Easter and summer holiday periods.

In 2008-09 we understand that the Corn Exchange hosted only five or six major conferences:

Conferences are managed as a partnership between the Corn Exchange management, and Kudos Hospitality. We asked for a copy of the conference brochure but none was available as many of the details in this are out of date. Bespoke quotations are normally prepared for each enquiry but these take time as Kudos has to be consulted and as they do not have the kitchen infrastructure to manage a large event on site, they need to plan where the food can be produced then brought to the Corn Exchange for finishing and service. Often additional equipment is required and this too has to be imported from other Kudos Hospitality venues. This is a major exercise which can be expensive so we were surprised to note that there are no established operational procedures derived from previous successful events.

There are three meeting spaces within the Corn Exchange:

		Maximum Theatre or Reception	Maximum Dinner
The Schering Room	Main Foyer	150	60
The Auditorium	All floors	1462	200*
St John's Bar	First Floor	50	40
The King's Room	First Floor	40-50	20

* on flat floor area with tiered seating removed.

RGA suggests that the Corn Exchange has the potential to host smaller meetings and conferences. The King's Room on the first floor at present is not DDA compliant but could be offered for board meetings to local organisations. Such short term lets in this room are unlikely to have any detrimental impact on the other areas of the building though perhaps letting this space should be avoided on days when rock groups are holding sound checks or rehearsals.

Photograph 4.1.1: The King's Room

Source RGA

The St John's Bar may also be suitable for use as a meeting room as it is of a similar size to the King's Room but the bar and the limited light may make it unpopular with some event organisers.

During our discussions, we were told about a potential new room being considered as a mezzanine level above the main foyer. This would be intended to be an additional bar area for performances but could also be used as a self contained meeting room

Like the St John's Bar, this space would be more useful for meetings if the bar could be fully screened when it is not in use making it a multi purpose facility. As a bar it would benefit from an access into the balcony of the auditorium.

4.2 THE GUILDHALL

Two years ago, the management of the Corn Exchange were given operational control of events within the Guildhall Buildings, directly opposite their main entrance. This is part of a plan by Cambridge City Council to utilise the Guildhall for more than council administration and civic functions. Future developments include the lease of part of the building to Jamie Oliver for his Italian restaurant.

The Guildhall contains two halls which can be used for events including conferences:

		Maximum Theatre or Reception	Maximum Dinner
The Large Hall	First Floor	576	300
The Small Hall	First Floor	150	80

The Large Hall is part of the Victorian section of this building. It is an impressive room with a stage which is backed by a large organ which we understand is not in working condition. The room itself has a high ceiling and high level windows with stained glass and around the room are various historic oil paintings including one of Queen Victoria.

This is an impressive room which could offer a 'Wow' factor to international conferences wishing to visit the city. It is ideal for receptions as well as dinners, providing that catering can be arranged and when offered in conjunction with the Corn Exchange gives an historic location for a 21st century conference.

The Small Hall appears by its decoration and style to belong to the part of the Guildhall built in the 1920s. This is adjacent to the Large Hall so can either offer a break-out space for teas and coffees or can be a separate room which can be used for meeting of up to 150 delegates. Other uses include small exhibitions and this would make an ideal registration space for any conference utilising both the Guildhall and the Corn Exchange.

The Guildhall has some issues. We noted that there were a number of temporary fire exit signs laid on window ledges and in other unusual locations. We understand that there were required by the Fire Officer as the building does snot yet comply with current Fire Safety Regulations in terms of signs and emergency lighting. These issues are now being addressed.

The kitchen area behind the Small Hall is basic with minimal cooking equipment but it does offer space to bring in temporary equipment to finish meals prepared in other locations. There are 'dumb waiter' hoists to bring food up to the first floor from the delivery doors in Guildhall Street but we were concerned to note that this space was also used to store the refuse bins for the building and doubled as a fire escape.

Beside the delivery entrance there is a wide internal corridor which currently us used by Guildhall staff to park their bicycles. We suggest that, subject to suitable plans being drawn, some of this area could be converted into a production kitchen that could service both the Guildhall and the Corn Exchange. Such a facility should be around 100 – 120 m^2 to include all offices, storage, production, service points as well as a dishwashing area.

The cost of providing such a facility could be in excess of £150,000 but consideration could be given to offering a longer contract when the catering is re-tendered provided that the successful bidder commit to supplying the kitchen at their cost.

4.3 CONCLUSIONS

The city of Cambridge is a renowned centre for education and its historic buildings make it a very attractive venue for international meetings and conferences. The facilities within the combined Corn Exchange and Guildhall complex, together with their location in the centre of the city make then strong candidates for attracting larger scale meetings, particularly outside term times when student accommodation may be available.

The current state of the Guildhall building may detract from the quality of the package that can be offered by the marketing team but if some investment were to be made into the fire precautions and the general decoration of the Large and Small Halls together with the adjoining corridors, the buildings would rate highly against many modern counterparts.

We would envisage that the Corn Exchange would be used for the plenary sessions of any conference and the catering would be provided in the Guildhall. To do this successfully, we believe that some investment must be made into the kitchens and service areas which are not effective and require a considerable amount of additional equipment including heated cabinets and refrigeration, to be imported to serve each event. On occasions, we understand that the caterers find it difficult to find sufficient electrical sockets to power these units which add to their challenges.

We suggest two possible strategies:

4.3.1 Modernise the existing finishing kitchen.

This would be the less expensive option and would require Cambridge City Council, as the owners of the building to re-wire the area and include connection points for 3 phase catering equipment as well as sufficient sockets for single phase items. They should also seek advice from their nominated caterers, including Kudos Hospitality on their needs but we would suggest that the kitchen contain two combi ovens for finishing hot main dishes as well as a large, cold room with a level entrance that will be sufficient to hold 500 racked plates of starters or deserts. The kitchen should also retain or replace the existing stove and offer sufficient stainless steel work tables to allow caterers to prepare and finish up to 500 meals at any one time.

Consideration may also be given to providing a dishwasher.

4.3.2 Build a new kitchen on the ground floor of the Guildhall.

This would be by far the better option but it would also be the most expensive to introduce and our survey was not detailed enough to confirm if space is available for such a development. The ground floor delivery entrance of the Guildhall which opens onto Guildhall Street currently holds the rubbish bins for the whole building but we would suggest that the space could be adapted to provide a modern kitchen of around $120m^2$ which would be capable of servicing both the needs of the Guildhall functions and also dinners or events in the Corn Exchange.

The whole capital cost could be carried by Cambridge City Council as they own the building but an alternative may be to offer the exclusive catering concession to one operator for an extended franchise, providing that they provide the capital investment required to build the kitchen. We would assume that this catering contract would also encompass the Corn Exchange and that the hospitality within the two buildings would operate in tandem.

It is beyond the scope of this catering assessment to examine the viability of such an option but we would recommend that the potential for functions and conferences within the two buildings be examined and that consideration be given to tendering the catering for a ten year period, providing that the successful contractor was able to finance the building of the new kitchen facility in the Guildhall.

4.3.2 Marketing of functions, conferences and events.

RGA believes that the current marketing activity of the team at the Corn Exchange is aimed at promoting theatre and concerts for which the venue is renowned. These activities will always form the majority of events but with the combination of the Guildhall facilities and the Corn Exchange under one management, we suggest that more emphasis and effort is placed on building up the conference and function business which will be of advantage to both buildings.

As discussed elsewhere within the RGA report, increasing the number of performance nights will help to increase the bar income and the overall profit of the catering concession whilst increasing conference and function business will generate a broader mix of incomes including: room rentals, food sales, bar and wine sales

In order to enter into the conference and function market properly, it will be necessary for the Corn Exchange to produce a new conference brochure with all of the relevant details of each room that may be required by an event organiser. These will include the appearance of the rooms as well as dimensions, access routes, including lifts and hoists above ground floor, ceiling heights, power sockets, lighting, PA systems and the availability of digital projection equipment.

The brochure should also have a facility to include a selection of standard menus that have been agreed with the caterer so that they can be used to prepare quotations quickly. Customers will appreciate that bespoke menus will take longer to prepare but most will be content to select from a menu range that includes canapés, buffets and a range of formal meals in at least two price brackets. Menus today should always include a vegetarian option at the same price as around 10% of the guests will select this.

Wine lists are less essential but packs could recommend per head prices for wine or champagne receptions.

Web sites are now the first contact that potential guests have with a venue so this must look inspiring and encourage surfers to make a more formal enquire on line or by telephone.

Finally, RGA suggests that a sales executive be appointed to promote the combined Corn Exchange and Guildhall as a venue for meetings, conferences, weddings, functions, exhibitions and product launches.

5. *RECOMMENDATIONS*

Based on our research for this part of the overall project RGA makes the following recommendations:

- Allow Kudos Hospitality to close the daytime café operation as it is never likely to be profitable and the facility as currently managed is not an asset to the Cambridge Corn Exchange.

- Consider the building of a multi-use space on a new mezzanine level in the Corn Exchange above the current Foyer or Schering Room.

- Encourage Kudos Hospitality to provide a range of sandwich selections and buffets that can be offered to groups organising meetings within the Corn Exchange.

- Install new lighting in the St John's Bar and fit solid bar shutters so that the room can be used as an additional meeting space.

- Provide a refrigerated storage in Parsons Court to store extra beer at the correct temperature for busy performances when demand is high.

- Develop the combined Corn Exchange and Guildhall as a venue for medium to large conferences, events and dinners. This will require a new marketing strategy with re-worked brochures, menus and a dedicated web site where organisers can find all of the information that they require to plan their meeting or function.

- Invest in the appearance of the Large and Small Halls within the Guildhall including the approach corridors. This should include updating all of the fire regulations as required by the Fire Officer.

- Cambridge City Council to consider refurbishing the service kitchen attached to the Small Hall which is currently sub standard and poorly equipped. They may also consider building a new kitchen facility in the Guildhall to service both venues.

- Alternatively, consider inviting future caterers to apply for a longer contract providing that they invest in a new kitchen within the Guildhall which will be used to service both this and the Corn Exchange. For this they will need to be offered exclusive catering rights over both venues and a minimum 10 year contract to provide all catering services to functions, meetings and events within the combined complex

APPENDIX D CORN EXCHANGE UTILITIES REVIEW OCTOBER 2008

Reason for the report

To establish how electric and gas is being consumed at the Corn Exchange and whether there are ways of reducing this without impacting adversely on service provision. This is considered particularly necessary given environmental considerations along with spiralling costs of energy.

Background

The Corn Exchange has been operated in its current format of a mixed programme, multi purpose venue for 22 years. It has an annual attendance of around 220,000 customers.

The Corn Exchange is an old (Victorian) building and is grade 2 listed. Its air handling and heating systems are now becoming dated. The systems for heating and air circulation are not as you might expect from a more modern or purpose built venue.

In reviewing Corn Exchange energy I have:

- Consulted and received advice from the Council's Head of Architecture & Building Services
- Received a two-day consultancy from the Energy Information Centre who are based in Newmarket.
- Analysed consumption and cost information.

The resource input in conducting this review was in the region of 3 days of officer time and a two-day consultancy (at a cost of £1200).

The issues we have considered in conducting this review were:

- Are we using the cheapest suppliers / is energy appropriately procured?
- Is lighting energy efficient / could more be so?
- Is our house keeping generally good in terms of minimising energy consumption?
- Could we install reactive lighting, for example lighting that turns off when there is no movement?
- Is our gas consumption as low as it could be / is our heating efficient?
- Do we want to change any service delivery areas to reduce energy costs (for example not have a daytime café or Ice shows)?
- How much are our energy bills / what are they likely to be (assuming same usage)?
- If our consumption in unit terms has risen, why?

Findings

Electricity – Usage and cost

The table below shows our consumption over the last 5 years.

Cons (KWHs)	2003/04	2004/05	2005/06	2006/07	2007/08
April	47482	37822	44855	45494	43922
May	46690	43122	40070	48657	49978
June	43850	37178	36083	43734	44783
July	46623	34744	32409	43724	43029
August	31815	32235	25132	36191	33251
September	45721	39363	38973	42297	39596
October	48143	47536	41432	45870	47272
November	47058	52007	44408	49489	50926
December	42803	60031	44408	63144	52073
January	33717	38007	50068	43398	42473
February	37246	40059	46140	44820	44140
March	39242	40221	49288	51101	50502
	510390	**502325**	**493266**	**557919**	**541945**

The table shows a significant increase from April 2006 – around 10%. Significantly our new catering contractor commenced their contract in April 2006 and required additional electricity to support its hot food business. Additionally it is believed that the current contractor has more fridges in use than the former one. The current catering contract expires in April 2009 and is currently being tendered. Energy use will form part of the selection criteria.

In terms of show presentation, October, November & December are the venue's busiest months and the summer its quietest. The table above is reflective of that.

When analysing December usage above it can be noted that consumption was significantly higher in the three years the venue hosted an ice show at Christmas and in the lower two years the venue hosted a musical. It appears therefore that hosting an ice show has an additional consumption of around 15,000 KWH.

In summary therefore, it is concluded that electricity consumption since 2006 has increased by around 10%, that 3% might be attributable to hosting an ice show and the other 7% may be as a result of a new catering contractor.

Whilst usage has remained reasonably constant other than for the issues described above, the cost has more than doubled over the last 5 years due to the higher cost per unit.

Electricity is procured centrally for the Council (including the Corn Exchange) by Property & Building Services. It was recently retendered (Jim – date please) and the cost per unit which was £x in 2007/8 will now be £y (Jim).

	2003/04	2004/05	2005/06	2006/07	2007/08
Electric £	19,773	25,381	36,505	52,646	45,022

Gas – Usage and cost
Is predominantly weather dependant. In July 2007 for example usage was 8,372 KWH for the month whilst in colder winter months this can rise to 200,000, as demonstrated by the table below.

Cons KWH					
Gas	Jan-07	Feb-07	Mar-07	Apr-07	**4 months**
KWH	127409	203343	124273	131694	**586719**
Pence KWH	3.124	3.124	3.124	3.124	
Cost	£3,980	£6,342	£3,882	£4,114	**£18,319**
Gas	Jan-08	Feb-08	Mar-08	Apr-08	**4 months**
KWH	136851	105802	125546	108235	**476434**
Pence KWH	2.144	2.144	2.143	2.143	
Cost	£2,934	£2,268	£2,691	£2,320	**£10,213**

As the table above also demonstrates, the unit charge fell significantly from 07 to 08.

Gas is procured centrally for the Council (including the Corn Exchange) by Property & Building Services. It was recently retendered (Jim – date please) and the cost per unit which was £x in 2007/8 will now be £y (Jim).

The cost for gas in 2006/7 was unusually high. A £4000 credit note in respect of estimated charges made in 2006/7 was received in 2007/8 thus the cost in the table below should read £30k in 06/7 and £16k in 07/8.

	2003/04	2004/05	2005/06	2006/07	2007/08
Gas £	10,292	12,813	16,578	34,437	12,282

The proceeding table demonstrates the near halving of the costs from 2007 to 2008.

Consultant's findings

Maximum demand tariffs
The Corn Exchange paid £1549 for 12 months to July 2008 in respect of requiring a maximum demand tariff of 250kVa. The demand peaked at 195.8kVa in December 2007. In hindsight therefore, it may have been possible to receive a lower tariff based on a lower maximum demand (ie 200kVa). However, if that were then exceeded other penalty charges would have applied. The recommendation therefore in this respect is to be mindful of this rather than necessarily change it.

Heating/boiler control

Reference was made to the fact that some heating controls from one plant room were not working but that they were sensibly operated manually (in that they were turned on when heating was needed rather than coming on automatically).

Rather than recommend a thermostatically operated system the consultant recommends a flexible building control system in so far as heating is only programmed "on" for event days. Whilst not disagreeing with a recommendation to limit use we need to remember that staff work in the venue, often on no show days and often through the night. Additionally we have a daytime catering operation and host meetings. An 11% saving in energy use is suggested by turning off heating on no show days.

De-stratification fans

The consultant draws reference to Corn Exchange management's investigation into acquiring fans that may redistribute hot air in a way that could reduce energy use and recommends that further investigation should be undertaken.

Lighting

It is recommended that fewer lights in the café are switched on in the daytime.

The consultants noted that some mezzanine lighting was tungsten and not energy efficient.

They also noted and supported current investigations and a request for funding movement sensitive lighting controls for corridors and toilets.

FridgesThe consultant noted that the fridges were on when the public weren't in the building and without suggesting a specific saving raised this as a potential for some reduction in energy use.

The consultants view - In summary

	Savings PA in Tonnes CO2	Savings in £ PA	Estimated costs	Issues/risks
1) Install de-stratification fans	13.64	£2,726	£4,875	Noise of fans during events
2) Improve heating controls	12.64	£2,524	£15,000	Operator reliant
3) Reduce foyer lighting levels and fridge use	8.03	£1,576	None	Possible food safety
4) Install energy efficient bulbs to mezzanine	1.18	£232	£60	None
5) Install movement sensors to public areas	7.65	£1,501	£7,500	Ensuring adequate light levels for safety purposes
Total	43.14	£8,559	£27,435	

Comments to consultants views

The fan idea has been trialled but so far the scheme hasn't been implemented. This is because the fans make noise and have to be turned off at events and warn air pushed to the lower levels is lost during get ins/outs. It is our Technical Manager's view that this saving is not achievable. Existing capital funds for improved air circulation could be used to finance their purchase.

Heating controls should be updated and can be paid from the venues R&R funds. Again though the saving looks optimistic and is based on the venue remaining cold on non-show days and this isn't always possible.

Reducing lighting use is supported.

The installation of energy efficient lighting on the mezzanine /bleacher ceiling will not be straightforward. Energy efficient bulbs will not fit within the current fittings so this is a much larger and more expensive job to complete.

The Corn Exchange has already made a bid to fund the movement sensors (Climate Change fund) to limit lighting in areas when nobody is using them, such as in toilets. The bid to the Climate change fund however has not been successful and would offer only 30% of the capital cost of the project.
A decision needs to be made as to whether the budget should be changed to assume all £8559 of savings identified by consultants can be achieved or whether a more modest decrease, say £4000, is more realistic. Gas consumption/cost had fallen in 2008 so some saving can be assumed from this. Note capital would be required in respect of the self switch off sensor devices.

Impacts on budget

	Budget 2008/9 (one year bid included)	Base budget 2009/10	Revised 2009/10 taking account savings Exc inflation	Proposed Budget 2009/10 to allow for new contract prices
Electric	£47,000	£43,680	£43,691-£45000	Jim or John Harvey
Gas	£22,560	£18,260	£17,000	
Both	£69,560	£61,940	£60,691-£62,000	

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