

Leicester
City Council

Minutes of the Meeting of the
ECONOMIC DEVELOPMENT, CULTURE AND TOURISM SCRUTINY
COMMISSION

Held: THURSDAY, 20 DECEMBER 2012 at 5.00pm

P R E S E N T:

Councillor Waddington – Chair

Councillor Bhatti – Vice-Chair

Councillor Cassidy Councillor Chaplin
Councillor Naylor Councillor Shelton
Councillor Porter

Also in Attendance

Sir Peter Soulsby	– City Mayor
Councillor Clair	– Assistant City Mayor (Heritage, Leisure and Sport)
Sarah Levitt	– Head of Arts & Museums
Liz Blyth	– Director, Neighbourhood Services
Antony Flint	– De Montfort Hall
John Rance	– Chief Executive, Phoenix
Fiona Allen	– Chief Executive, Curve
Stella McCabe	– Deputy Chief Executive, Curve
Tony Graves	– Head of Subject, Arts & Festivals Management, De Montfort University
Chris Maughan	– Consultant, De Montfort University
Jerry Connolly	– Member Support Officer

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50. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Bhavsar.

51. DECLARATIONS OF INTEREST

Members were asked to declare any Disclosable Pecuniary or Other Disclosable Interests they may have in the business on the agenda.

Councillor Chaplin declared an other interest as her daughter worked at De Montfort Hall, though no monetary gain was received by Councillor Chaplin.

Councillor Shelton declared an other interest as he was a Director at Phoenix Square and also a representative for Leicester City Council, though he approached the meeting with an open mind.

In accordance with the Council's new Code of Conduct the interests were not considered so significant that they were likely to prejudice Councillor's judgement of the public interest. Members were, therefore, not required to withdraw from the meeting during discussion of the business on the agenda.

52. MINUTES OF THE PREVIOUS MEETING

RESOLVED:

that the minutes of the previous meeting of the Economic Development, Culture and Tourism Scrutiny Commission, held on 12th November 2012, be agreed as a correct record.

The Chair asked that the minutes of the meeting on 28th November 2012 be circulated to Members and Officers, and that any amendments be sent to Angie Smith, Democratic Support, and the minutes be presented at the meeting on 16th January 2013.

53. QUESTIONS, REPRESENTATIONS OR STATEMENTS OF CASE

It was reported that no questions, representations or statements of case had been received.

54. PETITIONS

It was reported that no petitions, in accordance with the Council's procedures, had been received.

55. REPORT ON GRANTS TO MAJOR CITY VENUES - DE MONTFORT HALL, CURVE AND PHOENIX

55.1. Chris Maughan, Consultant, informed the meeting that an updated report had been circulated, which included a summary and recommendations. Handouts of the presentation were also circulated, and are attached to the minutes for information. Chris began by thanking the three organisations for their assistance on the review with Chris and his team at very short notice, and for being open and honest over the eight week period. Chris said that a substantial amount of work had been undertaken to ensure that information presented was as close to the truth as possible, and could be used as a baseline for future work with the venues moving forward.

55.2. Chris stated the team had started from the point of view that there was a lot of knowledge already gathered, so did not feel the need to replicate the

information. He gave an overview of the aims of the research the results of which were drawn altogether for the report. He reported that 3,820 people had participated in the survey, but the profiles shown in the report did not properly represent data on the venues' databases, but were people that had written in response to the consultation.

55.3. Chris told the meeting there were two to three pages in the report on the programmes of work for each of the three venues, and reported that all three venues were delivering against the SLAs in terms of the amount of work and the diversity of it.

55.4. Chris raised the following key points in the presentation.

- a. For each of the organisations, an income analysis was undertaken. The information for Curve was presented which showed that box office income had increased dramatically from the opening year of the venue - by 63%. All three venues had a difficult period between 2008 and 2010, and evidence from the analysis showed since 2010 the performance of all three venues had been impressive. The chart displayed also showed a decrease in City Council grant support. Chris said sponsorship from the private sector was low, but when the figure was compared to the benchmarked figure against other theatres, it was not atypical, and that business had yet to recover from the recession enough to become a major supporter of the Arts. Chris added that the venues were making efforts to address the issue, and Curve and Phoenix in particular would soon have detailed client lists for engaging with the private sector.
- b. The large leap in funding for Curve in 2009 to 2010 was because Arts Council England (ACE) gave a special 'Sustain' grant on top of the standard grant, which had settled down to £1.9 million. Curve was opened in 2008.
- c. For De Montfort Hall, it was recognised that there was a difficult period in 2008 to 2010, though performance had improved since. Reduction shown in box office figures was partly due to festivals being outsourced to other organisations.
- d. Phoenix showed a steady increase over time particularly, in 'other earned income' through the cafe bar which was doing very well, and reflected the role Phoenix was playing as a social centre. The grant from Leicester City Council was going down, but funding received from 2012 onwards from ACE for the arts programme had increased.

The Curve expenditure profile recognised that in order to support and provide the quality of work as a producing theatre it had a high commitment to its own staff as well as to the artistic programme. The Administration figure in the chart covered the other activities in the building, for example, heating and other services. Curve had a particularly high level of heating charges at £180,000 per year.

- e. De Montfort showed a reduction in 2010 to 2011 partly due to the

Summer Sundae weekender no longer being part of the profile, but mostly because of an improvement in deals being struck by the Hall, therefore driving down the costs of artists.

- f. Phoenix opened in 2009 and had a period of reorganisation after 2010, reflected in the lower levels of staffing costs.
- g. In order to develop an understanding of how marketing worked for each organisation, figures were presented for each of the venues to show income derived as a result of marketing expenditure. For Curve the figure improved from 2009 to 2010, moving towards figures other repertory theatres were able to deliver. Correspondingly each seat cost was going down in time regarding the marketing spend. The return gained was £5.00 return for every £1.00 spent.
- h. For De Montfort Hall, figures for 2012 to 2013 represented the estimates on the budget for the year, and it was thought possible performance could exceed the figure. For 2011 to 2012 the return for marketing was £12 for every £1 spent. The figures for 2013 to 2014 were a cautious estimate.
- i. The two marketing ratios for the Phoenix showed seats were costing less than £1 to sell and generated just over £7 return.
- j. Chris presented a chart on Leicester City Council grant in aid to the three venues 2008 to 2009 and 2013 to 2014. The chart showed a combined profile for all the venues and showed the reduction of Leicester City Council financial support through time. The figures for De Montfort Hall were based on an estimated budget, and in 2011 to 2012 De Montfort Hall came in under budget.

Attendance figures showed an increase for all three venues, in particular Curve with a 65% increase through time which showed as 140% increase in box office income.

- k. A profile showed the level of funding from Leicester City Council as a percentage of the total. The figure for De Montfort Hall was based on estimates on the performance of the last two years and was likely to be less than the figures given.
- l. A chart was presented showing financial subsidy per seat which was around £4 per seat from the proportion of subsidy which was actually derived from City Council support. Chris stated the graph demonstrated the three organisations were performing well compared with other organisations.
- m. Curve was benchmarked against seven other repertory theatres in Britain and showed how the performance of Curve was improving through time. When compared across an array of benchmarks Curve was approaching the figures of more established organisations. The

table showed the core activity of Curve was improving, and that levels of public subsidy were going down.

- n. Curve was attracting £5 for every £1 spent on marketing, and it was acknowledged the venue was making a major investment in marketing as a way of developing its audience base. Similarly the marketing spend per seat sold was above the benchmark figure, and it was recognised Curve were investing far more in marketing than other repertory theatres. The result of that was they drove exactly the same level of occupancy of seats as other repertory theatres.
- o. There were limited numbers of benchmarks for De Montfort Hall and ACE and the Phoenix. With Curve, analysts were able to approach the Theatrical Managers Association. ACE allowed analysts to have access to ACE's submissions of seven other repertory theatres. For De Montfort Hall they tried to engage with 11 local authorities who still had a venue they ran and managed in the same way that De Montfort Hall was by Leicester City Council but the timescales were too tight to provide data. The information provided showed that De Montfort Hall occupancy level was 69%, better than the two other venues examined.
- p. With Phoenix occupancy was calculated at 19-20%, which, according to the Independent Cinema Operators and British Film Institute, was commendable for a new venue. The commercial cinema occupancy was 20% so Phoenix was operating similarly. Commercial cinemas also offered a lot of repetition from early in the day until late in the evening.
- q. A lot of activities went on under the heading 'learning and participation', by Curve and Phoenix. In 2011 to 2012 the figure Curve achieved was 16,675 participants at 1,800 events and activities, 635 of which were provided for participants of school age. The figure exceeded their 15,000 target and represented a x40 increase on the figure for 2008 to 2009. Two activities Curve had initiated were Curve Young Company and Young Arts Entrepreneurs programme the latter of which supported over 100 young people.
- r. In Phoenix from 2010 - 2012, 4,049 participants took part in 43 events and activities, in which seven were on production skills. 15 of the events were specifically targeted at participants of school age with 2,080 participants. The meeting was asked to note both organisations had exceeded the targets in their SLA agreements.
- s. It was important to find out in addition to support from the City Council what additional funding the organisations were able to lever into the city:
 - Curve - 77 applications for financial support 2008/09 to 2013/14, 47 of which were successful. 2011 to 2013, £300,000 from grant making trusts, £6,000 from the City Council and £69,500 from the private sector, predominately for Learning and Participation. Chris stated it was the private sector figure the officers were interested in to see if it grew

through time.

- Phoenix - 24 applications for financial support from January 2011 to December 2012, 13 of which were successful, and five were awaiting a decision, predominately for digital arts and film programme, including £50,000 from ACE for the Digital Arts Programme, and attracted £0.210 million grant funding for activities 2012/13.

- t. Audience expenditure £per head showed the 'Out of Venue' clearly much less than the 'In Venue', which was also seen from the income figures from the three venues there was a substantial amount of activity being spent in the cafe and bars.
- u. Figures were then provided for each of the three venues on the economic activity of audience expenditure. Audiences were invited to say what they last spent on their visit. On the basis of the information provided, there was £5 million total expenditure at Curve alone (£710,000 out of venue).
- v. Chris drew attention to the proportion of spending by people who travelled from outside of the city boundary. For Curve just under £100k for Out of Venue, which related to cafes, restaurants, shopping, and some overnight hotel accommodation. At Curve, 1,432 people responded, and figures provided were classed as minimum figures as many other attendees who did not respond might have been bigger spenders and information was based on people's memory on what they might have spent when they last visited the venue.
- w. For De Montfort Hall, there was over £5.7 million total spend of which £4.8 million was spent In Venue. Chris pointed out that Out of Venue expenditure for the Hall would 'stick' longer in Leicester, as a lot of the In Venue spend would go into the pockets of the artists and would, therefore, leave Leicester.
- x. Councillor Cassidy asked if it was expected that people from outside of Leicester would spend more Out of Venue. Chris said that might be expected, but people who answered the questionnaire had not indicated that was the case, and had tended to drive to the venue, spend In Venue, and then drive home. What needed was an increase in the tourism offer.
- y. Councillor Cassidy said he was surprised to see a difference of £3.5 million to the figures that were provided by Martin Peters, Leicester Shire Promotions Ltd. at a previous meeting. Chris stated that he, too, had been surprised by the figures, but the sample of 1,432 people had provided the information. He added that people would have been interviewed at the venues if research had been done as a bespoke piece of work. He said people had been relied upon to remember what they had spent which could have been many months before. Chris asked the meeting to note that the figure of £707,000 was the same figure that

STEAM data had produced, so had been validated by an independent source.

- z. Out of Venue expenditure by non LE residents for all three venues was reported at £320,000, and revealed that the Leicester based audience were spending more at £1.56 million. The total benefit to Leicester from Out of Venue spend was £2.34 million, and might directly result in the employment of 89 people using an average weekly earnings index.
- aa. Chris reiterated that the profile of the people who filled out the questionnaires was not necessarily the profile of audiences on the venues' databases. Fiona Allan, Chief Executive Curve, stated she was not actually doubting the figures produced, but the fact the non-LE meant outside of LE1-LE5, as she believed non-LE meant outside of the county area. Chris clarified the point raised with the analysts and confirmed that Non-LE figures in the presentation were people who had travelled from outside of the County. He added the figure of £707,000 was the same figure STEAM data had produced. He said further detailed information would be provided at a future meeting, which would break down the expenditure according to city-based residents, county residents and non-county residents.
- bb. Curve in particular reflected the social profile of Leicester, and the diversity, etc. Phoenix was recognised by its audience as having particular benefit in terms of introducing new audiences to new cultures of different cultural perspectives and to note Curve and Phoenix provided a platform for local talent. All three venues were seen to be providing a good source of entertainment, and being places they would share with their friends and families.
- cc. Meetings with business leaders had led to an understanding of what level of contact they had with the organisations. The figures presented were total numbers and not percentages. A large number of respondents had visited the venues in a business capacity. Some businesses were interested to learn more, and potentially provided a focus for developing a closer strategic alliance between the three organisations and the private sector.
- dd. Business leaders saw the venues as being important in raising the profile of the city. Some businesses saw the venues as having indirect benefit to them, having impact on the overall quality of life in the city. Evidence showed the venues would be recommended to business colleagues which was a positive feature. Chris then outlined the top three points made by business leaders on:

the benefits of the venues to the city:

- They brought in visitors, who spent money in Leicester.
- They made the city and county a more lively and exciting place to live.
- Generated good PR for the city.

motivation for sponsoring an arts organisation:

- Enjoy positive PR from being associated with a successful venue.
- Open up new business-to-business relationships.
- Extend the reach of the company brand through opportunities to see a logo through print, website and venue signage.

the top three barriers as perceived by the business community:

- It was difficult to quantify the impact
- What venues asked for might be unrealistic compared to what businesses could offer
- The benefits of association were not as powerful as claimed.

ee. Chris stated that the main feature from the questionnaire was firstly, business leaders believed it was a good investment, and secondly, it required a strategic response from both the public and private sectors, which reinforced one of the consultant's conclusions that there was more scope for this to occur.

55.5. Chris presented the conclusions to the report. He described how Part Two of the report provided a detailed list which indicated how the organisations were working with others in a synergistic way in order to ensure that the sum was greater than the individual parts.

55.6. Chris said the venues provided a source of cultural leadership in the city, but there was a question mark against what more they could take on, and a balance needed to be struck. He added the business sector was more positive in its attitude towards the cultural sector, but that this did not appear to have been developed into active support. He said there should be a combined effort by Leicester Shire Promotions, and Leicestershire Chamber of Commerce, working with the cultural organisations to develop opportunities, particularly around tourism facilities. He added there was still the sense in which the people who visited the city were not afforded the full benefit in Leicester, and if it was improved, for example the 'Stay and Play' scheme, it would encourage people to stay longer in Leicester and improve expenditure in restaurants and shopping, etc. Chris stated the Cultural Quarter was an unfinished project and someone had to take a more obvious leadership in terms of how the Cultural Quarter was going to develop to realise its full aims.

55.7. Chris then provided conclusions by venue. For Curve he drew attention to the issue identified by ACE which was audience development around the drama offer, which was at present focused on the Studio and should be focused on the main hall, but was a long-term objective of Curve. For De Montfort Hall, Chris said the venue should allocate time in the year for community based events, which was being looked at, and could increase income. For Phoenix, cinema attendances were going up, and footfall for the digital arts offer was measured, but there was a long-term opportunity to convert the venue to a strong cultural offer to develop into income creation.

55.8. Chris said there should be collaboration with organisations working together, through back office functions, IT and marketing. He added that ultimately the cultural sector should come together through the Cultural Ambition Statement, to become involved and start to deliver the benefits.

55.9. Chris finished the presentation by highlighting one of the City Mayor's long-term aims to have a major city-wide festival, and the possibility the Cultural Quarter could become part of that, but would require the different partners to work together.

55.10. The Chair thanked Chris for the presentation and the tremendous amount of hard work that had been undertaken behind the production of the report.

55.11. Councillor Porter asked for clarification on the marketing ratios given in the presentation. Chris confirmed that each seat cost the following to sell and income raised:

- Curve spend £3.00 and raised £5.00
- De Montfort Hall spent £1.00 and raised £12.00
- Phoenix spent £0.75 and raised £7.00

Chris stated the figure for De Montfort Hall was based on estimates and the final figure could be higher.

55.12. Councillor Porter said the data appeared to show Phoenix and De Montfort Hall were doing more in terms of return against marketing costs, and that a shared approach to marketing would be a good idea, and would benefit Curve and ultimately the City Council in terms of the amount of money given to the venue. He added that in terms of 20% occupancy at Phoenix, a marketing idea would be to provide ticket deals between the three venues to enable city residents to attend more than one venue and fill empty seats, which could have a knock-on benefit, for example, people might spend money in the café. Chris responded that he believed there was scope for dialogue and a more collective approach to how the cultural offer was marketed in the city. He added that a separate piece of work was being done by Leicester City Council and he did not want to duplicate the evidence. Chris said there would be benefits to the venues working together, and the review had resulted in the venues talking to each other.

55.13. Councillor Chaplin said the ODI research evidence had not been presented to Members, therefore it would not be possible for the Scrutiny Commission to say there would be synergies, and without evidence the joint marketing and joint governance recommendation should not be put forward. She added there was a danger of diluting brand with the reform of marketing as each venue had their own identity and brand. Councillor Waddington responded that a budget reduction of £190,000 for 2014/15 was being consulted on with the three venues and would be discussed at the next Scrutiny Commission meeting. She added the recommendation

recognised a potential for the venues to work together without stating how it should happen, as discussions were still underway.

55.14. Councillor Shelton made an observation on the age profile figures for the under 30s age bracket, with particular reference to De Montfort Hall and Curve. He said people in the age bracket would not be able to afford the ticket prices if they were going through economic problems. He added that the price to enter the Phoenix was not comparable to the other two venues, but if compared to the commercial cinemas, for example, the Odeon, a higher figure for the under 30s category would be given. He said that as people became older, they became more discerning and appreciated a different type of film, such as those shown at the Phoenix.

55.15. Councillor Waddington said the data presented was a snapshot of the audience, but missing from the research were the views of non-regular attenders or non-attenders, and the Scrutiny Commission wanted to establish the views of people on outer estates and other parts of the city, what they thought about the venues and barriers they might perceive going to the venues. She added that piece of work was still ongoing, the questionnaires had been put online, and were handed out at Community Meetings and other places. She informed the meeting that early indications showed that price and transport were two barriers identified.

55.16. John Rance, Chief Executive, Phoenix added to the points made that only box office data had been sampled, and not the educational audience. Antony Flint, De Montfort Hall, supported John's comment but stated he understood it was a sample. He added the presentation had shown audience figures for De Montfort Hall as 25% city residents, but he confirmed the venue had an audience of 50% city residents. Antony said he spoke on behalf of the three venues and wanted to inform the meeting that what they were presented with was a very small audience survey, and Members should not base major judgements on the figures.

55.17. The Chair then moved on to the recommendations in the report. She began by stating the survey undertaken did not represent some groups, but it reflected a trend that more needed to be done to encourage under-represented groups to gain access to the facilities. The Chair also stated the County Council should be approached again and become a patron of the Arts as the City Council was, in view of the fact the subsidy was around £4.00 per seat and county residents attended the venues.

Recommendation 1

The Chair said the idea of preferential pricing policies to target hard-to-reach groups and city residents had been discussed in the past, when the view at the time was it would not be legal. However, it had been established tiered pricing structures occurred in other cities, for example, Nottingham productions had

different pricing structures to attract city residents at certain times of the week. Councillor Porter added he would support a similar system if it did not have a detrimental impact on the number of visitors to the venues or the revenue raised.

Councillor Chaplin stated she believed the main issue was to approach the County and District Councils for funding contributions as the county residents enjoyed the cultural offer in the city. She referred to an article in the Leicester Mercury and recent phone-in on Radio Leicester, when some residents, both city and county, did not believe it was fair to have a differential pricing structure, as residents outside of the city spent more in transport costs. She added she had not heard enough evidence regarding differential pricing structures to say it should be adopted in Leicester, but was pleased the recommendation talked about investigating a pricing structure.

Councillor Cassidy also referred to the article in the Leicester Mercury and believed that a blanket charge for people who lived outside of the city was harmful to investment. He added that the issue on whether disadvantaged groups could be subsidised was different, and he added that the County Council could be asked to see if they wanted to do similar for some of their residents. Councillor Cassidy believed the term 'preferential pricing' was the wrong language to use.

The Chair summarised by accepting that the Commission Members were generally happy with Recommendation 1, but were not satisfied with the wording.

Councillor Chaplin moved, seconded by Councillor Bhatti that the term 'preferential pricing policies...' be amended to read '*differential* pricing policies to attract harder to reach groups of City residents should be *investigated*'.

RESOLVED:

that the term 'preferential pricing policies' be amended to read '*differential* pricing policies to attract harder to reach groups of City residents should be *investigated*'.

Councillor Chaplin left the meeting at this point and was not present for the remainder of the meeting.

Recommendation 2

The Scrutiny Commission Members had no changes to make to the recommendation.

RESOLVED:

that the recommendation be agreed.

Recommendation 3

A discussion took place between Members. The Chair stated there was

potential benefit from the venues working together, to look at opportunities to share mutual resources, but would require further discussion.

Councillors requested an amendment to the recommendation, with the removal of the wording ‘..., which could lead to the formation of a single trust for the Cultural Quarter venues...’ to read ‘...and front of house staff, which could co-operate on a more strategic basis....’

AGREED:

that the recommendation be agreed subject to the above amendment to the wording.

Recommendation 4

The Chair said Curve had a three-year business plan, and would like all venues to have a business plan drawn up in the next few months.

RESOLVED:

that the recommendation be agreed.

Recommendation 5

The Chair referred to the energy bill for Curve and suggested the City Council’s Energy Team provide advice to the venue.

Members requested an amendment to the recommendation, with the removal of wording ‘...and SLAs...’ to read ‘...business plans. It is suggested’

AGREED:

that the recommendation be agreed subject to the above amendment to the wording.

Recommendation 6

The Chair referred to the information received from Martin Traynor at a previous meeting in developing the tourism aspect including packages, the recommendation referred to the venues working with Leicester Shire Promotions in developing the packages.

RESOLVED:

that the recommendation be agreed.

Recommendation 7

The Scrutiny Commission Members had no changes to make to the recommendation.

RESOLVED:

that the recommendation be agreed.

Recommendation 8

The Chair stated the survey had shown the business sector recognised the value and the development of a stronger partnership between the venues and the private sector should be developed.

Councillor Clair, Assistant City Mayor (Heritage, Leisure and Sport) said there should be some cooperation from the Chamber of Commerce, Business Voice and the venues, and the City Centre Director could play an important role in a supporting capacity to liaise between the venues and the business sector. Members urged that the role should be a facilitating role, and not a takeover role.

John Rance stated that Phoenix and Curve received ACE funding to support fundraising activities, and each venue had their own fundraising plan in preparation, each with different targets which should be recognised, though it was acknowledged it would be useful to expand the business communities' knowledge to venues.

Councillors requested an amendment to the recommendation, with the amended wording to read '...The Commission therefore recommends that *joint* working, perhaps *supported* by the City Centre Director ...'

AGREED:

that the recommendation be agreed subject to the above amendment to the wording.

Recommendation 9

The Scrutiny Commission Members had no changes to make to the recommendation.

RESOLVED:

that the recommendation be agreed.

Recommendation 10

Councillor Porter stated a city-wide festival would be good for the Cultural Quarter, but could be a drain from the venues own resources and programmes. Councillor Cassidy the development of the Cultural Quarter was through partnership working between the City Council, venues in the area and the Cultural Quarter Business Association.

Councillors requested an amendment to the recommendation, with the amended / removal of wording to read '...The Commission recommends that the *City Mayor works with the* Cultural Quarter Business Association *and other stakeholders* to review its strategic plan for the development of the cultural quarter and collaborates on the development of a collaborative funding application for a large scale project that might stimulate further growth and increase footfall into the quarter. *Removal of last sentence...*'

AGREED:

that the recommendation be agreed subject to the above amendment to the wording.

Recommendation 11

The Scrutiny Commission Members had no changes to make to the recommendation.

RESOLVED:

that the recommendation be agreed.

Recommendation 12

The Scrutiny Commission Members had no changes to make to the recommendation.

RESOLVED:

that the recommendation be agreed.

Recommendation 13

The Scrutiny Commission Members had no changes to make to the recommendation.

RESOLVED:

that the recommendation be agreed.

The following additional recommendation was agreed at the meeting

Recommendation 14

Councillor Cassidy stated it was the role of the Scrutiny Commission, after looking at the evidence, to recommend to the City Mayor that continued investment in the venues was crucial to the development of the city economy in the context of diminishing resources.

The Chair agreed the Scrutiny Commission needed to highlight the benefits the three venues brought and the contribution to the cultural life in Leicester and the economy. She added the economy could benefit more, hence the importance of support for the three venues even though there were depreciating budgets.

The Chair offered the following wording suggestion:

“The Commission supported the City Council’s investment in the three venues as a continuing important investment in the artistic, cultural, social and economic life of the city”.

AGREED:

that the additional recommendation be agreed.

56. CLOSE OF MEETING

The meeting closed at 8.06pm.

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Review of grants to major city arts venues

20.12 2012

Economic Development, Culture and Tourism Scrutiny Commission



Curve,
De Montfort Hall
and Phoenix



Aims of this presentation

- Process
- Findings
- Conclusions
- Q&A
- Recommendations – for discussion
- Thanks

Aims of the research

- To complement knowledge and understanding evidenced in the scene setting paper (*Report by the Director of Culture and Neighbourhood Services, 12 September 2012*)
- To engage with each organisation in order to develop an understanding for each of their recent performance – programme and management .
- To gauge what levels of support the three organisations enjoy, in particular from the public, the public sector and the private sector, in return for the programmes of work and additional services that they offer.
- To integrate these and other perspectives into an examination of their collective and individual contribution to the cultural life of the city – their 'value for money'.
- To provide recommendations to the city council and to the management of each organisation, based on the outcomes of the research, on how they might deliver increased value for money.

Process

- Venues financial and other numerical data
- Audience surveys (sample Curve = 1432; DMH = 1602; Phoenix = 786. Total = 3820)
- Business leaders survey (sample = 156)
- Other perspectives – cultural organisations; funders

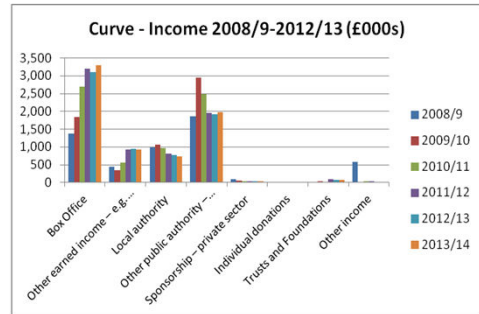
Findings

- Financial charts – income, expenditure; performance over time
- Learning & Participation – numbers of activities/participants
- Leverage of additional income
- Economic impact – audience expenditure
- Audience perspective
- Business perspective

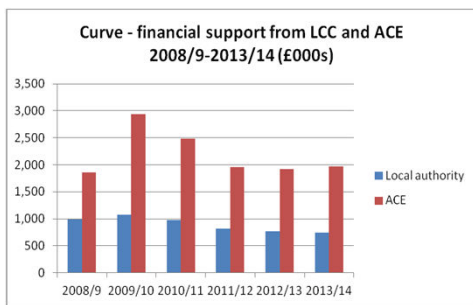
Programmes of work

- Curve
- DMH
- Phoenix

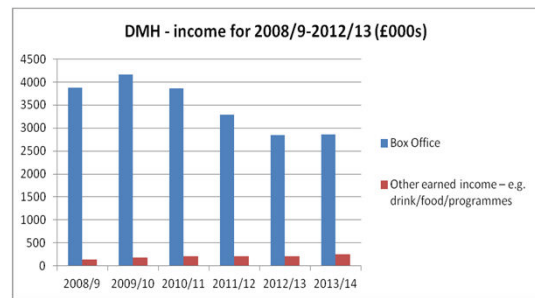
Curve: Income profile



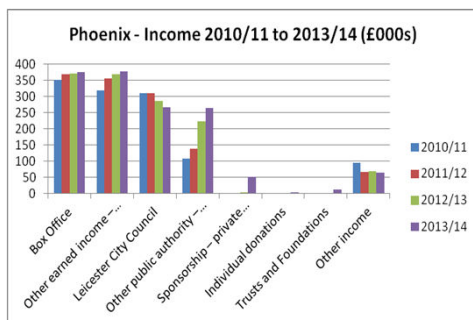
Curve - levels of financial support from LCC and ACE



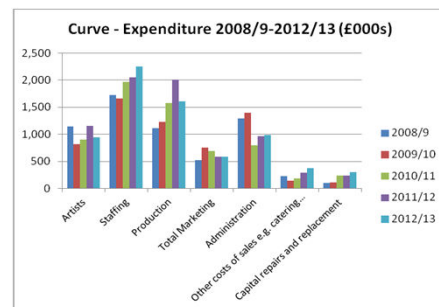
DMH: Income profile



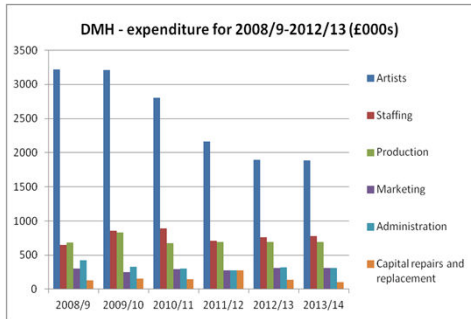
Phoenix: Income profile



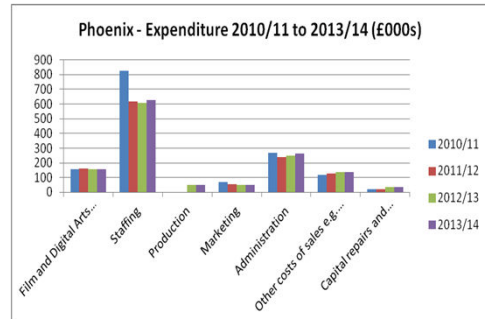
Curve: Expenditure profile



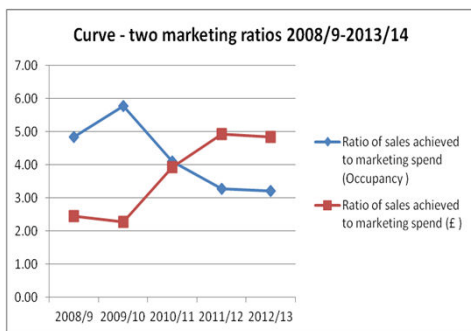
DMH: Expenditure profile



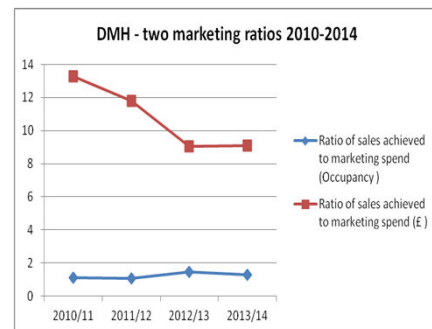
Phoenix: Expenditure profile



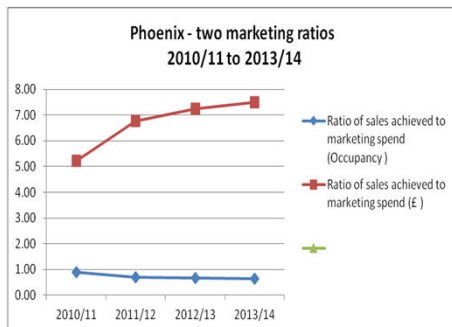
Curve: Marketing ratios



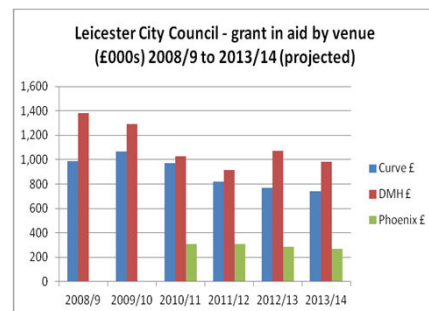
DMH: Marketing ratios



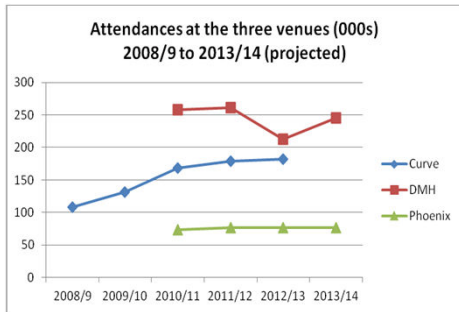
Phoenix: Marketing ratios



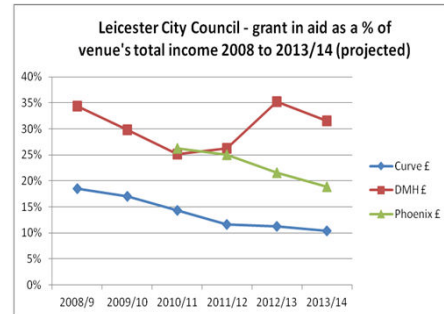
LCC: grant in aid to the three venues 2008/9 to 2013/14



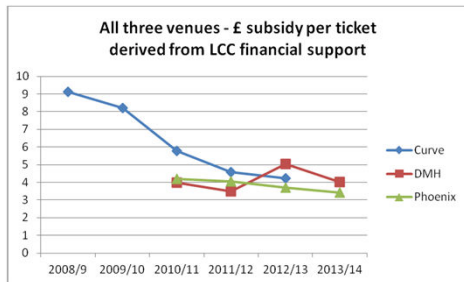
Attendance figures for all three venues



LCC: grant in aid as a % of total income 2008/9 to 2013/14



LCC financial support - £subsidy per seat for all three venues



Benchmarking: Curve

	10-11 Reps %	10-11 Curve %	11-12 Reps %	11-12 Curve %
Total Income				
Core activity	48.71%	39.92%	50.40%	40.16%
Educational activity	1.49%	0.87%	1.60%	0.22%
Supplementary activity	9.19%	8.46%	10.30%	12.63%
Total earned income	59.40%	49.25%	62.30%	53.01%
ACE Subsidy	27.75%	32.56%	25.04%	32.31%
Sponsorship	1.13%	0.66%	0.92%	0.25%
Trusts	1.24%	0.08%	2.03%	0.01%
Donations	1.53%	0.42%	1.78%	0.17%
Total contributed income	3.91%	1.16%	4.71%	0.44%
Total public subsidy	8.74%	15.75%	7.86%	14.25%
Other grants	0.19%	1.27%	0.09%	0.00%
Total Income	100.00%	100.00%	100.00%	100.00%

Benchmarking: Curve

- Benchmark figures from the other seven repertory theatres are
- Cash raised per £1 spent on marketing: this ranged from £4.37 to £17.06 with an average of £10.85.
- Marketing spend per seat sold: this ranged from 0.92 to £2.46 with an average of £1.56
- Occupancy: 66% Curve and other repertory Theatres

DMH & Phoenix

- DMH: occupancy - 69%, better than the two venues examined
- Phoenix: occupancy - 19-20%, at the level expected for a start up organisation and equal to that of commercial cinemas – though admissions are a better indicator

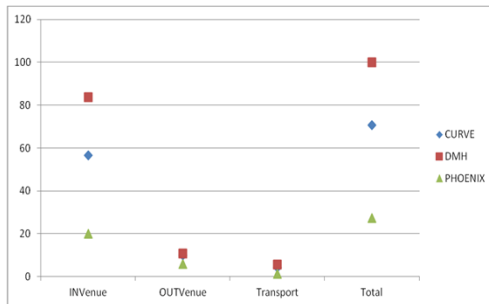
Learning and Participation

- **Curve:** 2011/12 – 16675 participants (x40 increase on 2008/9) in over 1800 events/activities
- Curve Young Company and the Young Arts Entrepreneurs Programme
- 635 events provided for participants in school
- **Phoenix:** 2001/12 – 4049 participants in 43 discrete events/activities
- 15 events targeted at participants of school age, 2080 participants

Leverage

- **Curve** has submitted 77 applications for financial support for the period 2008/9 to 2013/14 of which 47 were successful.
- These applications were predominantly for Learning and Participation activity and have raised over **£300k** from Grant Making Trusts, **£6k** from the city council and **£69.5k** from the private sector.
- **Phoenix** has submitted 24 applications for financial support in the period January 2011 to December 2012 (23 months) of which 13 were successful and 5 are awaiting decision. The successful applications are predominantly for the digital arts and film programmes (exhibition and organisational development).
- Phoenix has attracted a total of **£0.210m** grant funding for activities in 2012/13.

Audience expenditure £per head



Curve: Economic impact of audience expenditure

Curve – audience expenditure £	Curve £ per head	£ Total expenditure	Proportion by Non LE £
In Venue	56.49	4,040,572	565,680
Out of Venue	9.93	710,265	99,437
Transport	4.24	303,275	42,459
Total	70.66	5,054,112	707,576

DMH: Economic impact of audience expenditure

DMH – audience expenditure £	DMH £ per head	£ Total expenditure	Proportion by Non LE £
In Venue	83.58	4,805,850	816,995
Out of Venue	10.72	616,400	104,788
Transport	5.67	326,025	55,424
Total	99.97	5,748,275	977,207

Phoenix: Economic impact of audience expenditure

Phoenix – audience expenditure £	Phoenix £ per head	£ Total expenditure	Proportion by Non LE £
In Venue	20.02	780,780	31,231
Out of Venue	6.01	234,390	9,376
Transport	1.37	53,430	2,137
Total	27.4	1,068,600	42,744

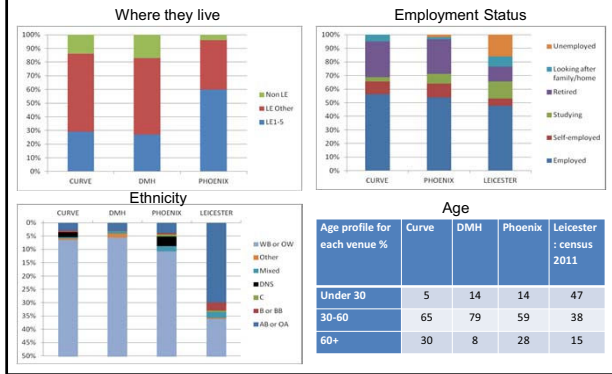
Out of venue by Non LE visitors

Venue	£ Out of Venue
Curve	99,437
DMH	104,788
Phoenix	9,376
Total	213,601
x 1.5 multiplier	320,401

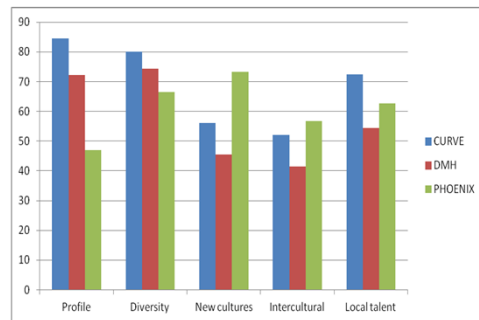
Totals for audience expenditure/ economic impact

- Total audience expenditure: £11.9m
- In venue: £9.63m
- Out of venue: £1.56m
- Out of venue x1.5 = £2.34m
- Curve: STEAM
- Non LE residents: £706k
- LE residents: £3.13m
- Visiting artists: £814k

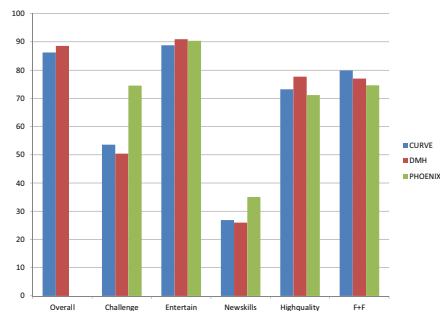
The profile of those who participated in the audience surveys



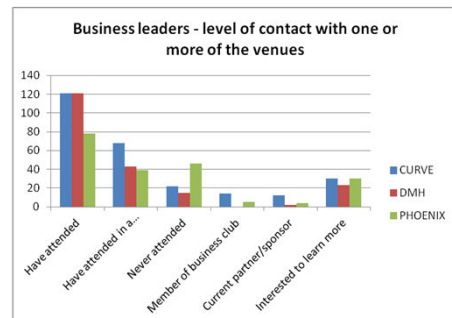
Audience assessment of the value of each venue to Leicester



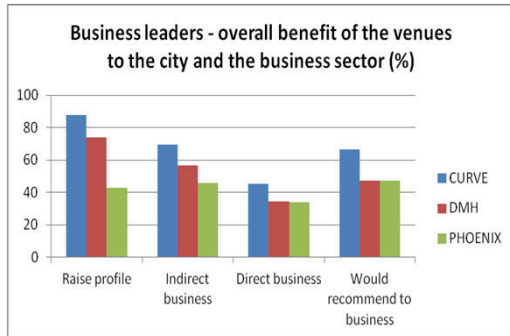
Audience: how they value the venues



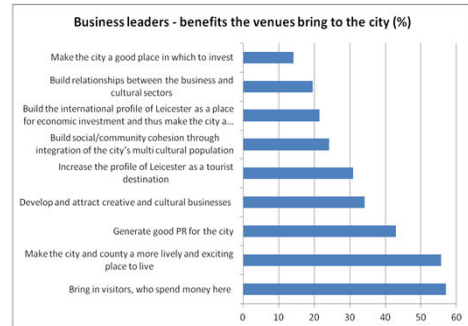
Business leaders contact with the venues



Business leaders assessment of the value of each venue to the city



Business leaders – benefits of the venues to the city



Business leaders – motivation for sponsoring an arts organisation



Business leaders – barriers to sponsorship



Business leaders' attitudes to public expenditure on the arts

Question/preference	1st	2nd	3rd
Is a good investment as it delivers measurable benefits for the city	78	26	18
Requires a strategic response from both the public and private sectors	31	57	28
Should be complemented by more emphasis on earned income	29	23	47

Conclusions – generic 1

- Since 2010 all three organisations have begun the process of rebuilding their status as centres of excellence in terms of the product they offer and their performance in its delivery. This followed a period of instability in 2008-10.
- The support of Leicester City Council for DMH and of both LCC and ACE for Curve and Phoenix was essential in enabling all three venues to weather the difficult years.
- All three organisations are working now to amplify their offer, diversify their audiences, their income streams, and become more strongly integrated into a wider range of cultural, educational and commercial agendas across the city and county.

Conclusions – generic 2

- All three organisations have programmes and plans for future growth – but only Curve has a formal Corporate Plan for the next three years, those for DMH and Phoenix are in development.
- As part of this planning process all three organisations are exploring the synergies in their operations and with others (in the city and beyond).
- There is scope for harmonisation of some working processes (ODI research) and the venues have been invited to lead on this.

Conclusions – generic 3

- The venues clearly provide a source of cultural leadership in the city but there is hesitancy about the venues taking on a stronger role as the overall cultural ecology consists of many non building based organisations.
- The relationship with the business sector has great potential but requires more attention in order to develop the synergies around tourism packages for example and which may result in higher levels of economic impact from day visitors and cultural tourists.
- The Cultural Quarter is an unfinished project and requires a fresh approach, perhaps led by the CQBA, in order for it to realise its original aims.

Conclusions – by venue

- Curve
- De Montfort Hall
- Phoenix

Conclusions – wider perspective

- Economic impact
- Business sector partnerships
- Tourism packages
- Collaboration
- Cultural Quarter

Recommendations

- The Scrutiny Commission has identified 13 recommendations for discussion.

Thank you for your attention

- Any Questions?
- Thanks again to the venues and the many other people who have contributed to the research necessary for the completion of this report.
- Best wishes for the holiday season and the new year