

## Exeter Corn Exchange Performance Review 2020/21

### Relevant Officers:

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## 1. What is the update about?

- 1.1 This report is to update Members on the performance of Exeter Corn Exchange for the financial year from 1 April 2020 until 31 March 2021.

## 2. Background

- 2.1 Exeter Corn Exchange is the council's directly managed multi-purpose events venue in the city centre.
- 2.2 The Corn Exchange is part of Markets & Halls which also encompasses The Matford Centre (Exeter Livestock Centre) and Markets Management.
- 2.3 The Facilities & Markets Manager is the service lead for Markets & Halls as well for Visitor Facilities (Underground Passages, Custom House and Red Coat Guided Tours). The Corn Exchange Manager is responsible for day-to-day management of the facility.

## 3. What We Do

### 3.1 Management of the Corn Exchange includes:

- Facility management of the site including maintenance and security;
- Programming all events at the venue, whether as in-house promotions, joint promotions or venue hires;
- Managing the venue's box office system;
- Marketing the venue and events including website, print and social media;
- Managing all events taking place at the venue;
- Operating the venue's bar and catering operation.

- 3.2 The Facilities and Markets Manager retains responsibility for programming and financial management at the Corn Exchange. The Corn Exchange Manager is responsible for the day-to-day operation of the centre including facilities management, marketing, box office and technical requirements.

There are three other full time staff mostly dedicated to the venue. These are the Bar & Catering Supervisor, the Events & Facilities Officer (who also has some responsibilities for the operation of markets) and the Events and Marketing Administrator.

All other staff working at the venue are casual employees or volunteers, these cover front of house, cleaning and the bar and catering operation.

## 4 How Did the Service Perform In 2020/21?

- 4.1 The facility was seriously affected by the pandemic. For much of the year it was not possible to host any events with the exception of blood donor sessions. As government directives changed throughout the year there was some opportunity to host limited other events, such as retail events and meetings. At certain times it was permissible to host stage/ticketed events, but only with social distancing and other precautions in place.
- 4.2 The maximum number of people allowed within the venue when stage events could be hosted was 50% of the full capacity, this is 250 people. In reality, the maximum number we could accommodate, whilst ensuring that groups were socially distanced from each other, was around 150 per performance.
- 4.3 We worked with the pantomime production company to ensure that we could safely host a pantomime and 20 performances were successfully staged before a change in the regulations meant that we had to cut the run short on New Year's Eve. More than 2,000 people were able to attend the pantomime. The only other stage event we able to hold during the window available to us was an Exeter Comedy Club night.
- 4.4 The venue achieved a surplus of around £6,000 from these events. This was approximately 17% of the total box office income. The table below shows the financial performance of the stage event programme over the last five years. The figure for 2020/21 was adversely affected by a number of refunds made for cancelled events which were rescheduled for later dates:

	2016/17	2017/18	2018/19	2019/20	2020/21
Shows hosted	119	118	124	132	21
Tickets sold	32,886	34,706	39,270	38,178	1,896
Average per show	276	294	317	289	95
Ticket income	£483,000	£509,000	£548,000	£619,000	£36,436
Average per show	£4,059	£4,314	£4,419	£4,689	£1,735
Event expenditure	£375,000	£397,000	£410,000	£463,000	£35,330
Surplus achieved (% of income)	£108,000 22%	£112,000 22%	£138,000 25%	£156,000 25%	£1,108 3%

- 4.5 There were also 26 venue hires during 2020/21. All of these were NHS blood donation sessions with the exception of a D&C Police training session and a clothing retail event. In February the venue was used as emergency relief centre for the residents of the Glenthorne Road and surrounding areas after an unexploded World War II bomb was discovered.

The following shows the number of venue hires for the last five years:

2016/17	237
2017/18	205
2018/19	209
2019/20	184
2020/21	27

The income from venue hires in 20/21 was £19,295. The charge for venue hires is set after considering a number of factors such as: access times required, facilities to be used, purpose of event, status of hirer, frequency of event and ancillary income anticipated.

The following shows the venue hire income for the last five financial years and the average income received per hiring:

2016/17	£117,000	£494
2017/18	£113,000	£551
2018/19	£116,000	£555
2019/20	£97,000	£527
2020/21	£19,295	£714

The average income received is dependent on the type of bookings secured. The average hire income increased in 20/21 because of the nature of bookings we were able to host. In a 'normal' year the average hire fee is reduced because of the discount applied to regular hires.

- 4.6 The venue's bar and food operation supports events staged at the venue. Because the venue is situated in the city centre, amongst many restaurants and other catering outlets the venue does not open for business other than when events are staged. For the same reason there is limited scope to achieve income from food sales. The venue has a 5 star rating from Environmental Health.

Because of restrictions in place to address the pandemic, events were held with little or no catering service in 2020/21

The following shows the bar income for the previous five years along with the cost of goods sold (COGS) and the consequent gross profit (GP) achieved:

	<b>Income (£)</b>	<b>COGS (£)</b>	<b>GP</b>
2015/16	169,000	56,000	67%
2016/17	161,000	51,000	68%
2017/18	149,000	48,000	68%
2018/19	153,000	50,000	67%
2019/20	142,000	52,000	63%

The following shows the food income for the previous five years along with the cost of goods sold (COGS) and the consequent gross profit (GP) achieved:

	<b>Income (£)</b>	<b>COGS (£)</b>	<b>GP</b>
2015/16	47,000	27,000	42%
2016/17	46,000	21,000	54%
2017/18	38,000	22,000	43%
2018/19	42,000	17,000	60%
2019/20	41,000	18,000	56%

- 4.7 The venue uses a web-based box office system (Spektrix). There is an annual cost, based on turnover, this is generally around £14,000 pa. The cost is recouped from booking fees charged to customers.

The proportion of tickets booked online increased in 2020/21 to 90%. This particularly high percentage was a result of the pandemic and people's buying options being reduced. Before this year, the percentage of sales made online stabilised at between 75 and 80%. This compares to just 45% in 2015/16 before the venue's website was introduced. One of the principal stated aims in introducing the new website was to increase online sales.

The following shows how ticket sales were split over the last five financial years:

	2016/17	2017/18	2018/19	2019/20	2020/21
On line	66%	77%	78%	78%	90%
Face-to-face	17%	10%	9%	9%	5%
Telephone	17%	13%	13%	13%	5%

Since January 2020 we have been charging £1 postage per order in an effort to reduce waste, and meet costs where postal tickets were still requested. Collect at Box Office and E-Ticket delivery methods remain free. E-tickets can be scanned from a smart phone. This year 61% of tickets were delivered as E-tickets which compares favourably to 2018/19 (the last full year where no postage charge was made) in which only 16% of tickets were E-tickets.

- 4.8 Since October 2020 we have been managing bookings for the Red Coat Guided Tours through Spektrix and the Corn Exchange website. This change was made to limit capacity and manage track and trace information but has had the secondary effect of improving programme management i.e. popular tours are put on more frequently whilst unpopular tours can be cut ahead of the guide leaving their house and enabling better communication with future and past attendees.
- 4.9 The venue's marketing is concentrated on the events staged rather than simply signposting the availability of the venue. Our focus is mainly on email marketing. Our emailing list currently has around 20,000 subscribers to whom we can target marketing campaigns, send show updates and seek feedback. Both open and click-through rates exceed the industry average across all formats.

In recent years the focus of our marketing has shifted more towards dynamic email marketing. Our approach here is very behaviour oriented and uses markers based on location, genre preferences and type and frequency of engagement to target customers with relevant information. In the absence of the opportunity for engagement, we have temporarily reverted to more traditional email marketing with a view to restarting the program as we re-open. We are hopeful that this will continue to improve year-on-year retention and in-year repeat visits. The detailed customer profiles we have been able to build will not only improve the quality of our marketing but will allow us to build the best possible programme of events for Exeter residents.

In 2019 we almost halved our print mailing list to target the most engaged customers in an effort to reduce expenditure and our environmental impact. In 2021/22 we plan to print around 20,000 events guide however this year, due to the pandemic, we didn't print any. This equates to a saving of around £10,000.

- 4.10 In February we took possession of 89 Fore Street (previously occupied by a newsagent shop). This is now being used as the venue office and will be open to the public shortly. Unused advertising and printing budgets were used to fit out the new office. All of the work in fitting out the office was undertaken by venue staff with the exception of the electrics and IT installation.
- 4.11 In December, after a great deal of consultation with Environmental Health we were able to host 20 performances of our annual pantomime and one Exeter Comedy Club event. These performances were very well received. As well as feedback on the professionalism of the cast, friendliness of the staff and quality of production we had a large number of positive emails relating to our Covid-security, seating arrangements and cleanliness of the venue. We were pleased to be able to put people at ease and offer a small piece of normality in what was otherwise a very strange year.

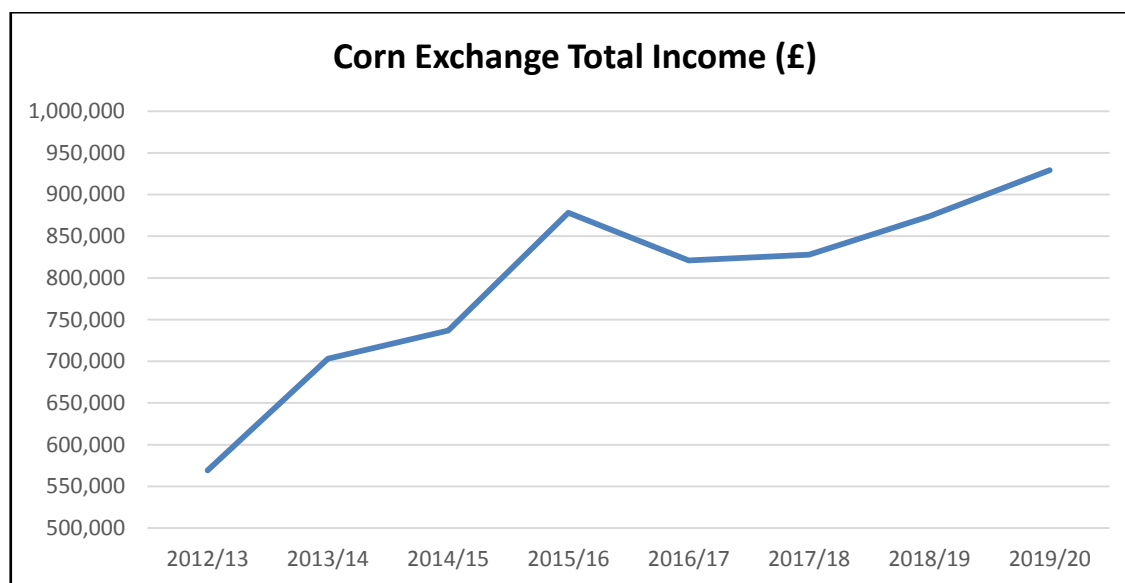
## 5 Financial Performance

5.1 Because of the pandemic, income earned at the venue in 2021/22 fell to around **£60,000**.

The following shows the income earned over the **previous** five years:

	2015/16	2016/17	2017/18	2018/19	2019/20
Income (£)	878,000	821,000	828,000	874,000	929,000

The chart below shows how the Corn Exchange income has changed over recent years prior to 2020/21:



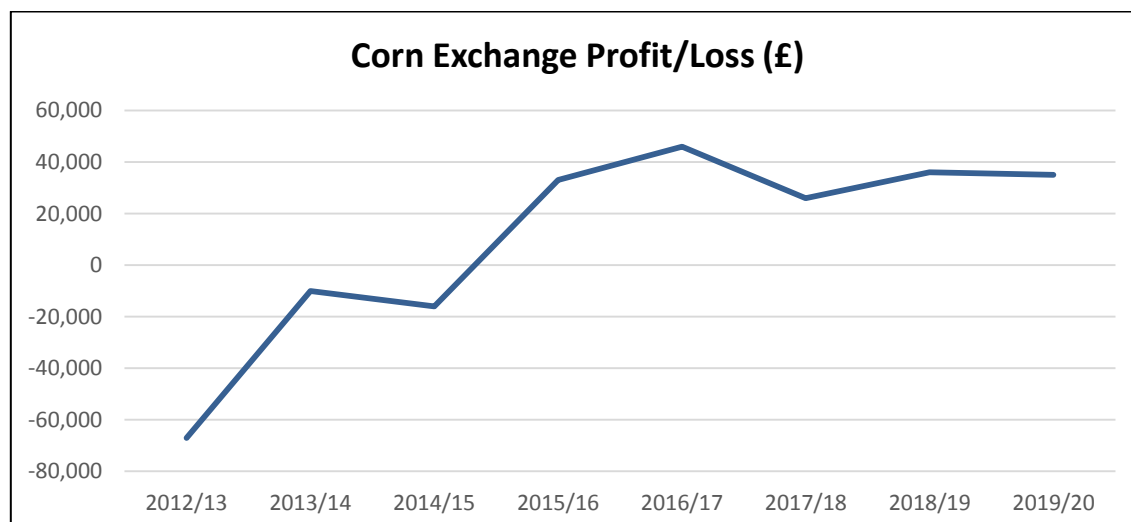
5.2 Because of the pandemic, the venue made a **loss of around £243,000** in 2020/21.

The following shows the nett profit achieved over the **previous** five financial years:

	2015/16	2016/17	2017/18	2018/19	2019/20
Nett profit	£33,000	£46,000	£26,000	£36,000	£35,000

Figures exclude capital expenditure and depreciation.

The chart below shows how the Corn Exchange profit/loss has changed over recent years, prior to 2020/21:



It is important to note that the Corn Exchange differs from many other entertainment/arts venues, both within the city and nationally, in that it receives no external funding.

The Corn Exchange building also incorporates a number of retail units and an indoor car park, these are leased by the Council to private tenants and the income from these leases is accounted for separately by Corporate Property. The income budgeted from these properties is approximately £300,000 per year.

## 6 Principle Objectives for the Next 12 Months

- 6.1 The first priority for the coming months is to ensure that we are able to respond and quickly recover when opportunities arise for a staged re-opening as the situation with the pandemic improves. We have managed to reschedule the majority of the shows which were cancelled, meaning that we have a busy, and very strong, programme for autumn/winter 2021 which will produce excellent results if customer confidence returns as quickly as we expect it too. To illustrate this: we already have 93 events (63 ticketed events and 30 venue hires) booked for second quarter of 2021, in comparison to 96 in total (49 ticketed events and 47 venue hires) in 2019. Of those ticketed events, we expect around 19 to sell out. If achieved this will more than double the number of sell-out shows in the period when compared to 2019.
- 6.2 It is clear that the financial performance of the venue has plateaued somewhat after a few years of clear improvement (see 5.2). Whilst there remains some opportunity to increase business levels for daytime events there is limited scope for further improvement from evening (peak time) bookings with availability of dates now quite limited and further income opportunities from ticket sales, hire fees and catering income limited.

Whilst ideally, we would like to see structural changes to the venue which would enable us to increase the maximum capacity, we understand that in the present climate this is isn't going to be easy to achieve in the near future. We are, however, targeting extra income through the new public facing office, both from increased ticket sales for City Council events, and by developing a ticket agency for other events and venues in the city and further afield.

David Lewis  
Facilities & Markets Manager  
July 2021