

Scrutiny Bulletin: July 2024

Annual Performance Review - Exeter Corn Exchange 2023/234

Relevant Officers:

David Lewis – Facilities and Markets Manager

Sian Mulchrone – Corn Exchange Manager

Contact for general enquiries:

Jo Quinnell, Assistant Democratic Services Officer, Democratic Services, Room 4.36

Email: jo.quinnell@exeter.gov.uk. Tel: 01392 265197

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 2023 until 31 March 2024.

2. Background

- 2.1 Exeter Corn Exchange is the Council's directly managed multi-purpose events venue in the city centre.
- 2.2 The Facilities and Markets Manager is the Service Lead with overall responsibility for The Corn Exchange, as well as the Matford Centre, Markets and the Visitor Facilities (Underground Passages, Custom House Visitor Centre and Red Coat Guided Tours Service).
- 2.3 The Corn Exchange Manager is responsible for the management of the facility.
- 2.4 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 Corn Exchange and Exeter Tickets including facilities management, marketing, box office and technical requirements.
- 2.5 There are three other full-time staff mostly dedicated to the venue. These are the Bar & Events Officer, the Events & Facilities Officer (who also has some responsibilities for the operation of markets) and the Events and Ticketing Administrator. There is also one part-time Marketing and Box Office 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.

2.6 Management of the Corn Exchange encompasses:

- 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.
- Managing the Exeter Tickets box office facility.

3. Current Position

- 3.1 There were 135 ticketed events hosted during 2023/24. The total number of tickets sold for all shows was 42,028 giving an average sales figure of 311 per show.

The total income from ticket sales in 23/24 (net of VAT) was £868,000, with the average (per show) being £6,400. Both of these figures are 36% up on the previous year, and both were the highest ever achieved.

The related expenditure (primarily payments to the artists performing) amounted to £643,000.

The surplus achieved was £225,000, this represented 26% of the total income. This was the result of efforts made over the last year to review all show agreements to target a surplus of 25% of total income.

The table below shows how these results compared to those achieved over the previous four financial years (20/21 is omitted because of the lack of activity caused by the pandemic):

	2018/19	2019/20	2021/22	2022/23	2022/23
Shows hosted	124	132	116	134	135
Tickets sold	39,270	38,178	31,815	36,958	42,028
Average per show	317	289	274	276	311
Ticket income	£548,000	£619,000	£615,000	£635,000	£868,000
Average per show	£4,400	£4,700	£5,300	£4,700	£6,400
Event expenditure	£410,000	£463,000	£453,000	£518,000	£643,000
Surplus achieved (as % of income)	£138,000 25%	£156,000 25%	£162,000 26%	£117,000 18%	£225,000 26%

All financial figures rounded

The 135 ticketed events staged in 2023/24 can be categorised as follows: 31 comedy, 46 music, 11 sports/adventure, 6 theatre, 25 pantomime performances and 16 others.

Although the venue's maximum capacity is 500, the following needs to be taken into account when considering the average tickets sold per show:

- Some shows (such as cabaret style events, which includes many of the comedy shows) have a smaller capacity (typically 250).
- Some tickets are also sold by direct by the artist/agent and not all of these sales are included in the sales figures shown above.
- When the above two factors are taken into consideration the total sales represent just over 80% of the available seats.
- Of the 110 ticketed events (which ignores pantomime performances) 40 were sell-outs including all 11 monthly comedy clubs.

- Only 5 shows were cancelled or rescheduled this year. This is a significant improvement on 2023/24 and a return to pre-pandemic levels.

In January 2023 we introduced a new refund policy which allows customers to cancel their tickets up to 21 days before the event for just the cost of the booking fee. As far as we are aware we are unique in offering such a generous refund policy. Our aim was to restore customer confidence after the pandemic. This year we provided 142 refunds through this scheme and retained £217.50 in booking fees. Based on the increasing average tickets sold per show (above) we are now confident that this scheme is having a positive impact on overall sales, and we will be advertising it more prominently in future. Event promoters have accepted this, almost exclusively without comment.

- 3.2 There were also 111 venue hires in 2023/24. These included vintage and record fairs, A performance by Bournemouth Symphony Orchestra, touring theatre events, student and community events, conferences, jobs fairs, dance competitions and shows, blood donor sessions, several bodybuilding shows and a beer festival.

The number of venue hires has not yet recovered to pre-pandemic levels, primarily because of the loss of weekly dance classes.

The income from venue hires in 23/24 was £103,000. 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 number of hires, venue hire income for the last five years (20/21 omitted) and the average income received per hiring:

	Number of Hires	Total Income	Average per hire
2018/19	209	£116,000	£555
2019/20	184	£97,000	£527
2021/22	107	£68,000	£632
2022/23	130	£114,000	£877
2023/24	111	£103,000	£928

The average income received is dependent on the type of bookings secured but hire fees have generally been increased over the last two years in an effort to meet income targets.

- 3.3 The venue's bar and food operation supports events staged. 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 during events. For the same reason there is limited scope to achieve income from food sales. The venue has a 5-star rating from Environmental Health.

The bar income (nett of VAT) for 23/24 was £184,000, the highest ever achieved. The following shows the bar income for the last five years along with the cost of goods sold (COGS) and the consequent gross profit (GP) achieved:

	Income (£)	COGS (£)	GP
2018/19	153,000	50,000	67%
2019/20	142,000	52,000	63%
2021/22	64,000	33,000	48%
2022/23	158,000	61,000	61%
2023/24	184,000	80,000	56%

All figures rounded

No bar services were offered in 20/21 and the following year was adversely affected by the ongoing pandemic.

Food income in 23/24 was 12% down on the previous year. The following shows the food income for the last five-years along with the cost of goods sold (COGS) and the consequent gross profit (GP) achieved:

	Income (£)	COGS (£)	GP
2018/19	42,000	17,000	60%
2019/20	41,000	18,000	56%
2021/22	16,000	5,000	69%
2022/23	42,000	19,000	55%
2023/24	37,000	20,000	46%

All figures rounded

- 3.4 The venue uses a web-based box office system (Spektrix). There is an annual cost, based on turnover, this is generally around £20,000 pa. The cost is recouped from booking fees charged to customers.

We continue to increase the proportion of ticket sales made online. The following shows how Corn Exchange ticket sales were split over the last five financial years (20/21 is omitted):

	2018/19	2019/20	2021/22	2022/23	2023/24
On line	78%	78%	80%	82%	88%
Face-to-face	9%	9%	13%	11%	6%
Telephone	13%	13%	7%	7%	6%

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 77% 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.

- 3.5 In 2021 the Corn Exchange office was moved to a vacant retail unit below the venue and re-named Exeter Tickets. In the last year we have extended our opening hours to include Saturdays. This has allowed us to expand our ticketing service to include third party ticketing for external event organisers including the Two Moors Festival, Libraries Unlimited, Exeter Phoenix and various other community events. Exeter Tickets also support the Underground Passages and the RAMMs box office and Customer Relationship Management via Spektrix.

In June 2023 the Underground Passages made entry tickets available via Spektrix and the Corn Exchange website - this is the first time that Underground Passages tickets have been available to buy online. Their visitor numbers have increased by 35% (compared to the previous June-March period)

Exeter Tickets collects commission as a flat fee (proportional to ticket value) charged on top of ticket prices allowing event organisers to retain the entire value of their ticket. We offer in-person and telephone sales for many of the third-party organisers, some are now requesting a listing on the Corn Exchange website, which we are able to offer. In the next year we would hope to develop social media and email marketing programmes for Exeter Tickets with a view to developing a basic website to catalogue external events.

Exeter Tickets has the dual benefit of providing an additional revenue stream and greater audience insight.

The table below shows the income achieved by Exeter Tickets with no digital presence and only word of mouth advertising of services:

	2021/22	2022/23	2023/24
Income	£11,900	£16,600	£17,100
Expenditure	£7,500	£8,300	£8,600
Surplus	£4,400 37%	£8,300 50%	£8,500 50%

All figures rounded

- 3.6 The venue's marketing concentrates 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 23,000 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. 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.

Having created a specific marketing post has allowed us to be more consistent in our approach to social media marketing and to develop further channels. We are seeing significantly better results with both organic and paid for marketing, especially in meta-apps, for example our Facebook reach has improved by 58% (in the last half of the year in comparison to the same period of the previous year).

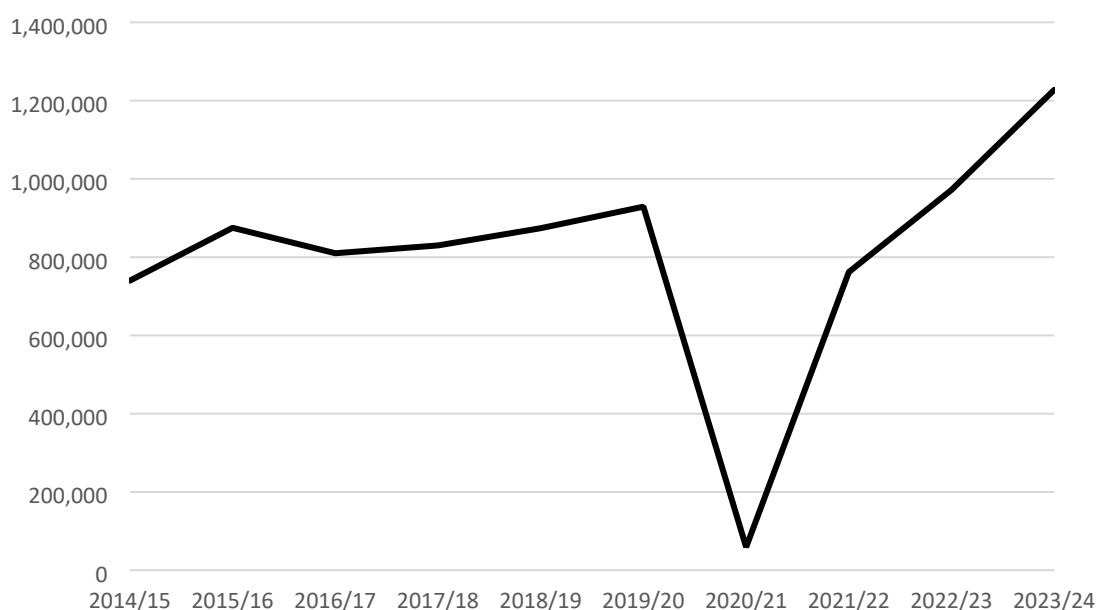
- 3.7 The venue's total income in 2023/24 was £1,228,000 (nett of VAT), the first time the venue's nett turnover has exceeded £1 million. The following shows the income earned over the last five years:

	2018/19	2019/20	2021/22	2022/23	2023/24
Income (£)	874,000	929,000	762,000*	972,000	1,228,000

All figures rounded. *2021/22 was affected by the on-going pandemic

The chart below shows how the Corn Exchange income has changed over the last ten years (2020/21 has been included here to show the scale of the pandemic effect on income)

Corn Exchange Total Income (£)



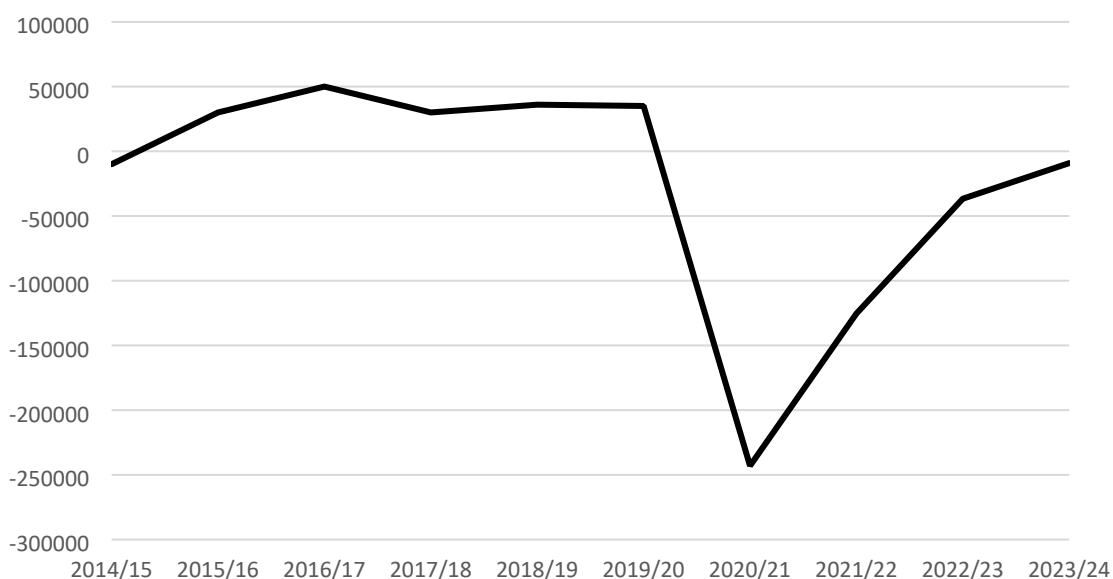
The venue made an operating loss of £9,000 in 2023/24. The following shows the net profit achieved over the last five financial years (20/21 omitted):

	2018/19	2019/20	2021/22	2022/23	2023/24
Nett profit	£36,000	£35,000	-£125,000*	-£37,000	-£9,000

All figures rounded *2021/22 was affected by the on-going pandemic
 Figures exclude capital expenditure and depreciation.

The chart below shows how the Corn Exchange profit/loss has changed over the last ten years:

Corn Exchange Profit/Loss (£)



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.

- 3.8 We send a post show email after every box office show asking for feedback and advertising upcoming similar shows. In the last year, in response to this email, we have received twice as many positive comments than negative. The majority of negative comments related to the temperature in the venue, or to the behaviour of other patrons, whilst the positive comments most often mention the strength of the programme and the quality of customer service. We have 4 stars on TripAdvisor, 4.3 stars on Google and 4.3 stars on Facebook (all out of 5).

4 Principal Objectives

The following are the principal objectives for the venue:

- 4.1 Ensure a smooth transition to the new management structure being implemented in autumn 2024 and find solutions to any issues it raises which affect the running of the venue.
- 4.2 Improve the number of venue hires secured and increase average income from this source.
- 4.3 Improve the financial performance of Exeter Tickets and establish web presence for the brand.
- 4.4 Improve marketing reach and impact.
- 4.5 Make improvements to the fabric of the building and the facilities available for events.
- 4.6 Consider options regarding food service at the venue with the objective of ensuring it is the most suitable offering for the venue and look to increase gross profit achieved.

5 Conclusion

Overall, it was a very successful year for the venue, with income higher than ever before, exceeding £1 million pounds (nett of VAT) for the first time. Ticket sales income was up by 35% from the previous year, and the average venue hire fee achieved also reached a new high. Income from the venue's bar operation was also the highest ever achieved.

The venue's box office and ticket agency, Exeter Tickets, continues to improve its performance, and is beginning to be recognised as the principal city-wide box office, whilst also improving the public perception of the venue and signposting the Corn Exchange from Fore Street.

David Lewis
Facilities & Markets Manager
July 2024