

REPORT TO EXECUTIVE

Date of Meeting: 9 February 2021

REPORT TO COUNCIL

Date of Meeting: 23 February 2021

Report of: Director Culture, Leisure and Tourism

Title: New Office for Exeter Corn Exchange

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

This reports highlights the opportunity to create a new office to accommodate the staff engaged in the management and administration of Exeter Corn Exchange.

2. Recommendations:

- 2.1 To approve for the vacant retail unit at 89 Fore Street to be used as a public facing office/box office for the Corn Exchange.
- 2.2 To approve the proposal to remove the rental income requirement within the budget of Corporate Property Estates for this unit.

3. Reasons for the recommendation:

- 3.1 The current venue office is not fit for purpose and presents accessibility issues. The office is at the rear of the venue and is accessed by an internal staircase.
- 3.2 Using 89 Fore Street as the venue office would provide future opportunities for increased income, partnership working and hosting of other Council services.
- 3.3 Developing this facility would provide a boost to the business environment in this part of the city.

4. What are the resource implications including non-financial resources.

- 4.1 Transferring the unit to the Corn Exchange would remove the £22,500 income budget currently within Corporate Property Estates. This loss would be mitigated by extra income targets for the Corn Exchange as follows:
 - The higher profile that the new customer facing box office would provide is likely to result in an increase in ticket sales (see 8.3). Very few sales are made face-to-face because of the current lack of visibility/difficulty of access and this leads to a lack of impulsive purchases. The new box office will act as a retail unit in the city

centre and it seems reasonable to assume that this will lead to increased sales. Looking at the box office returns for previous events and identifying where there might be scope to increase sales, it is thought reasonable to target additional sales of 7.5% of current levels. A 7.5% increase in ticket sales for Corn Exchange events would result in an increase in income of £46,500 (based on the last full year's sales). Of this around 75% would be costs for the artists/production leaving approximately £11,500 nett increase in income.

- A corresponding 7.5% increase in food and beverage income, which can be assumed because of the increase in customer numbers, would produce another £14,000 in income. Of this around 40% is the cost of goods sold leaving approximately £8,400 nett increase in income.
- Allows for the development of a city-wide box office with a target income of £10,000 a year to be achieved by year three. Initially the box office would look to take over the ticket agency operation which was based in the Tourist Information Centre and achieved a nett income of around £5,000 pa.
- Other income earning potential is difficult to quantify at this point but the opportunity for some retail sales and possibly catering would be explored after the move is made.
- It is recognised that under the current circumstances any extra income is difficult to project with certainty so the above projections are made in good faith based on operating conditions returning to the pre-pandemic situation. It would be prudent to target the extra income identified by year three of the new office's operation.

4.2 The venue would incur the business rates payable on the unit, approximately £12,750 pa, although currently there is 100% rate relief on this until at least April 2021. A review of the business rates would be sought to take into account that the unit is being incorporated into the Corn Exchange (the venue currently pays £37,000 in business rates).

5. Section 151 Officer comments:

The section 151 Officer notes the proposals and loss of commercial rent income and is satisfied that in the longer term, the proposals to cover this loss of income are realistic. It should be noted that there is a significant risk of failing to meet the target in 2021-22, as is the case for many of the Council's income budgets. Steps have been taken to protect the Council from the detrimental impact of the pandemic on our income streams and Councillors should take a longer term view as to the appropriateness of this proposition.

6. What are the legal aspects?

There are no legal implications contained in this report.

7. Monitoring Officer's comments:

This report raises no issues for the Monitoring Officer.

8. Report details:

- 8.1 The current office for the Corn Exchange is far from ideal for its purpose. The office is situated at the rear of the venue and access is via a triple flight of stairs. This is extremely hard to locate and difficult for customers and others to access. Employees with physical disabilities, which prevented them from using stairs, would be unable to access the present office (there are no such employees at the moment).
- 8.2 To comply with the Disability Discrimination Act 1995 (DDA) we have previously had to make tickets for events available from the Tourist Information Centre in Princesshay. This option is no longer available to us. 89 Fore Street, which is much more appropriately located, has level access and so complies with the requirements of the DDA.
- 8.3 Establishing this unit as the Corn Exchange office would mean that the venue would have much better visibility than is currently the case. The venue has always suffered from poor public awareness because of the lack of any frontage on Fore Street. In architectural terms there is a lack of legibility with the venue; people cannot currently conjure up an image of what happens within the Corn Exchange because of the lack of any clear evidence externally. The new office should go some way to addressing this long-standing problem by creating a shop window for the venue. This should not only give easier access for customers wishing to purchase tickets but it should also result in higher ticket sales from customers making impulsive purchases. It is envisaged that using this unit as the Corn Exchange's public facing office will result in an increase in ticket sales for the venue's events.
- 8.4 It would also provide an opportunity to develop the Corn Exchange's box office service by creating a ticket agency for events at other locations. Exeter lacks a visible city centre ticket agency and this unit would allow us to assist others organising events in the city, and wider area, whilst providing us with an opportunity to earn income from booking fees/commissions.
- 8.5 There would be further income earning opportunities from this public facing unit and it could also offer a home for other Council services looking for a high profile location (whether temporary or permanent). This could include some sort of tourist information service which was lost with the permanent closure of the TIC at the end of last year.
- 8.6 The development of this facility would add a new dimension to this part of the city centre which has suffered somewhat over recent years in comparison to the High Street and Princesshay with a number of vacant retail units and a proliferation of charity shops.

9. How does the decision contribute to the Council's Corporate Plan?

- 9.1 Progressing this proposal would contribute to the objective of Providing Value for Money Services by expanding commercial activity and generating more income. This could be achieved by the future development of this facility as outlined; which offers scope for new income streams.

9.2 It would also contribute to the objective of Leading a Well Run Council by proving good management of our business assets and offering an opportunity to work in partnership with others through the development of a ticket agency.

10. What risks are there and how can they be reduced?

There are no identified risks other than the initial loss of income from external rental of the unit and the risk that new income targets are not realised because of the current uncertainty surrounding the restrictions because of the pandemic (see 4.1)

11. Equality Act 2010 (The Act)

11.1 In recommending this proposal potential impact has been identified on people with protected characteristics as determined by the Act and an Equalities Impact Assessment has been included in the background papers for Member's attention.

12. Carbon Footprint (Environmental) Implications:

12.1 No direct carbon/environmental impacts arising from the recommendations.

13. Are there any other options?

13.1 Members could reject the recommendation and the Corn Exchange office could continue to operate from its present location and a new tenant could be sought for the retail unit.

Director Culture, Leisure and Tourism, Jon-Paul Hedge

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Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-
None

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