

Borough Council of
**King's Lynn &
West Norfolk**



Cabinet

**Tuesday, 13th November, 2018 at 5.30 pm
in the Council Chamber, Town Hall, Saturday Market
Place, King's Lynn PE30 5DQ**

Reports marked to follow on the Agenda and/or Supplementary Documents

- a) Corn Exchange Cinema - Open report (Pages 2 - 7)

Contact

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REPORT TO CABINET

Report Open Appendix Exempt		Would any decisions proposed :		
Any especially affected Wards		Operational	Be entirely within Cabinet's powers to decide	NO
			Need to be recommendations to Council	YES
			Is it a Key Decision	YES
Lead Member: Councillor Elizabeth Nockolds E-mail: elizabeth.nockolds@west-norfolk.gov.uk		Other Cabinet Members consulted: Councillor Brian Long		
		Other Members consulted: Regeneration and Development Panel		
Lead Officer: Chris Bamfield E-mail: chris.bamfield@west-norfolk.gov.uk Direct Dial: 6648		Other Officers consulted: Neil Gromett, Philip Bayfield, Management Team, Tony Hague, Stuart Ashworth and Pam Lynn		
Financial Implications YES	Policy/Personnel Implications NO	Statutory Implications NO	Equal Impact Assessment YES If YES: Pre-screening	Risk Management Implications YES
The Appendix is not for publication, the paragraph of Schedule 12A of the 1972 Local Government Act considered to justify that is paragraph 3				

Date of meeting: 13 November 2018

CORN EXCHANGE CINEMA

Summary

The report proposes a capital investment in the Corn Exchange of circa £1 million to create a 2 screen cinema offer. The cinema will occupy the upper bar area, currently an under used space and create a new income stream for the Corn Exchange. In addition to the benefits for the Corn Exchange, the cinema screen would also help to support the on-going viability of the King's Lynn Town Centre.

Recommendation

Cabinet is requested to amend the Capital programme to include a scheme to Centre a 2 screen Cinema in the upper bar area of the Corn Exchange.

Reason for Decision

To improve facilities at the Corn Exchange and generate additional use whilst contributing to the Council Cost reduction programme.

1. Background

1.1 As part of the review work carried out to consider options for the Guildhall complex, consideration was given to introducing cinema screens into the White Barn. In light of the future direction of the Guildhall this proposal was not investigated further.

- 1.2 The idea of cinema screens within existing buildings was considered further, specifically with regard to the upper bar area in the Corn Exchange.
- 1.3 In 2011, a proposal had been considered to create a small theatre space in the underutilised upper bar at the Corn Exchange. This was not followed up due to the capital cost and limited impact on revenue budgets. However, the work that was carried out illustrated the possibility that the space could be utilised for a one or two screen cinema.
- 1.4 Following on from an internal review of the possible options, Cinema Next Consulting (CNC) were appointed in June to review the cinema market and the possible demand for a commercial cinema in the Corn Exchange including estimates of admissions, revenue and operating costs. A copy of the report produced by CNC is attached at Appendix 1.
- 1.5 At its meeting on 30 November 2018, the Regeneration and Development Panel received a presentation on the proposed cinema and supported the two screen option.

2. Cinema Trends

- Only 17% of new cinema developments are out of town.
- Box office has grown 29% since 2012.
- The value of cinema to contribute towards town centre place making experience.
- Trend towards smaller more space efficient cinemas.
- Improvements from digital technology/event cinema.
- 60% of customers visit by car.

3. Site Assessment Criteria

- Highly visible and easily accessible.
- Seats/screens/quality overall.
- Excellent and sufficient parking (option to include in price).
- Utilise dead space.

The new offer to be supported by the borough and act as a catalyst for complimentary leisure offers and assist with place making for the area. This could include complimentary activities in the Corn Exchange or wider, examples such as outdoor cinema or an annual cinema festival. This could potentially be September 2020.

4. One or Two Screens

- 4.1 Two options have been considered in detail for the Corn Exchange and are included in the consultants' report.
- One screen of 114 seats
 - Two screens of 122 seats
- 4.2 The preferred option is the two screen cinema proposal. This has an estimated capital cost of £1.029million at today's prices (£1.078m 2020).

	Admissions	% Occupancy	Number per screening	Net Increase £
Yr 1	38,064	21	13	198,000
Yr 2	50,752	28.5	17	240,000

(These figures exclude capital financing cost)

5. Making Use of Floor Space

- 5.1 The main benefit of introducing the cinema screens into the Corn Exchange is to maximise income generation from the existing building.
- 5.2 Unlike a new standalone cinema, many of the costs associated with running a venue are already partly or substantially met within the Corn Exchange. In particular, staff costs are much lower, there is no building rent, rates are likely to remain at zero, general ancillary areas including toilets, foyer, box office, bar and catering area all more efficient by increasing the throughput of customers.
- 5.3 The current number of show admissions excluding flea markets, etc is circa 86,000 per year. The cinema proposal would boost this by 58%.
- 5.4 In overall terms, the proposals produce a new saving of circa £200,000 after capital costs to contribute toward the running costs of the Corn Exchange.

6. Capital Works

- 6.1 The consultants' report includes an architectural solution for the Corn Exchange. This includes utilising one of the existing staircases and installing a new lift. The proposed design is detail on page 35 of the consultants' report.

- 6.2 Some additional work to improve the toilets in the lobby area is proposed, particularly for ladies.
- 6.3 The capital cost is estimated at £1,029,000 at current prices (£1,078,210 in first quarter 2020).
- 6.4 It is proposed that subject to Cabinet approval the works could be carried out early in 2020 following the pantomime aiming for completion in spring 2020.

7. Financial Implications

The capital cost outlined in 6.3 can be funded from borrowing. The repayments can be met from the anticipated rate of return on this project.

Indicative rates for a 50 year annuity PWLB loan as at March 2020 are 3.1%.

The capital cost of replacement cinema equipment is covered from within the proposal.

The Corn Exchange Cinema would generate a revenue income stream that can be offset against the Council's Cost Reduction programme, as set out in the Financial Plan 2017-2022.

The capital programme will need to be amended accordingly.

8. Personnel Implications

The proposal utilises existing staff resources at the Corn Exchange and will require some additional staff cover for periods when the Corn Exchange is currently closed.

9. Policy Implications

The project will contribute to the Council's Corporate business plan potentially to provide local services, generate income and to support Leisure and Tourism.

Statutory Considerations

Equality Impact Assessment (EIA)

(Pre screening report template attached)

Risk Management Implications

Declarations of Interest / Dispensations Granted

Background Papers

(Definition : Unpublished work relied on to a material extent in preparing the report that disclose facts or matters on which the report or an important part of the report is based. A

copy of all background papers must be supplied to Democratic Services with the report for publishing with the agenda)

Pre-Screening Equality Impact Assessment

Borough Council of
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Name of policy/service/function	Corn Exchange Cinema				
Is this a new or existing policy/ service/function?	New (service/function)				
Brief summary/description of the main aims of the policy/service/function being screened. Please state if this policy/service rigidly constrained by statutory obligations	To provide a 2 screen cinema offer in the upper bar area of the Corn Exchange with new lift access				
Question	Answer				
<p>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups according to their different protected characteristic, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p>		Positive	Negative	Neutral	Unsure
	Age			✓	
	Disability	✓			
	Gender			✓	
	Gender Re-assignment			✓	
	Marriage/civil partnership			✓	
	Pregnancy & maternity			✓	
	Race			✓	
	Religion or belief			✓	
	Sexual orientation			✓	
Other (eg low income)			✓		
Question	Answer	Comments			
2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another?	No				
3. Could this policy/service be perceived as impacting on communities differently?	No				
4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?	No				
<p>5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions? If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section</p>	Yes	<p>Actions: Installation of new lift to access the upper bar area – this is a positive impact, but has a major impact on the project being accessible for all</p>			
		<p>Actions agreed by EWG member: Allison Bingham</p>			
Assessment completed by: Name	Allison Bingham				
Job title	Building Technician				
Date	23rd October 2018				