



CINEMA

At a cinema near you

strategies for sustainable local cinema development

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The authors have made every endeavour to ensure the information in this guide is correct at the time of going to press. However, in a rapidly changing economic, political and technical environment we advise readers to check with individual organisations for up to the minute information, particularly that relating to funding and e-business.

Please note that the information contained in this booklet is intended to provide a rough guide. Please do not rely on any of the information provided and seek professional advice where necessary. The views expressed are those of the authors and not necessarily those of the organisations consulted.

Copies of this guide are available on the *bfi*'s website and from the *bfi* Exhibition Development Unit, Regional Arts Councils, Regional Screen Agencies and national film bodies. This guide is also available in large print format on request.

Front Cover: Harbour Lights, Southampton, at Dusk. Joe Low  
Back Cover: Worthing Dome. Kit Bradshaw

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# Foreword

By Michael Winterbottom

## Why are there so few decent cinemas?

If you walked down the street and every restaurant was a McDonald's you'd be frustrated. When you go out you want to decide if you want to eat Italian or Chinese or Indian. Sometimes you want to grab a sandwich, or a burger, sometimes you want to spend the whole evening over a meal. It would be bizarre if every evening you went out you had to go to the same identikit burger bar serving bland mass produced food where you sit on bright coloured plastic chairs under neon lights with muzak playing in the background. Yet nine times out of ten people go to the cinematic equivalent.

## Why?

If you listen to the pessimists in the industry it's because that is what the public wants. Is that true?

Twenty years ago the choice for eating out was pretty similar to the current situation for cinema. If you'd predicted the revolution in that industry people would have thought you were mad. And in most areas of entertainment similar changes have taken place, whether you think about bars or clubs or holidays or sports.

## But not in cinema.

Everyone will tell you that people don't want to watch European films, or independent films, or foreign films or serious films or unusual films. But imagine someone walking into Macdonalds and seeing a curry on the menu (they do occasionally try and promote 'exotic' specials). Would they want it? No. That's the equivalent of someone having to drive to the edge of town, park in the lot, walk past the bowling alley and the burger bar, buy the coke and the popcorn and then sit down and watch a Lars Von Trier film or a Wong Kar Wai.

So how do you create demand? Ten years ago people weren't all walking around complaining that you couldn't get a decent crayfish and roquette with miracle mayo sandwich anywhere. But now Prêt à Manger sells thousands of them every lunch time. People are more likely to order a cappuccino in a coffee bar or an Italian restaurant than they are in a pub - especially if

# Introduction

By Joan Bakewell

the pub is owned by a chain that owns two thousand others.

As a cinema-goer I want to have the widest choice of films to go and see: whether they're from America or Europe or Hong Kong or India or China or even, God forbid, Britain. But I want to go and see them in a cinema which is designed for them, a cinema which is sophisticated and friendly, a cinema with good quality projection and sound, which has enough screens to give me a choice of films and which is near the bars or restaurants I might want to go to afterwards.

And as a filmmaker? Well, imagine the filmmakers as the equivalents of the chefs. Imagine Marco Pierre White, or Alastair Little or Prue Leith or Gary Rhodes or Delia Smith all cooking away in a kitchen at the back of a burger bar where one till out of twenty five is dedicated to their cooking. I don't think they'd be very happy.

So where are cinema's equivalents of Conran, or Pizza Express, or Prêt à Manger or Starbucks? Your time has come.

Michael Winterbottom  
Film Director

Every week, someone contacts the *bfi's* Exhibition Development Unit wanting to set up a cinema. The reasons are many and varied; their local town centre cinema is closing down and they want to 'save' it; there simply isn't a cinema anywhere within striking distance of where they live; there is a cinema but it doesn't show the kinds of film they like or they need some kind of amenity in their town to improve quality of life and a cinema seems to be top of everyone's list.

There was a time, in the immediate post war period when almost every town and village in the UK had a local cinema. In 1900 there was not a single building specifically built for use as a cinema. Less than 40 years later there were 5,500. The London Borough of Lambeth, now proud home to the 5 screen Ritzy Cinema used to have over 25 cinemas. The town of Stockport where I grew up had 14 and I knew every one of them. Even places as small as Trowbridge in Wiltshire had a 1,200 seater. In those days, UK cinema going was at an all time high (1,600,000,000 in 1946). Economic recession, the popularity of TV and then the introduction of video all served to bring about the closure of a great many of these venues. Attitudes to leisure and spending changed. There was more on offer; foreign travel, consumer goods etc. The growth of the multiplexes in the late 1980s has rekindled interest in cinema as both entertainment and artform. However, even now the UK average annual per capita visits are only 2.6 (circa 156,000,000 admissions in 2001) and distribution of cinema venues is patchy. There are still vast swathes of the country where there isn't even a multiplex because population densities are too low to sustain these types of operation. Those who don't have access to a cinema may feel unable to fully participate in the cultural life of the nation.

There are however, many examples of local cinema provision in places where the mass marketing/scale economy approach of the average multiplex operator is unsustainable. These are well-managed, sensitively programmed and locally cherished venues which, against all the odds, thrive (or at least survive) at the heart of their communities.

A further opportunity now presents itself in the form of 'e-cinema' and the digital production, distribution and exhibition of moving images.

These new technologies will, in time, profoundly change the structure and economics of the cinema, making a much wider range of product available to even the smallest and remotest village in the UK.

This book is aimed at anyone involved in the setting up of a local cinema from local government officers to individuals wanting to rescue or reopen a cinema. It celebrates what has already been achieved and provides practical tips to those wanting to know how it was done. It is intended as a practical guide through the myriad issues requiring resolution when embarking on a project of this kind. Part One covers a range of technical aspects relating to the planning and operation of small scale cinemas while the case studies in Part Two describe successful enterprises operating in a number of different locations and circumstances.

All of us at the *bfi* very much hope you will find this guide both interesting and useful and wish the reader every success with any new cinema venture he or she may decide to embark upon.

Joan Bakewell  
Chair, *bfi*

## Health warning:

Although there are many success stories like the ones described here, the amount of time, energy, patience and enthusiasm required for this endeavour should not be under-estimated. It may take several years to get off the ground and you may have to work harder than you've ever worked before for no pay. Once up and running, you may find yourself working even harder and still without pay. Do not go down this route unless you are prepared to give it your all and to face disappointment and setback. This enterprise is not for the faint-hearted.



## Chapter 1

# Strategic choices

### On the back of an envelope

Before investing too much time and energy in research and lobbying, it is important to identify exactly what it is you are trying to achieve and to establish that setting up a venue-based business is the most sensible solution. You will also need to demonstrate that there is a real need for it.

If your objectives are to broaden the range of film available to you and the 30 or so other people in your village/town who share a passion for cinema then it may be worthwhile setting up a film society in the first instance. This is a relatively straightforward process, requiring little capital and relatively little time (Contact the British Federation of Film Societies for guidance). If you are just fed up with the bland offering at your local multiplex why not hire a screen from a commercial cinema and show something different? Another potential medium for showing more interesting film to local audiences is a film festival. This can be a very good way of testing the water and finding out exactly how much local interest there is in film. It will also give you a taste of the kind of energy required and the challenges involved especially negotiation with distributors and marketing your programme (see the *bfi's How to set up a Film Festival* for more details).

You may feel passionately that there is a need and a market for a local cinema. However, the economics of small-scale cinema operation are very different to what they were in the 1940s and 50s when most smaller cinemas were built. In the current climate is very difficult to make it work and even harder to make money from it. A great many independent operators in the UK are doing it for love of cinema rather than to make their fortune.

You therefore need to be realistic and consider three key things:-

- 1) How much money will be required to get the project off the ground?
- 2) How many people can you realistically expect to attract?
- 3) Once up and running, will the cinema be sustainable?

You may be able to acquire or rent a site relatively cheaply, but in the short term, anything which is not new-build will require on-



Jurassic Park. Courtesy Universal

*It is pointless aiming to compete against a multiplex with blockbuster titles....*

*Differentiation is the key*

going investment in the fabric of the building and facilities. It may not be possible to fund capital works from trading revenues and so you will need access to capital (see Chapter 8 on raising finance).

For a full time operation, you will need to generate annual average admissions of at least 20,000 to 30,000 per screen, more than this in a single screen venue and some would argue 50,000 admissions per screen is the minimum viable level. This means you need access to a substantial catchment population and a substantial proportion of these must be people who are regular or heavy cinema-goers such as students in higher education or people with relatively high disposable income.

Even assuming you manage to open the doors and lure in an audience on your opening night, will you be able to keep it up once initial enthusiasm and marketing has worn off? Leisure facilities in the 21st century have to attain very high standards of comfort and technical quality and have the organisational and financial capacity to constantly reinvent themselves to sustain customer interest. This requires money, stamina and flair.

## Market positioning

There are of course many types of public cinema, from modern multiplexes through local independent cinemas to part-time facilities in arts and community centres. Film societies and mobile touring cinemas are important for certain communities. If digital video cinemas (see Chapter 6) become a reality they are likely to broaden the range further to include cinemas at leisure facilities such as bars, restaurants, sports centres and libraries.

### Commercial cinema

The rapid growth in the number of multiplex cinemas is well documented. Currently one third of cinemas in the UK are multiplexes but they have two thirds of all screens and take two thirds of admissions. Multiplexes dominate the commercial sector. Usually defined as a cinema with five or more screens, a multiplex is typically built on the assumption that it will generate at least 50,000 admissions per screen.

Multinational cinema exhibitors may anticipate substantially higher figures: 70,000 to 80,000 per screen depending on the location of the multiplex and the competition.

In addition to the multiplexes there are several hundred independent commercial cinemas operating throughout the UK. The overwhelming majority of these cinemas have just one or two screens. They may operate with attendance levels as low as 20,000 to 30,000 per screen, although at this level it is difficult to be profitable.

A diverse range of part-time cinemas operate successfully within arts centres, libraries and other public facilities. An Arts Council of England survey in 1996 revealed that one-half of all arts centres showed cinema films, although their performances generated just one-fifth of the total paid attendances.

### Specialised cinema

Apart from the latest Hollywood releases there is an enormous range of films to choose from. A hundred years of film production and titles from all continents are potentially available. Asian language films (Bollywood) and occasional arthouse screenings (for example 'bfi @ Odeon' or the 'Director's Chair' screenings with bfi at UCI) are shown at some multiplexes but such films are marginal to the main programme.

Broadening the range of the films available to a particular community is often one of the basic objectives of community cinemas, arthouse cinemas, or any facility which receives public funding. These so called 'specialised' cinemas enhance the cinemagoing experience with guest speakers, exhibitions, education courses, in addition to the broader range of film titles they offer. These cinemas are expected to play an important role in bringing locally or regionally produced films on to public cinema screens. Local film festivals have proved to be very popular in smaller towns throughout Europe and can attract considerable attention from local residents and businesses.

In order to decide what kind of cinema provision might be appropriate for your potential audiences you need to establish what

kind of provision already exists (if any) and what you could offer that would be different. It is pointless aiming to compete against a multiplex with blockbuster titles because the distributors are very unlikely to give you the films until several weeks after release when most of your audience will have seen it. Differentiation is the key, and for the independent cinema there are two parts of the offer where this can be developed - the programme and the physical environment.

The quality of a particular cinema can make a dramatic difference to the number of people who attend. Old, uncomfortable and unsophisticated cinemas cannot compete with the standards set by modern leisure facilities, and potential audiences respond accordingly.

Research, and the evidence of the cinema industry in general, has shown that cinemagoers want new release films, value for money, and choice. How these factors are viewed varies among individual cinemagoers. A family going to see Harry Potter at a multiplex will have a very different concept of 'quality' and 'choice' compared to a cinemagoer wanting access to a range of films from around the world.

The standard of cinema buildings, the comfort levels and the quality of technical presentation are all rising rapidly. Unobstructed viewing, large screens, multi-channel sound systems, and comfortable seats with generous legroom are considered to be basic requirements by many modern cinemagoers.

As exhibitors face increasing competition and a lack of high quality new locations they are seeking to differentiate themselves from competitors by refurbishing their cinemas to ever higher standards. Notions of 'quality' extend to include facilities such as safe car parking and the availability of other leisure pursuits, such as fast food outlets, restaurants, or bars. A small number of cinemas, often run by independent companies, include crèches, youth areas and internet café areas.

Public authorities who are involved in planning, economic development, social and cultural policies, may have additional criteria for a new development, for example:

*Traditional cinemas are usually self-contained facilities and most new full-time cinemas continue to be built specifically for cinema screenings.*



The Smallest Show on Earth. Courtesy: Canal + Images (UK) Ltd



Phoenix Picture House, Oxford

- The cinema should be located so that it assists the development of the evening economy and local regeneration
- The scale of the cinema should allow it to be integrated into town centres in such a manner that it enhances pedestrian use of the town centre
- The programme should cater for the diversity of the local population.

It may be difficult or even impossible for one cinema to fulfil all the local requirements. In such circumstances a combination of full-time and part-time provision, may result in a considerable improvement and an overall rise in cinema admissions.

## Full-time versus part-time cinema

The major differences between full-time and part-time cinemas tend to concentrate around the ability, or otherwise, of the cinema to book new release films close to their national (London) release date. Film distributors naturally want to earn the maximum return on their films as quickly as possible and concentrate their efforts on the cinemas where they believe their films will perform best. If one cinema offers a full week booking (or longer) and another offers two or three days, then the latter cinema will generally have to wait longer for the film.

Full-time cinemas typically present more performances per week than part-time cinemas, so in addition to increased booking power they are able to offer a wider range of programmes to their local community.

## Pure cinema versus mixed activity venues

Traditional cinemas are usually self-contained facilities and most new full-time cinemas continue to be built specifically for cinema screenings. In contrast most part-time cinemas are linked to some other leisure or public facility such as a sports centre, library, school or arts centre.

A recurring issue for mixed activity venues concerns the attention given to cinema screenings compared to other activities. The relative simplicity of booking and screening films can, on occasion, lead staff to view cinema

as the poor relation within the organisation. This attitude may be evident in the programme choices, the information available from box office staff, the attitude of technical staff, and the marketing effort. It may also be evident in the lack of visibility for the cinema operation. None of these factors is especially difficult to overcome but if allowed to continue they can be highly detrimental to the cinema.

A cinema operation can appear relatively profitable to arts centre, sport centre or library managements. If it is treated as a cash generator whose primary aim is to subsidise the rest of the organisation, public funding bodies may object to the lack of cultural or social programming and an overemphasis on money making programmes.

Arts and sports centres are important social and community centres where a range of activities may take place at the same time. It is important for the cinema operation to be able to function properly in a wider sense than just presenting the film.

## Beyond film screenings

The main use of a cinema building may be to show films to the public but there are additional uses which may become important, particularly once high definition video projection systems become more widely used.

- Cultural and educational use - work with schools, colleges and lifelong learning schemes. Activities to enhance the cinemagoing experience
- Local media development - providing a focus for creative and media technology startup businesses
- Business and community usage - typically for meetings and small conferences
- 'Very local' economic regeneration - often focused on the town centre evening economy but also on general leisure, retail and environmental improvements within the immediate vicinity of the cinema
- Retention of the local urban population, improving the attractiveness of the town and district for new businesses. Multiplex developments often 'anchor' new retail and leisure developments and local cinemas can have similar effects for smaller towns and communities

It is important to realise that the impact of these additional uses on the revenues of one cinema may be comparatively small. However if designed, packaged and marketed effectively, such initiatives may fit with the objectives of public funding bodies to assist local regeneration or rural development.

These 'cinema enhancements' may bring in additional support in terms of small project aid or capital grants in addition to box office income. For this to happen there needs to be a clearly identified fit with local authority and regional plans in respect of community benefits (such as a reduction in street crime and disorder during evenings), regeneration outputs and social inclusion effects.

## Key points from chapter 1

- Before you start, do a reality check - how much money do you need and can you raise it? How many people can you realistically expect to attract to a cinema in your area? Is it sustainable?
- Research the competition and think about how you can differentiate what you plan to offer both in terms of programme and facilities
- Consider whether there are other complementary uses for the building
- In a mixed-use venue, you need to ensure that cinema is not just treated as a 'cash cow'
- Think about degree of fit with the local authority plans for the area. Find out about local and national cultural strategies. Achieving complementarity is vital and may unlock resources



## Chapter 2

# Planning processes

### Timescale

It is important not to be over-optimistic about how quickly you can achieve your objectives. For a new build, although the actual construction may take only 12 to 18 months, there are a great many preparatory tasks which have to be completed before the builders can go on site. It is not unusual for this development period to be in the order of 3-5 years. Securing a site and getting planning permission can be especially lengthy aspects.

Overleaf is a typical programme for a new build development. As you can see, the schedule slipped against the original completion target date, and this is far from uncommon.

For refurbishments and conversions, clearly the timescale should be much less. It may be possible to gain access to the building relatively swiftly, but don't forget that unless you are in the happy position of owning the freehold, you will need to cover your rent somehow until such time as you get paying customers through the door.

### Options appraisal

An options appraisal is a systematic examination of the range of options available to meet your objectives. This is pre-feasibility work and strictly speaking should be done right at the beginning of the process. In practice of course, most people will already have decided they want a cinema and much of what they propose will have been dictated by the physical constraints of the building. However, it can be a very useful tool in making you think more creatively about possible solutions. Having identified the range of options, each one is evaluated against criteria which are then weighted according to their relative importance. A sample options appraisal is contained in Annex 1.

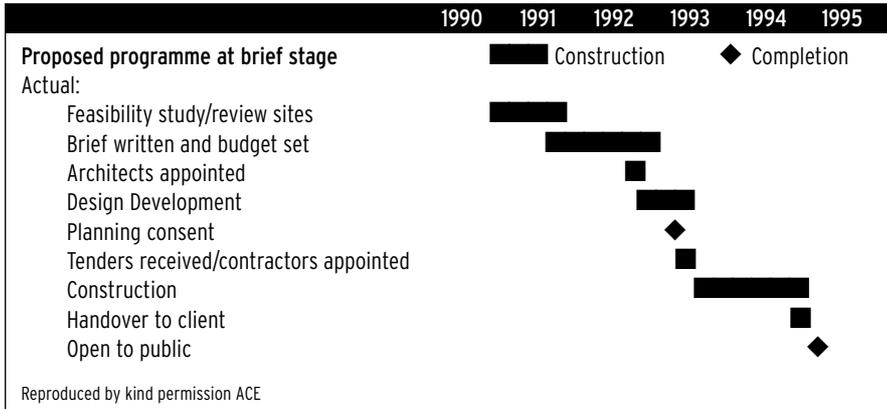
### The Business Plan

There are endless books and guidance on how to write a business plan, much of it free from banks or on-line so we include here only a very rough outline of what is required and recommend that you find a more thorough text on this subject if you are unclear about anything. Depending on where you are going to



The Fountain Head, Courtesy bfi

*Planning is an iterative process and this should be reflected in the way you use your plan*



for financial support, you may need to include different versions of the plan according to who is going to read it. In essence, a business plan should consist of at least the following elements;

- Executive Summary
- Objectives
- Market and Economic feasibility (including market research)
- SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis
- PEST (Political, Economic, Social, Technological) analysis
- Competitor Analysis
- Staffing and Management
- Marketing strategy
- Information on the premises (tenure, terms of lease etc)
- The people (Directors, Trustees, key executive personnel)
- Detail of start-up costs including working capital requirement
- Details of financing
- 2 - 5 year forecasts of cash flow, Profit and Loss and Balance sheets

Some current management thinkers now suggest the business environment is changing so rapidly that it is in fact not possible to plan even two years ahead, let alone 5. Instead, they propose 'scenario planning' which looks ahead at possible changes to the operating environment, its impact on the organisation and possible responses. However, this does not

obviate the need for a written document. A good business plan is not just a tool for raising finance, it is a 'live' document which provides the baseline against which you can measure your performance and should be revisited and updated on a regular basis. Planning is an iterative process and this should be reflected in the way you use your plan.

### Sensitivity Analysis

A sensitivity analysis is simply a way of exploring what would happen if some of the assumptions you have made in the business plan turn out to be wrong. For example, if you have based your revenue forecasts on the assumption of 20% average occupancy, you might want to explore what would happen if you only achieved 15% or conversely if you did better than expected and achieved 25%. You could also try out the effect of adjusting ticket prices, film rental percentages or any other 'unknown' costs. This exercise is easy to accomplish using a computerised spreadsheet which incorporates formulae and variables which you can adjust. You can also use this method to establish your break-even point i.e. the critical level of turnover at which you make neither a profit or a loss. Some funders/financiers will want to see sensitivity analyses incorporated into the business plan and it is also a useful tool when conducting a risk assessment (see below). A sample sensitivity analysis is contained in Annex 2.

### Assessment of risk

Buildings-based projects can be time-consuming and expensive and many funders

and financiers require an assessment of risk to be made before they will invest in the scheme. This can be a useful thing to do for any project. In essence, it involves identifying everything that might possibly go wrong (or not to plan), its impact on the project and actions that can be taken to mitigate against them. A sample risk assessment is shown in Annex 3.

### Key points from Chapter 2.

- Don't underestimate the time required to get this type of project off the ground. Be prepared for overruns, especially if builders and public funding agencies are involved - your project isn't the only one they will be working with.
- Before you launch in, make an objective assessment of all your options. Are there other (cheaper, easier) ways to achieve your objectives?
- A business plan is an essential tool, not only for raising finance but also for evaluating progress and performance. Revisit your assumptions and figures on a regular basis.
- Sensitivity analysis asks the question 'what if?'. Don't be afraid to explore the unthinkable....better to do it now in your imagination on your PC than to unexpectedly face the real life scenario.
- Look at the risks associated with your plans. How likely are they to happen? What would you do if they did?



## Chapter 3

# Understanding Audiences

### Different films, different people

Each year a small number of new release films, 3-5 titles, become 'events'. These films - *Star Wars*, *Harry Potter*, *Lord of the Rings*, are the bedrock of commercial cinema. Mass appeal films created at huge cost and supported by massive marketing effort. They provide a disproportionately large amount of a cinema's annual income and they appeal strongly to the youth audience (16-24 year olds). 'Event' films are shown widely at multiplex cinemas but often perform poorly in local independent cinemas when shown a few weeks after the initial high profile release although some people will be prepared to wait if they have seen the film trailed at a favourite cinema.

In contrast a large number of high quality, independent and foreign language films are released annually but invariably they earn much less at the box office. These films appeal more to 30+ year olds and can prove to be very popular with particular audiences in individual cinemas. Films based on literary works or specific parts of the country are often well received by local audiences who prefer cinemas with comfort, character and the opportunity to have a coffee or a bar drink.

Young children enjoy cinemagoing. Sometimes they attend with a group of friends. Often they are accompanied by parents or relatives. Films for the younger age groups are important for local cinemas and may attract sellout audiences for matinée performances, especially at weekends and during school holidays. Local cinemas have to be capable of adapting to whatever is currently in the news and available to them. This requires skill and showmanship on the part of the cinema manager and staff in addition to a well designed building.

### Segmentation analysis

The cinema industry categorises audiences in many different ways but often relies on an age-related scheme which closely follows the film certification categories (U, PG,12, 15, 18):

- Children (5-12 years old)
- Family groups
- Teenagers / Young couples / students
- Adults

## The most common way of defining a cinema's catchment is a drivetime boundary



Metropolis. Courtesy Transit Films

Recent research by the All Industry Marketing Committee for the UK cinema industry proposes two new audience segmentation schemes. The 'lifestage' categorization draws attention to the elements of the cinemagoing experience that each group seeks - popcorn, comedy and thrills for the teenage audience contrasting with a bar drink and a quality film for 40+ year old adults. The categorisation by 'attitudes' seeks to identify the small but highly important group of enthusiastic cinemagoers. Apart from being regular attenders these individuals are often the opinion leaders who influence other less committed people to attend.

### Lifestage categories

- Teens (<16 yrs)
- Teens / Singles / Couples (<25 yrs)
- Those with young families
- Those with older families

### Or attitude categories

- Cinema enthusiasts/regulars
- "If nothing else to do..." (socialites)
- Reluctant
- Non-attenders

The motivation to attend a cinema, and the opportunities for doing so, varies considerably from group to group. Teenagers living in a rural community may want to see a film each week but might have to travel 10 miles or more to get to the nearest multiplex cinema. Without a car this may be impossible. Families may want to attend regularly but the total cost (travel, tickets, confectionery) is sometimes felt to be too great. Older audiences may enjoy cinemagoing but feel that the area around their local cinema is unsafe during the evening.

Within the broad leisure sector, operators are increasingly focusing on the social aspects of leisure and on four influences affecting the choice of activity:

- Group composition - who do we attend cinema with: family, friends, or alone?
- Mental and physical energy - a small proportion of attenders are highly motivated to attend cinema and encourage friends to join them. Others are tired after work.
- Location - will it be possible to have a complete evening out in one location?

- Deals and events - Given the relatively high cost of regular cinema attendance deals such as family tickets and subscription schemes can be attractive.

For local cinemas a 'Friends' scheme may offer useful benefits for both the cinema (loyalty) and the customer (discounts and special events).

## Establishing a catchment area

Planning a cinema development, like any other leisure or retail development, involves estimation of the catchment area that the new cinema will serve and from which it can expect to draw audiences. The most common way of defining a cinema's catchment is a drivetime boundary (based on the fact that the majority of people use cars to get to the cinema). The boundary takes into account the type and quality of road links as well as distance. If public transport is particularly important then a 'travel time' boundary is more appropriate.

The most appropriate catchment for any individual cinema will depend on:

- The scale of the cinema planned (10-screen multiplex or 2-screen independent?)
- The scale and number of competitor cinemas (competitor catchments may impinge on the planned cinema's catchment - which cinema will prove more attractive to residents in the middle?)
- The quality and range of other leisure facilities near the planned cinema (visits to cinemas are usually accompanied by other leisure activities, such as shopping, eating and drinking)
- The extent of car ownership within the proposed catchment and the attitude to travel for leisure purposes (rural residents are often more inclined to travel long distances for their leisure)
- The quality and frequency of public transport (late evening services being particularly important)
- The age and lifestage profile of the target audience (children, youth audience or older adults?)

- The surrounding geography (is the town remote from other significant population centres or are there lots of small communities within the catchment boundary?)

Typically, several catchments are examined at the planning stage for a new cinema - for example a 10 or 15-minute inner catchment where the majority of the regular cinemagoers live, and a 20 or 30-minute outer catchment where infrequent cinemagoers live. In order to obtain a good understanding of the potential audience for a new cinema it is usually worth looking at these catchments independently.

Other relevant catchment boundaries can be derived from travel to work data and from retail catchment information.

## Demographic and lifestyle data

A wide range of population, economic and lifestyle data is available from local authorities, from National Statistics, and from commercial companies such as CACI Ltd and Experian. Much of this data can be analysed at ward or postcode sector level which allows a detailed picture of the population's characteristics to be established.

A popular scheme such as CACI's ACORN geodemographic system, classifies neighbourhoods into 6 categories, subdivided into 17 groups and 54 types. Each category has established consumer, lifestyle and economic behaviour patterns and these can be used to investigate the potential strength of cinemagoing in any defined catchment. Cinemagoing is generally more popular with prosperous and educated audiences, ACORN categories B and C being particularly important. However the audience characteristics for individual films vary widely and demographic analysis should be treated with caution.

The demographic characteristics for specialist cinema audiences differ in important respects from commercial cinema audiences. There is a noticeably higher proportion of people in education or with higher educational qualifications. Older audiences tend to predominate but teenage audiences (14-20 years) rarely attend.

Field research can be a minefield in terms of establishing meaningful data

You will have to work very hard at getting people to change their viewing habits and overcome their prejudices about certain kinds of film



3D specs at the MFT

Market research companies such as Mintel and the British Market Research Bureau (working for the cinema advertising industry) produce regular reports on audience characteristics and cinemagoing behaviour. (See Annex 4 for list of market research resources)

If public funding is sought for a new cinema project - refurbishment, conversion or new build - it is likely that a competent analysis of the relevant catchment population will be required. The Arts Council of England makes demographic and lifestyle information available to Arts Lottery supported projects, usually through the relevant Regional Arts Council office or contact the Scottish Arts Council, the Arts Council of Wales, and the Northern Ireland Arts Council as appropriate.

## Field research

Apart from conducting desk research (i.e. gathering data from existing published sources) as outlined above you may be required to conduct research specific to your audience or potential audience. For example, you might wish to test out your ideas by asking local residents what they think (consultation) or to test your assumptions about cinema going habits of your actual audience. There are a number of ways of doing this - focus groups or questionnaires administered by post, telephone or in person. A detailed discussion of research methodologies, quantitative analysis and questionnaire design is beyond the scope of this book. For anything large scale, it is probably best to appoint a professional market research company. Field research can be a minefield in terms of establishing meaningful data. However, for small scale projects (consultation, focus groups etc) the 'DIY' approach may be adequate.

## Audience development

Of course, you may confound received wisdom and expectation by attracting pensioners to *Star Wars* and teenagers to an archive presentation on land army girls. Indeed, from time to time films are released that buck the trend and have genuinely wide appeal - *Crouching Tiger Hidden Dragon* despite being subtitled did extremely well with younger audiences and *Lord of the Rings* was such a 'must see' movie that few people missed it, regardless of their age.

There is absolutely no reason why any audience segment should not enjoy any film. The fact that they tend not to attend and conform to type could be seen as an immense marketing challenge. However, you will have to work very hard at getting people to change their viewing habits and overcome their prejudices about certain kinds of film. In order to broaden audiences, you will need to invest in audience development activity. There is a range of tools and techniques but it can be costly and the effect difficult to measure. For example, young people notoriously avoid subtitled movies. You could lure them in to a Japanese film with a free bottle of Japanese beer. But will they come back next time when there is no beer on offer?

## Key points from chapter 3

- Different types of film appeal to different types of audience
- You need to identify an appropriate catchment area for your cinema and then find out everything you can about who lives there
- There are lots of published data available about UK populations, their lifestyle and demographics
- Research suggests that lifestage and attitude may provide a more useful way of categorizing audiences than simply using age bands
- If you need to conduct field research, employ a professional or keep it very simple
- If you want to change an audience's viewing habits you will need to employ audience development strategies - this can be an expensive marketing tool and the results are often hard to quantify



## Chapter 4

# Organisation and constitution

### Do you need a formal structure?

Unless the cinema is going to become an integral local authority facility you will need to decide how the cinema is going to be owned and managed. Some local cinemas operate as unincorporated associations i.e. an informal group of people who come together to set up and run a cinema. They undertake all activities as private individuals, applying for grants and entering into contracts in their own names. For some purposes, particularly when starting out this is probably a satisfactory solution and you may not need to consider incorporation as a company until such time as there is a very real prospect of the cinema becoming properly established. Informal associations can still benefit from the drawing up of a constitution that outlines their main objectives and the way in which business will be conducted. It may also be worth thinking about registering as a charity at some point. Charitable registration is open to both constituted companies (limited by guarantee, see below) and unconstituted organisations. Both charity and company registration can be expensive and time consuming and it can be problematic if you wish to dissolve your organisation in the future, so careful consideration should be given to the need to register.

### Setting up a Limited Company

Registering as a company can offer advantages although this has to be balanced against some of the costs. To do so creates a legal separation between personal and business finances, limits liability in the case of financial (and other) disasters, can give credibility to one's activities and can be used to regulate relations within partnerships in a corporate rather than personal capacity. In general, the larger the projects you intend to embark upon, the larger the amounts of money you will need to complete them, the more useful it becomes to operate as a limited company. If you are entering into contracts or agreements with organisations such as public sector funders, suppliers, banks and so on, being a registered company can give you not only credibility but also some additional protection against error or sharp practice. Most particularly, it is the company, not you personally, which must fulfil contracts or meet liabilities: as long as

*A company must have at least two directors - you cannot form one as an individual.*

## *The law is different in Scotland*

company directors have acted properly and responsibly, your liability for financial and other penalties can be limited. It is also worth noting that most National Lottery Distributors and some other funders do not make grants to individuals.

The Companies Act 1985 lays down strict regulations governing what companies may and may not do. The Act is enforced and monitored by Companies House. It imposes reporting and operating restrictions which some individuals or groups may regard as onerous. Much of this is to do with the frequency and administration of company meetings, and the filing of annual results and auditing of accounts. Failure to file the appropriate returns and accounts on the due dates can lead to quite substantial fines.

If you think a limited company structure might be of advantage, the first thing to do is to contact Companies House for its guidance notes on incorporation and registration and read them thoroughly. These are invaluable: without them you will invariably get something wrong. Only form a company if you are certain that it is the best option for you and you are confident in the people you wish to work with. A company must have at least two directors - you cannot form one as an individual. If in doubt, seek advice from a solicitor, company formation agent or similar professional. Companies House has an excellent website on [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk).

As to the actual process of creating a company, there is a standard registration fee of £20. However, you may also need professional help to draw up your Memorandum and Articles of Association which give details of the company, its activities and how it will operate as a legal entity. Alternatively, you can buy a standard model Memorandum and Articles of Association for around £20-£60 from a legal stationer or company formation agent. Companies House takes all of this very seriously, even to the extent of restricting the use of certain words in company names. To all intents and purposes there are two options for the sort of company you might form: limited by guarantee or limited by shares. To simplify greatly, a company limited by shares would have the objective of trading in order to make profits to distribute to its shareholders. A company limited by guarantee is the format available to charities and other groups which do not seek to distribute any profits to company members.

### Forming a Charity

Operating as a charity can bring benefits to an organisation and may assist with fundraising. Charities enjoy corporation tax and council tax benefits and charitable status can bring credibility in the eyes of funders, other organisations and the general public. It can also be easier to raise funds from certain sources including grant-making trusts and local government. While the Charities Act 1992 restricts the freedom which charities have to trade beyond the strict remit of their charitable objectives, lost flexibility can be restored by the creation of a trading company operating outside the scope of charity law but covenanting back profits. The legislation governing the establishment and activities of charities is, however, as stringent as that governing limited companies. The Charity Commissioners maintain a register, investigate misconduct and abuse, and otherwise administer the charities sector in England and Wales. The law is different in Scotland where, in order to obtain tax and funding benefits your organisation should be registered with the Inland Revenue as a 'Scottish Charity'. The Scottish Council for Voluntary Organisations (SCVO) can supply a *Guide to Constitutions and Charitable Status* that includes model documents that groups can adapt for their own use (see Inland Revenue leaflet IR 2004)

There are separate rules governing the published annual accounts produced by charities known as SORP (Statement of Recommended Practice) and it can be costly to employ a specialist accountant to draw these up.

Under law, charities exist to fulfil a specified purpose and are, by definition, voluntary organisations: that is, the board of management must not be remunerated (although staff can be paid). The definition of charitable purpose breaks down into six 'heads' of charity: the relief of the elderly, vulnerable or hardship; the advancement of education; the advancement of religion; the promotion of urban or rural regeneration; the relief of unemployment; other charitable purposes for the benefit of the community. Most charities active in the arts or media operate under the educational 'head'.

It is also illegal for the trustees of a charity to benefit from it financially - for example, a trustee cannot also be an employee of the charity. It is possible to be prosecuted for running a charity improperly.

The Charity Commissioners publish a free booklet (CC21), *Registering as a Charity*, which gives advice and explains the law. There are more than 150,000 registered charities already operating and it may be possible - or even desirable - to join forces with an existing organisation. The Central Register of Charities (which can be consulted at Charity Commission offices and on-line) or Charities Digest both give information on existing charities. The Scottish Charities Office in Edinburgh provides a similar service for Scotland.

### Key points from chapter 4

Registering as a company is relatively straightforward and can buy credibility with funders and suppliers of services as well as giving limited liability to its members

Before you register as a company and/or charity, be sure you are absolutely ready. If your project does not proceed it can be tiresome to 'undo' registrations

The preparation of annual accounts is regulated for both companies and charities and you will need to employ a specialist accountant. Check you can afford the fees before you proceed

Read the guidance issued by Companies House and the Charity Commission prior to registering a company or charity

Getting your memorandum and articles right is crucial - consult a solicitor if you have any doubts

Make sure you are fully aware of the legal duties and responsibilities of Company Directors before becoming one and make sure others are properly briefed



## Chapter 5

# Premises Issues

### Finding suitable premises

The key tasks here are firstly to locate potential premises, and then to assess their suitability for your planned purposes. There are a number of options for locating vacant premises:-

- 1) Local newspapers/Loot
- 2) Local authorities - often keep a register of vacant commercial premises
- 3) Estate Agents - particularly those who specialise in commercial property
- 4) The internet

You may be looking for a leasehold, freehold or a vacant site for a new building. Before you start looking at properties make a list of your basic minimum requirements as a checklist.

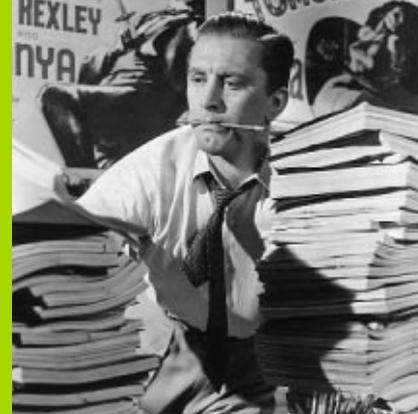
### Tenure issues - the perils and pitfalls of leases

The whole basis of ownership and occupation of land and buildings is different under Scottish law. The following section relates mainly to England.

In the ideal world one would own the freehold of the building which, by and large entitles you to peaceful occupation and, planning restrictions aside, leaves you free to do what you want when you want. And of course you do not have to pay rent and so the on-going revenue costs (loans or equity finance) are more controllable. If you are very lucky, there may even be parts of the building you can rent out to other businesses so you could become a landlord yourself. However, the most common type of ownership is a commercial lease.

Leasehold 'ownership' - a peculiarity of English law, dates back to feudal times and ensures that land and property ownership remains in the same hands from generation to generation. As a leaseholder you do not own the property in perpetuity as you do with a freehold. You 'own' it for a specified length of time (the 'term') during which you have similar kinds of rights of occupation and access as a freeholder. You pay once for the lease (the 'premium') and you also pay rents to the freeholder who may vary these on a regular basis with no ceiling on what may be charged. You are also usually liable to pay for all repairs to the building and these must be carried out to a minimum

*In the ideal world one would own the freehold of the building...  
However, the most common type of ownership is a commercial lease.*



*The Bad and the Beautiful, Courtesy: bfi*

standard by an approved contractor within a given time frame. At the end of all this, once the term of the lease expires you own nothing and the landlord walks away with a beautifully-maintained property which he can 'sell' again!

While leasehold agreements these days are rarely constructed to deliberately mislead the unwary, you need to think very carefully before entering into such an agreement. The golden rule is, have a solicitor look at it for you and don't sign anything until you have your finance lined up. While many clauses are standard, don't think of the lease as a boring bit of bureaucracy. Read it carefully and ask your solicitor to explain anything which isn't entirely clear.

#### **Premium**

This is a one-off capital sum which some, highly sought after leases may attract. Generally, a high premium is often off-set by a low rent and vice versa. For difficult to sell leases, there is unlikely to be a premium and in the cinema business, it is unusual to pay a premium.

#### **Term**

In theory, a long lease is better than a short one as you have security of tenure and it becomes more worth your while to invest in the property. However, on a long lease you are generally liable for the rent for the full term regardless of what happens. Even if the lease allows you to transfer (assign) it to someone else during the term, you may still be required to underwrite the rent. In the case of a Limited Company, it is not uncommon for the landlord to ask for personal guarantees from the Directors or even another organisation (e.g. the local authority) if he deems the company 'risky' i.e. especially one without a trading track record.

#### **Assignment**

The lease usually either prevents you assigning it entirely or requires permission from the landlord to do so. Even if you are able to find someone who wishes to acquire the lease from you, the landlord may not give permission or may require you to underwrite the rent in case the assignee defaults.

#### **Repairs/Insurance**

Most standard leases are what is known as 'full repairing and insuring' leases. This means that the lessee is responsible for buildings insurance and all repairs to the fabric of the building during the term.

#### **Dilapidations**

There is also generally a standard clause which requires the lessee to hand the property back to the freeholder at the end of the term in the same condition as when it was acquired. This means not only making good the more obvious damage through wear and tear, but may also require the lessee to undo 'improvements' he may have made to the property while occupying it. For example, the property which was once open plan offices which the lessee converted to individual offices, may be required to be turned back to an open plan arrangement before it is handed back.

#### **Rent Reviews**

Almost all leases make provision for the landlord to periodically raise the rent - generally every 5 years although sometimes shorter or longer periods are specified. It is not uncommon for rents to double, treble or quadruple at rent reviews and there is no ceiling on what can be charged. The only right of appeal is through an independent arbitration process which generally attempts to establish what the going rate, or market rent is for premises in that area. It will also need to take account of the frequency of review and general trends in property prices. A market rent is simply a rent that someone is willing to pay and so, while you may feel that the rise is extortionate, if the landlord can demonstrate that this level of rent is being paid elsewhere nearby, arbitration is unlikely to find in your favour. In fact, it may even determine that the new rent should be raised further and so there is an element of risk in going to arbitration.

#### **Restrictive Covenants**

Restrictive covenants are additional clauses in leases which prevent the purchaser from doing certain things. A problem in recent years for a number of campaigns to save former cinemas after they were acquired and closed down, has been a restrictive covenant imposed on sale of the lease, preventing the building being used as a cinema again. It may be possible to negotiate removal of such clauses (for example through payment of a fee) but if the vendor will not compromise, there is very little you can do.

This issue in some more unusual cases, also applies to freeholds (it is not uncommon for example for certain religious organisations to prohibit the sale of alcohol in premises which were previously used as churches).

#### **Charges**

This applies to both freeholds and leaseholds, you need to be very careful to ensure that you know about any finance agreements with banks and other lenders which are secured on the asset. Your conveyancing solicitor will advise but you may well need the asset to be unencumbered so that you can raise additional finance on it. It is always useful to have some collateral up your sleeve for contingencies.

### **Planning consents**

Most external alterations, extensions and changes of use require planning permission. Particular care is required in conservation areas. You should ensure that you have the necessary consents before you start work, as planning enforcement action can be taken, even if you have obtained Building Regulation approval.

Where a building is 'listed' because of its particular historical or architectural characteristics, listed building consent is required for all internal and external works, including those affecting non-original parts of the building. You should note that unauthorised work to a listed building is a criminal offence. Building Control Surveyors ensure that buildings are constructed in accordance with the conditions of the planning permissions and listed building consent.

You should contact the planning department of your local authority to find out whether your proposal needs consent. It can take several weeks or months to obtain planning consents depending on the complexity or controversial nature of what you are proposing. Fees can be a significant cost (several hundred pounds) and you may also need to employ an architect to draw up plans. You will be required to post statutory notices for a specified period describing the proposed change adjacent to the premises in order that objections can be lodged with the local authority.

### **Listed Buildings**

Getting a building listed can be a useful means of preserving a site from demolition and/or development. A significant number of cinema buildings, particularly those from the art deco era are listed buildings. The downside is that once a building has been listed it becomes more difficult to make changes to both the



The Dome Cinema, Worthing

*there are about 150 listed cinema buildings in England*

interior and exterior as permission has to be given by the local authority.

English Heritage and Historic Scotland are the main national bodies with the task of identifying and protecting the nation's architectural inheritance, which they do by recommending 'listing' or earmarking the most important buildings. The Department for Culture, Media and Sport or the Scottish Executive make the final decisions on listing. The following sections details processes applicable in England and broadly similar procedures and regulations apply in Scotland.

**What does listing mean?**

The word 'listing' is a short-hand term used to describe one of a number of legal procedures which help English Heritage to protect the best of our architectural heritage. When buildings are listed they are placed on statutory lists of buildings of 'special architectural or historic interest' compiled by the Secretary of State for Culture, Media and Sport under the Planning (Listed Buildings and Conservation Areas) Act 1990, on advice from English Heritage.

Listing ensures that the architectural and historic interest of the building is carefully considered before any alterations, either outside or inside are agreed

**Why are buildings chosen?**

Listed buildings are selected with great care. The main criteria used are:

architectural interest: all buildings which are nationally important for the interest of their architectural design, decoration or craftsmanship; also important examples of particular building types and techniques, and significant plan forms

historic interest: this includes buildings which illustrate important aspects of the nation's social, economic, cultural or military history

close historical association with nationally important buildings or events

group value, especially where buildings comprise an important architectural or historic unity or are a fine example of planning (such as squares, terraces and model villages)

The older and rarer a building is, the more likely it is to be listed. Post-1945 buildings have to be exceptionally important to be listed. Buildings less than 30 years old are only rarely listed, if

they are of outstanding quality and under threat.

**Why are there three grades?**

Listed buildings are graded to show their relative importance:

Grade I buildings are those of exceptional interest

Grade II\* are particularly important buildings of more than special interest

Grade II are of special interest, warranting every effort to preserve them

There are 37,000 or so list entries currently protected by listing, and of those by far the majority - over 92% - are Grade II. Grade I and II\* buildings may be eligible for English Heritage grants for urgent major repairs. Currently there are about 150 listed cinema buildings in England although a number do not operate as cinemas any longer.

**How to get a building listed**

Requests for individual buildings to be spotlisted can be made to The Secretary of State for Culture, Media and Sport at any time although priority treatment will be given to those which are under threat. It is important to draw attention to any new evidence which may explain why the building's special interest has previously been overlooked.

It is best for all involved if buildings are assessed for possible listing before planning permission has been granted for redevelopment, since last-minute listing can cause difficulties and additional expense if it takes place without warning. The thematic listing programme is designed to help reduce this risk.

**What is the procedure?**

Requests to list buildings should be sent to the Listing Branch, Department of Culture, Media and Sport, 1a Cockspur Street, London SW1Y 5DH. As well as your reasons for wanting the building listed, you should include:

- a location plan showing, wherever possible, the position of any other listed buildings nearby
- clear, up-to-date photographs of the main elevations of the building
- any information about the building, e.g. date built
- details of specialised function (such as

industrial use)

- historical associations
- the name of the architect
- the building's group value in the street scene
- details of any interior features of interest
- the daytime telephone number of the owner or his or her agent who may be able to give access to the building for an inspection

The Secretary of State consults English Heritage on all applications for listing who aim to try to reach a decision within 3 months.

**How to appeal against listing**

There is no statutory right of appeal, but if you think your property is not special enough to be listed, you can write to the Department of Culture Media and Sport. If you are planning an appeal the Department can provide a guidance note on the criteria used in considering listing appeals.

Because listing appeals are non-statutory, applications for de-listing are not normally considered if a building is the subject of an application for listed building consent or an appeal against refusal of consent, or where a local authority is having to take action against the owner because of unauthorised work or neglect.

For further information [www.english-heritage.org.uk](http://www.english-heritage.org.uk) and [www.historic-scotland.gov.uk](http://www.historic-scotland.gov.uk)

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**Licences**

**Cinema licence**

You may need to acquire a number of different licences, depending on what you propose to do. As rules vary from authority to authority it is vitally important you establish what the licensing requirements are at the planning stage. The Cinemas Act 1985 imposes licensing requirements in respect of film exhibition. As a bare minimum you will require a Cinema Licence issued by your local authority. You will be required to operate under their rules of management which cover virtually every aspect of the day to day operation including for example, how many ushers are required on duty at any one time, fire regulations, storage, staff conditions and training, toilet



Fireman. Save my Child. Courtesy bfi

*Before you can open your doors to the public you will need a fire certificate from your local authority*

facilities and many matters relating to health and safety for both staff and public with additional rules for children. Again, depending on your local authority you may require a licence for Sunday screenings or should you wish to use your venue for music, dance or the public performance of plays, a Public Entertainment Licence. You may apply for an occasional licence for one off events.

Licensing Inspections normally take place once a year before renewal but officials are entitled to inspect the premises at any time. In most cases you are advised of dates and times but inspectors will occasionally do spot visits during public opening times.

#### **Fire Prevention**

Before you can open your doors to the public you will need a fire certificate from your local authority. You may find the Cinema Exhibitors Association's (CEA) Fire Risk Assessment Guide helpful in determining risk factors. Fire regulations cover things like number of exits required, signing, fire extinguishers, staff training, drills, fire prevention and recommended class of inflammable materials. As with health and safety requirements, it is preferable to invite an inspection of your premises and plans prior to contracting for any building works. In theory your architect will know what the rules are, but it may still be worth your while checking that a certificate will be issued once the work is done. In the course of such an inspection s/he may also pick up on other things which need attention. Once open and running, as with licensing, fire authorities will visit from time to time to inspect the premises to ensure compliance with the law but also to familiarise themselves with the premises in the unlikely event of a major incident.

#### **Health and Safety**

The local authority's rules relating to Cinema Licences and Public Entertainment Licences do not in any way replace or reduce the underlying statutory duty of employers to comply with the requirements of the Health and Safety at Work etc. Act 1974. This legislation requires, amongst other things, an assessment of the risks to staff, patrons and others who may be affected by their business and identification of measures required to control or avoid the risks. Local authorities are responsible for monitoring

compliance with this legislation, usually through their Environmental Health services. It is advisable to involve the Health and Safety Inspectorate at the earliest opportunity, especially if you are undertaking building works. Safety certificates you may require include mechanical & electrical, ceiling, heating and ventilation and various insurances which must be kept up to date as a condition of a cinema licence and an operational building.

#### **Performing Rights Society (PRS) and Phonographic Performance Ltd (PPL)**

You will need a licence from the PRS to cover the playing of music on the films' soundtrack. PRS is paid at 1% of net box office after VAT for the use of the composers and publishers of music. You are also likely to need a licence from PPL for use of recordings and DVDs for ambient music played in the foyer and auditoria. The CEA have negotiated a reduced rate (20% discount) PPL licence scheme for all UK cinemas which is based on the number of cinema screens you will be operating. You will need to negotiate directly with the PRS.

#### **Restaurant and liquor licences**

If you are planning anything other than sweets and crisps i.e. hot food, you will need planning permission and a restaurant licence. Licensing for alcohol sales is a separate matter and you will have to put in a licence application with the local licensing justices. A liquor licence will only licence consumption of alcohol in the bar (and seated at tables in the restaurant if you have one). If you want your customers to be able to take alcohol into the auditorium you have to get separate permission.

### **Building Regulations**

The purpose of the Building Regulations is threefold:

To ensure reasonable standards of:

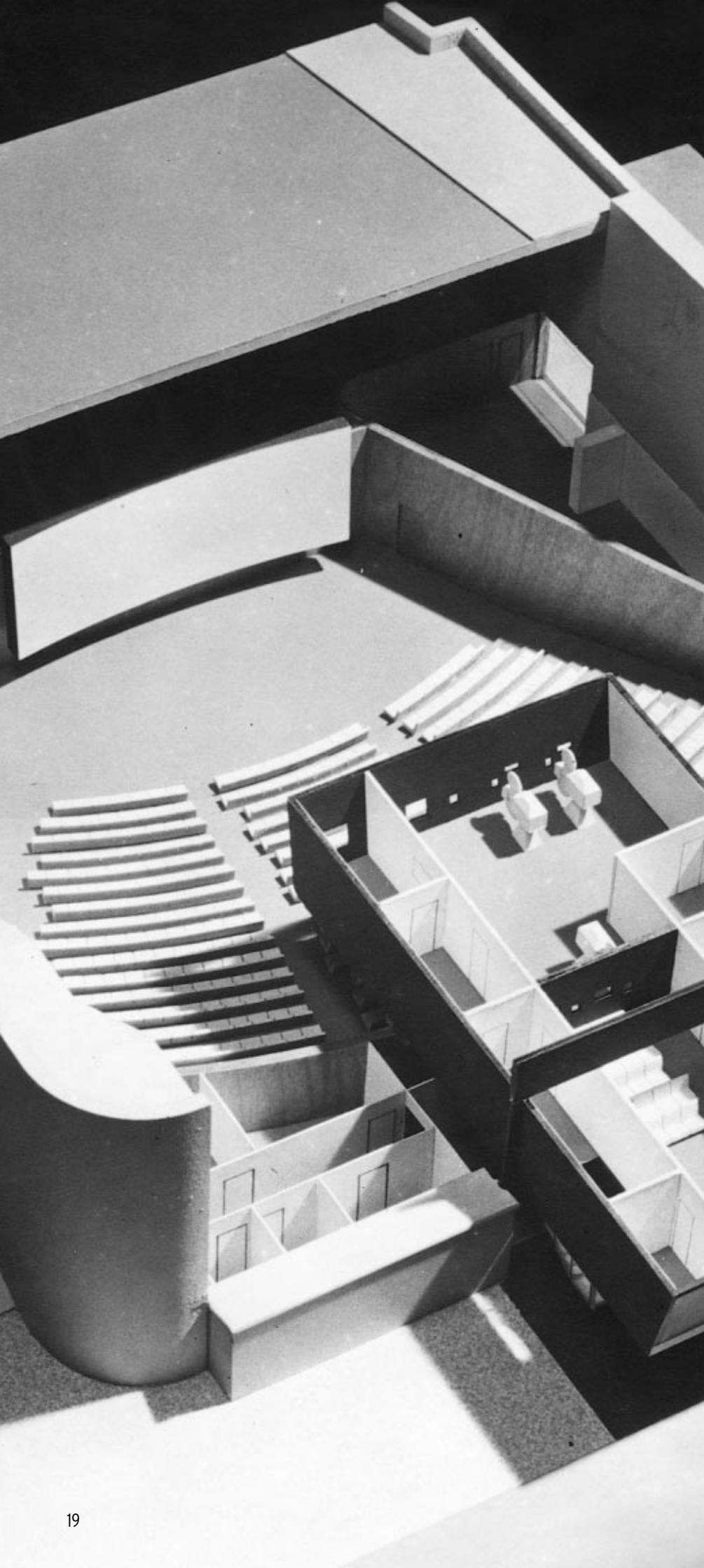
- Health and Safety for persons in or about the buildings
- Energy Conservation
- Access and facilities for people with disabilities

The technical requirements of the Regulations and guidance on how to meet them is contained in Approved Documents, published by HMSO. These cover a number of areas including

structure, fire safety, resistance to the passage of sound, toxic substances and the conservation of fuel and power. It is important to remember that the contents of the Approved Documents are only guidelines i.e. they are not cast in stone and there may be some flexibility in their interpretation. Your architect and/or builder should be fully up to speed on Building Regulations, so you should not have to deal directly with this aspect.

### **Key points from Chapter 5**

- Before looking for premises draw up a list of your minimum basic requirements
- Always employ a solicitor to help you navigate the perils and pitfalls of leasehold agreements
- While listing a building may confer some benefits in terms of preservation, it also means it may be more difficult to get planning consents
- Make contact with your local authority's Fire Officer as soon as you can. What he or she requires may have significant implications for your budget
- You are likely to require several different licences including a cinema licence, a fire certificate, a restaurant licence, a liquor licence, and licences for use of copyright protected music
- Get in touch with your Local Authority's planning officers and environmental health department at an early stage, to sound them out on your proposals



## Chapter 6

# Building Design

### Briefing an architect

Whether you are aiming for a new-build, a conversion or a simple refurbishment, chances are that you will require the services of an architect. Ideally, you will pick a firm with a track record on cinemas. However, in the UK only a handful of architects can claim to be cinema specialists (see contacts) and, if you want to employ a local person, you may find yourself employing a generalist. In this case, it is vital that you seek specialist technical advice in order to ensure that the space is fit for purpose. Sightlines and soundlines are critical here, affecting the floor, seat layout, ceilings and siting of the projection box among other things.

At the start you should be trying to build a team and the quality of that team is vital. Apart from yourself and your architect you will also need a Planning Supervisor to comply with the Construction Design and Management Regulations. He or she is the one consultant you are legally obliged to employ, not to do so is a criminal offence and punishable by a jail sentence. You will probably also need a Structural Engineer, a Services Engineer and a Quantity Surveyor, depending on the size and complexity of the development.

The Brief is the document whereby you instruct your architect as to what you want. Time spent at the start of the process will repay you tenfold at the end. You can get guidance on this from the Arts Councils of England, Wales or Northern Ireland or from the Royal Institute of Architects in Scotland (RIAS). Certain topics will have to be covered:

- Details of your organisation and artistic policy. Who is going to act as client, from whom does the design team take instructions, 'dos' and 'don'ts' and policy issues etc
- Objectives of the scheme
- Description of the site or building and surrounding area. This can be more than just a description in physical terms. It might include a socio-economic breakdown of the neighbourhood and outlying catchment area
- Key aspects of management
- A detailed description of the uses and



Metro Cinema, London

## Multi-screen cinemas provide additional benefits when a wide range of programming is being presented

activities to be housed in the building

- A specification of the space needed for each of these activities and a description of these spaces
- Definition of the relationships between these spaces
- Technical performance required of these spaces - sound proofing, lighting, heating, air handling
- Level and pattern of use. How many people, at what time of day or night, peak times, peak numbers?
- Expectations for disabled access. The Building Regulations have something to say on this as does the Lottery and the Disability Discrimination Act. These should be regarded as minimum requirements and a greater degree of facility allowed for
- Budget - phasing if necessary, sources may be relevant. This item is crucial - remember that VAT is to be added to certain figures quoted to you. Your budget must be realistic. While a lot of creative ideas can be brought to fruition economically you still do not get a Rolls Royce for the same money as a Skoda
- Priorities - if costs exceed budget what can you sacrifice?

### State of the art design

*"The calling card of the contemporary cinema is the physical image it presents. Going to the movies has become more than a 110-minute-long flood of images... Moviegoers want to be immersed in a different world before and after the film as well. The public is satisfied only when the total experience is unforgettable."*

Roderick Höning in Frame, Jan/Feb 2000

The heyday of extravagant cinema building is generally considered to be the 1930s and 1940s when spectacular, ornate and fantastic interior design created an environment far removed from domestic living rooms. Now, standards of domestic comfort and home entertainment provide tough challenges for cinema exhibitors. Cinema design itself is changing rapidly. Cinemas built five or ten years ago are considered outdated and are being scheduled for refurbishment to

bring them up to date. Contemporary audiences throughout the world are demanding very high standards of comfort, of ancillary facilities, and of technical presentation. Local cinemas which fail to upgrade are quickly considered inadequate by audiences. Surveys regularly cite comments criticising old, poor quality cinemas ("pull it down", "we need a modern cinema", "cold and uncomfortable" are typical comments).

The quality and appearance of the building play a substantial part in the marketing of a cinema. A number of notably well designed arts buildings, including cinemas, have become leisure destinations and achieved higher than predicted attendances. For cinema, the features which are given prominence in marketing plans include:

- Total view seating - an unobstructed view is the ideal. A stepped (stadium) seating arrangement is preferred to a sloping (raked) auditorium
- High quality seating - seat design has undergone extensive changes in recent years and may feature: high backs, non-tipping squabs, raisable armrests, generous leg room, and a side table or holder for drinks
- Access - a high standard of disability access is required
- Large screen - wall-to-wall screens are increasingly common, this directly affects the position of front row seating and emergency exits
- Black box interiors - a controversial approach to auditoria interiors but the general concept of minimum distraction is generally accepted
- Air conditioning - or at least a good quality heating and cooling system
- Projection - in-focus and flicker free projection complemented by multi-channel sound, usually based around a digital process such as Dolby Digital or DTS
- Concession choice - more than just popcorn, coke and hamburgers. A local quality supplier might be preferred to a multinational brand. Coffee or an alcoholic drink is also welcomed by many cinemagoers

### Number of auditoria

Almost all new cinemas are multi-screen designs. Even in smaller communities, new single screen cinemas are rare. The reasons are partly economic and partly related to programming. The economic rationale is based on the fact that there are several quite different cinema audiences and few films cross several categories. Screening one particular film will appeal to some sections of the potential audience but not others. Two or more screens increases the number of different audiences that can be reached in any one week, effectively spreading the risk and helping ensure a particular level of income for the year.

The programming justification involves matching different types of film to appropriate auditorium size as well as being able to launch a film in a larger screen and then let it continue playing for a second week, or more, in the smaller auditoria while allowing a new release into the larger screen. The cinema trade is increasingly focusing on the opening weekend box office for new releases and it is important that cinemas should be able to capitalise on the initial surge of attendance that accompanies popular new films.

Multi-screen cinemas provide additional benefits when a wide range of programming is being presented, such as during a film festival or when a diverse range of community and education uses is involved.

In terms of operating costs, there is not a great difference between having a two or three-screen cinema compared to a single larger cinema. The capital costs may not be greatly different either, depending on the design.

The amount of space required for each auditorium depends on a number of factors but the table below provides an approximate guide. The calculations are based on a modern design using 1.10-1.20 metres from seat back to seat back and 550 - 600mm seat widths.



The Happiest Days of Your Life. Courtesy Canal + (UK) Ltd

*food is one of the most intimate and emotive subjects of conversation around*

## Seating capacity and space requirements

200 seats	270 m <sup>2</sup>	2 2,900 ft <sup>2</sup>
150 seats	190 m <sup>2</sup>	2 2,000 ft <sup>2</sup>
75 seats	125 m <sup>2</sup>	2 1350 ft <sup>2</sup>

The number of screens and the auditorium capacity depend on many factors ranging from audience potential estimates and the programming range that is planned to the finance available and the characteristics and size of the site or building. In general one medium or large auditorium seating at least 150 people is required. A more typical capacity is around 200-230 seats. This auditorium should be able to accommodate the peak audiences at weekends - people turned away from a full-house may not return.

Additional auditoria should be graduated in size down to 70-100 seats for the smallest screen. The variation in capacity allows films to be placed in auditoria that match their anticipated audience. Smaller capacity auditoria may prove to be viable as outlined in the section about digital cinema. Throughout the UK there are over 30 cinemas with auditoria seating 75 people or less, some as few as 40 people per screen. It is, however, advisable to carefully investigate the operational economics of operating such small auditoria before including them in a new design or a refurbishment project.

## Sound issues

Although film is first and foremost a visual medium, poor sound quality will ruin even the sharpest pictures. Sound is an area often overlooked but, just as you need good sightlines, you also need good soundlines.

Apart from the obvious comfort and size considerations it is imperative that the auditoria are designed with the following in mind:-

- External sound insulation (how many times have you heard traffic noise, trains or building works over the soundtrack of the film you are watching?)
- Internal sound insulation - this is particularly important with multiple

screens where a loud soundtrack can leak into the adjoining auditorium

- Services and equipment noise control - noises such as air conditioning, lifts, toilets and projection equipment need to be controlled
- Acoustics - acoustic design in cinemas should be considered from feasibility stage - location, auditorium planning etc. through to final commissioning

## Catering and bar facilities

Comparatively few cinemas focused on bars and cafés until recent years, however these facilities are now incorporated in to everything from large multiplexes (which may have more than one restaurant within the building) to small, part-time local cinemas.

## What catering can do for your venue

Catering in a cinema can mean anything from running a kiosk to selling coffee and popcorn to offering a full à la carte menu in luxurious surroundings. Your choice of catering operation will depend largely on what you are trying to achieve in terms of your audiences, the space you have available and your organisation's finances. Bars and restaurants within arts venues are sometimes perceived by their management as an opportunity to make a quick financial return to subsidise core activity i.e. the arts. Others may take the view that financial return is a secondary consideration and that the main purpose of the catering facilities is a service to customers which will enhance their overall experience of the venue. These objectives are not mutually exclusive and ideally, you would aim to achieve both. However, in practice it can be very difficult to achieve either of these aims.

Like any other business, catering operations experience product life cycles which means that while the potential for reasonable financial returns exists, it can take time to establish an operation which yields high return. Typically, it can take 2-3 years for a new restaurant and/or bar to begin yielding any profit at all. Restaurants and bars are also subject to the

vagaries of fashion and fashion products suffer ever shortening life cycles. What is 'in' today can be 'out' tomorrow. So, even once established, catering operations require frequent renovation and reinvention. You will probably get no more than five years for your investment before you have to start thinking again about the original concept and spending money on refreshing it.

Operationally, catering is one of the most difficult businesses to run. Both the raw materials and the end product are highly perishable and can be subject to daily price fluctuations; demand is subject to strong seasonality effects with the day, week, month and year. Production techniques can be highly skilled and good service requires articulate and talented people yet catering is one of the worst paid industries in the world and has a very high level of employment turnover. Above all, food is one of the most intimate and emotive subjects of conversation around. Everyone has an opinion and will certainly feel entitled to voice it if they are eating in your restaurant.

For these reasons and others, many establishments opt to subcontract a specialist to run their catering operations. The advantages and disadvantages of these arrangements are discussed in Chapter 10 in the section entitled 'running bars and catering'.

Having said all this, catering and bar facilities can make a very significant contribution in a number of ways to your venue:-

### Differentiation from other venues

Bars and restaurants are another opportunity to make your venue distinctive from your competitors'. Many would argue that it is almost a commercial imperative to offer audiences some kind of refreshment before, during and after the 'main event'. The style of operation, ambience, good food, a range of interesting refreshments can all make a contribution to the overall product offering to your audiences. The food and drink available coupled with a pleasant ambience will often be the reason why your audiences choose your venue over that of your competitors.

### Enhancing customer experience

Offering restaurants and bar facilities has the potential to enhance the overall experience of



Disability Culture Rep, Tom Olin

## All citizens of the EU are entitled to freedom of movement and employment across the European States and will expect equality of access to places of entertainment

your audiences during the time they spend at your venue. It will also prolong the experience. However, the converse is also true. A good arts venue can be totally ruined by poor catering services. It is therefore essential to retain control and flexibility over what is on offer. Even if you sub-contract your catering operation to an outside operator, it will still be perceived that the restaurant and bars on your premises are part of your organisation and an unsatisfactory experience for your patrons will reflect badly on you.

### Financial contribution

Over-optimism about the levels of financial return available from bars and restaurants is common. Revenue levels will depend on location, competition, space, pricing, levels of activity and marketing. It is notoriously difficult to forecast levels of demand for a new catering operation and the maximisation of revenues will depend upon very careful consideration being given to each of the above factors. Levels of net return from catering operations are likely to be no more than 10-15% of turnover. Catering operations are characterised by high levels of fixed costs (in particular labour) and lack of controllability on the variable cost side. They are therefore high risk and it is not difficult with a bit of bad luck and bad management to sustain large losses.

## Access for people with disabilities

Increasingly nowadays arts activity is being opened up to disabled people. This section covers a few basics but for a comprehensive booklet on how to offer the best access to disabled people contact the Arts Council of England for a copy of *Guidelines for Marketing to Disabled Audiences*, which contains some useful checklists. The CEA also publish a very useful set of guidelines specifically for cinema operators.

## Why is full access necessary?

### U.N Rules

The United Nations Standard Rule 5 on accessibility declares:

States should recognize the overall importance of accessibility in the process of equalization of

opportunities in all spheres of society. For persons with disabilities of any kind, States should (a) introduce programmes of action to make the physical environment accessible; and (b) undertake measures to provide access to information and communication.

### European Commission

The EU endorses the UN standard rules and requires that disabled people are included in all programmes and mechanisms of the Commission and are considered in all Directives on standards set by the Union. All citizens of the EU are entitled to freedom of movement and employment across the European States and will expect equality of access to places of entertainment - even if some of the venues are very old. There are 60 million disabled people in Europe.

### The Disability Discrimination Act.

The Disability Discrimination Act 1995 makes it unlawful for service providers such as cinemas to discriminate against disabled people. From 2004, the Act states that service providers will have to make "reasonable adjustments" to the physical features of their premises to overcome physical barriers to access. In broad terms new or refurbished cinemas, including staff areas, box offices and projection rooms, should be constructed so that people with a range of disabilities are not discriminated against and can gain easy access to the cinema. Specialist advice is available from the CEA, architects and from disability access groups.

### Lottery Funding

The Arts Councils will only award Lottery funding for venues where access policies are in place which treat disabled people no less favourably than non-disabled people.

### Commercial considerations

Disabled people are a large market and with a highly competitive environment and over-screening, cinema operators need every paying customer they can get.

Many venues are equipped with the barest minimum of facilities which include: disabled parking, an adapted toilet, a lift, a hearing induction loop fitted in the auditorium and a minicom in the box office. You may have more difficulty with older, converted buildings but there are organisations where you can apply

for funding to provide better facilities (see the contacts section for information).

Although much attention is paid to mobility disabled audiences, the needs of hearing and sight impaired audiences are often given less attention. A considerable number of people with hearing loss attend cinema and can benefit greatly from a properly installed induction loop system and/or an infrared-based system. The infrared systems can also be used for audio described performances for people with sight impairment/loss.

### Sign Interpreted Screenings

Although an induction loop or infrared systems will offer hard of hearing audiences access to a film, a sign interpreted screening will be available to deaf people. British Sign Language is a language in its own right and many deaf people use it as a first language and English as a second language. Deaf people are often willing to travel further than most if this facility is on offer although it is probably too costly to offer on anything except an occasional basis. Try also to reserve the seats which have the best view of the interpreter for your deaf customers. Contact the RNID, British Deaf Association and National Deaf Children's Society for further information.

### Subtitles

A further solution (and perhaps the most practical) presents itself in the form of subtitled screenings (although as noted above for many deaf people, English is their second language). This is an area of shifting technological change but some studios are now producing a few prints of major releases with subtitles and new systems for 'soft' titling (which is projected onto the film rather than being 'burnt in') are being developed.

### Audio Described Screenings

Audio description works by providing a commentary on the action in between the dialogue of a film. Blind and visually impaired people are given a headset at the start of the screening and the information is relayed either live by an audio describer or from a recording which is synchronised with the film. The description is impartial and highlights aspects such as the colour of people's clothes as for many people with a visual impairment they can still see colours and shapes and some people

## *Adequate, safe and nearby car parking is a basic requirement for most successful cinemas*

who are totally blind have visual memory. Contact the RNIB for further details.

If you wish to offer this kind of provision the most important thing at the outset is consultation. Contact your local disability arts group and get information on their needs. This will help prevent you from making assumptions and embarrassing mistakes. Disability arts groups can offer disability awareness training for your staff. You may want to set up a disability advisory group to help with access issues.

To market your venue to people with disabilities you will need to find out which publications and other media they access, as there are many specialist ones available and the internet has become an important communications tool. Your printed publicity should be available on a wide range of formats such as Braille, audio tape and large print. Outreach work and direct contact are often the most powerful publicity tools. Print materials should also carry detailed information about access. A checklist for this is contained in the Arts Council publication mentioned above. Always make sure your staff, particularly your box office and bar staff are properly briefed so they are confident in providing assistance to disabled customers.

### **An illustrative specification**

An illustrative specification for a well-equipped 3-screen cinema centre could be as follows (many of the facilities, shown with an asterisk below, could be shared if a combined cinema and performing arts centre is developed):

#### **Essential facilities**

- Cinema seating capacities: 180-250, 100-140, 70-110 (aiming for a total of approximately 400-500 seats)
- All screens equipped with wall-to-wall screens, 35mm projection, adjustable screen masking, and multi-channel high quality sound
- Stadium seating (stepped rake) with high backs and generous legroom (1.0 - 1.2 metres back to back, 550 or 600mm seat width)
- Access, toilets and seating for wheelchair users
- An inductive loop and an infrared system

to assist people with hearing difficulties

- The largest auditoria to have a small raised stage area capable of lecture and business presentation uses. This auditorium should have good quality video projection capable of cinema and data/computer uses.
- Foyer with box office, information displays, sales kiosk and/or shop \*
- Bar and/or cafe facilities \*
- Staff offices \*
- Energy efficient design for the whole building \*
- Illuminated external displays and poster areas \*

#### **Desirable facilities**

- High definition video projection.
- A range of film projection formats
- Internet / New media / Information centre with public access \*
- Youth area (e.g. juice bar, internet facilities, games machines, music) \*
- Flexible space for children's parties or other leisure and business uses \*
- Meeting/education room \*
- Gallery capability within public spaces such as bar/café or corridors \*
- Media production and post-production units (some available to let) \*
- Film dump/store for general use and especially for festivals
- Commentary/sound control booth in at least one cinema

### **Other buildings issues**

#### **Public areas and sales points**

The ancillary facilities - toilets, box office, sales kiosk, display areas and so on - are similar in both single screen and multi screen designs. These areas set the atmosphere for the visit to the cinema and can range from the funfair approach of some multiplexes to a relaxed, almost hotel foyer approach with sofas and plants and a lack of strident marketing. If the cinema has to accommodate a range of audiences, especially young and old, then

distinct areas should be created where each audience can feel comfortable.

Concession sales of ice-cream, soft drinks and confectionery are highly profitable (Popcorn yields notional margins of 10,000%!) and it is essential that the cinema foyer includes a good retail space providing a range of refreshments to accommodate the preferences of differing audiences. It should be noted however that high concession prices have attracted criticism from cinemagoers and margins may decline in the future. A number of independent local cinemas include product ranges from local suppliers - apart from supporting local businesses, and providing the products are well regarded, these products help distinguish the local cinema from the national multiplex chains.

#### **Transport and parking**

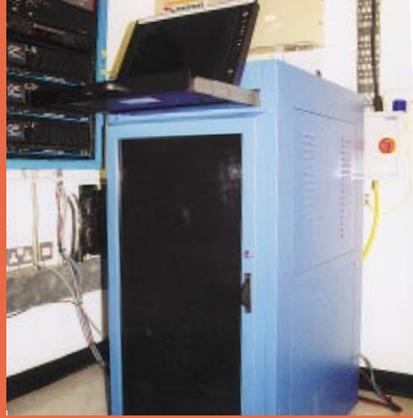
With the exception of some city centre cinemas, the great majority of cinemagoers arrive at the cinema by car. The free and plentiful car parking at out-of-town multiplexes has proved popular and, conversely, cinemas with poor parking are sometimes criticised. Adequate, safe and nearby car parking is a basic requirement for most successful cinemas.

Government policies (e.g. Planning Policy Guidance Notes 13 and Regional Transport Strategies for England) aim to reduce the number of leisure journeys made by car and instead emphasise public transport. For most cinemas this means local bus services but all too often these services fail to provide a suitable evening service. In rural areas the cost of bus services may also create a barrier to cinema attendance. If a cinema is planned in an area with low levels of car ownership then the quality of local bus services should be investigated.

#### **Expansion potential**

Leisure trends are changing rapidly and cinema design is in a particularly turbulent period. There are few certainties but one is that a cinema built today will be due some refurbishment and perhaps modification within 5-10 years. It is important that sites for new cinemas make allowance for future changes. Many of the problems facing existing cinemas are due to a lack of expansion potential.

*The equipment is evolving and can be expensive but the picture quality is astonishing*



Hardware for digital projection at the Ritzy

## Digital cinemas

Digital video technologies are transforming the way films are made, edited, distributed and projected. There is a rapidly growing number of filmmakers who work with camera and computer equipment purchased from high street stores to produce very low budget films - sometimes with professional actors - which can be projected successfully in properly equipped cinemas.

Since mid-1999 public screenings of digitally projected, mainstream feature films have been taking place in selected cinemas worldwide. Over a million paying customers have attended digital cinema screenings and it is now generally accepted that conventional 35mm film projection may one day be replaced with digital video technologies. The equipment is evolving and can be expensive but the picture quality is astonishing and, some have claimed that in several respects it surpasses conventional film. The number of digital cinemas will undoubtedly grow quickly during the current decade.

The key advantages of digital cinema ('d-cinema' or 'e-cinema') for local cinemas are:

- The distribution of films to cinemas is potentially much cheaper, quicker and easier. Individual cinemas will potentially be able to get the latest, high earning films at the same time as West End cinemas. It will be more economically viable to distribute minority interest films and to provide subtitled or dubbed versions
- The picture and sound quality will always be as good as it was at the première. No scratches, jumps, dirt or flicker to disturb the viewing experience
- Local filmmakers, students and school pupils will be able to project their films to local audiences, quickly and inexpensively.
- Localised advertising tailored to the particular audience will be possible
- Additional smaller auditoria become viable and provide greater choice for local audiences. A local digital cinema - a digital miniplex - may have one or two large auditoria (150 to 250 seats) and three or four very small ones (30 to 50 seats). Examples of this type of cinema are appearing in Scandanavia, Spain and Italy

- Non-film uses, especially the screening of live cultural events, may become important additional revenue streams. In some locations local businesses and education organisations will use the facilities. A number of cinemas in the UK, Europe and North America are already offering pay-per-view sporting events in cinemas and reporting revenues 200% to 400% over regular film screenings. In France 300 venues, often converted town halls, offer sports and cultural events under the banner 'Vidéo Transmission Haute Resolution'

Subtitled performances for deaf audiences are increasingly popular but there can be problems obtaining suitable film prints. New systems using video projectors to overcome many of these problems are in development. The new approach involves projecting subtitles on to the film and does not require a special copy of the film. The flexibility of this approach opens up the potential for multi language versions of films to suit a variety of local audiences.

The technical aspects of digital cinemas are evolving but reasonably well understood. In contrast the business models supporting e-cinema are unclear and do not provide a basis for confident planning. This situation will change and in the near future cinemas may transform from traditional film-only venues into general entertainment centres, with new non-film revenue streams.

### Keypoints from chapter 6

- Cinema design is changing and greater emphasis is being placed on providing a high quality viewing experience along with better social and catering facilities
- The quality of a building can make a considerable difference to the successful marketing of a cinema
- Few new cinemas are built with just a single screen. Even in

smaller communities there are good commercial and programming reasons for providing at least two screens

- New cinemas can be constructed to allow for a range of community and educational uses
- Concession sales of confectionery, ice cream and soft drinks play an important part in the economy of cinemas. Sales areas (and associated storage) should be designed to allow this income source to be realised
- Full disabled access is required under current legislation. Provision for hearing and sight disabled customer should also be incorporated in the design of the cinema
- Safe and plentiful car parking is required for most cinemas. It is advisable to ensure that public transport is also available
- Cinema design and leisure requirements are changing rapidly. A new cinema development should therefore have some capacity to expand or change in response to future demands.

# Technical and equipment issues



## Screens

There are a number of “trade offs” when selecting the size of the screen for a venue. It is usually considered desirable to have a large screen compared to the size of the room. Attention must be paid however to the principles governing viewing angles. Usually this would mean that the larger the screen, the further away the front row of seats would have to be from the screen. The ideal picture size is that which subtends a horizontal angle of 45 degrees at the prime seat. The prime seat is two thirds of the way back on the center line of the theatre. Most cinemas make provision for showing Cinemascope (1:2.35) and Widescreen (1:1.85) ratios. It is usual practice that the majority of cinemas will use fixed top and bottom, and variable side masking, to allow for a clean cut image. To ensure that true ratios are achieved, especially when more than the two standard ratios are required, variable top and side masking should be used. Some venues project the image onto the screen without using masking. On the one hand this will allow for “true” ratios to be achieved, on the other, the projection backing plates would have to be cut by someone with expert precision to achieve sharp edges to the picture.

There are a large number of types of screen material available and the type used would depend on the venue. They range from highly reflective, to matt white, to silver for 3D projection. Cinema loudspeakers are usually placed behind the screen; therefore most screens are perforated to allow sound penetration. For small venues with seats close to the screen micro perforated material is available.

## Projection Facilities

It is important that the architect designing the venue pays attention to this area at an early stage in the development. The projection box is pivotal to the functionality of the venue. If a twin or multi screen is planned it is desirable that projection areas are within one area or linked within the same floor. It is essential that the ceiling is high enough to accommodate film transport carriers and/or large spool boxes. It is also important that the projection box is wide and deep enough to allow for all of the equipment and film make up. There must also be room for

*When screening archive prints exhibitors must be confident that the projectionists are experienced and competent at handling these*



The Magic Box, Courtesy Studio Canal Images

the operator to move freely around the equipment. Other considerations include floor rigidity and loading, cooling for the Xenon arc lamps which are fitted to projectors, general air conditioning, storage, rewind and rest areas. Films should be stored vertically and you will need lots of room. The environment that film is stored and used in must be clean and free from any dust particles.

It is essential that the light beam from the projector will clear the audience heads even when they are standing. At the same time it should not be at too steep angle otherwise keystone distortion (i.e. the picture assumes a trapezoidal shape) becomes a problem. If the location of your projection box is already fixed, you can alter the angle of projection by changing the position of the screen either up and down or backwards and forwards.

It is also important to appreciate that film and most video projectors should be projected from the center line of the screen. It is not usually possible for all of the equipment to achieve this centreline projection and there is a degree of tolerance with both film and most video projection. Within the projection room there are legal requirements concerning the amount of space between projectors. These rules should be made available to the architect. It is essential that a decision is made at a very early stage as to how many projectors will be installed and the projection room designed around this requirement. Arthouses sometimes show 16mm, and may require two rather than one 35mm projector for twin projection, so the box needs to be much wider than that of a commercial cinema.

The ventilation should allow for the ambient temperature of the room to be comfortable for the operator when the equipment is in use. Extraction must also be provided for the projectors. Manufacturers recommendations as to the cubic feet per minute (CFM) of air extraction should be made available to the architect and the heating and ventilation consultant at an early stage. Thought should be given to the amount of electrical power required and if single or three phase supplies are needed. Portholes need to be fitted so that sound breakthrough from the projection equipment is minimal or non-existent. This can be crucial if the cinema seating is close to the projection box equipment.

### Aspect ratios

Most projectors used in commercial cinemas are only able to screen Widescreen and Cinemascope. To screen other ratios you would need new aperture plates and new lenses which would need to be tailored to the auditorium's specification (projection throw, screen size etc.).

Film ratios are a minefield because there are many different rules. The following only skims the surface of this area but does highlight some of the pitfalls and issues that need to be considered.

Prior to 1953, the most widely used ratio was Academy (1.33:1). The most common ratios in use today are Widescreen 1.85:1 and Cinemascope 2.35:1. However, there are exceptions such as the Dogme films and some independent American films which will have been shot in Academy and some European work which will have been shot on 1.66:1. Many European subtitled films will be 1.66:1 which may need different lenses and new aperture plates cut.

Silent films will either be full frame (i.e. no soundtrack on the print, only image) with a ratio of 1.38:1 or Academy (where a soundtrack has been added to the print) with a ratio of 1.33:1.

To achieve a full range of 'true' ratios the screen will need variable side and top masking (see above).

### Film formats

Moving images come on a variety of formats including digital, video and film. The most common film gauges are 8mm, 16mm, Super 16mm and 35 mm. For most purposes, 35mm film projection facilities will suffice. However, you need to start asking about formats when programming:

- archive prints
- short films
- low budget films

### Archive prints

You should discuss with the supplying archive what their presentation requirements are, for example do they allow the splicing of prints or the creation of cue dots?

When screening archive prints exhibitors must be confident that the projectionists are experienced and competent at handling these prints. Replacing reels can cost £300 or more and some prints are irreplaceable.

You will need to use single 2000ft spools for screening archive prints as reels of film cannot be joined together. This means you will need two projectors. Archive prints may be on gauges other than 35mm.

Procedures must be set up to ensure that all archive prints are handled with the best possible care. The most important rules are:

- Print condition reports must be written on make-up of the film and after the film is screened
- Prints must not be put on the floor or any other dusty/dirty areas - racks must be put up if they are not already 'in situ'
- Prints must be marked up with chinagraph pencils - this must be rubbed off once the film has been shown

### Silent films

Silent films were originally made with no soundtrack which means the entire frame was taken up with the image. Some have had soundtracks added at a later stage but if the film has no soundtrack a musical accompaniment of some sort, usually a piano, will be needed.

To screen silent films you will need variable speed control on your projectors and the cinema's installation engineer or projectionist should be able to advise as to whether this can be done.

### Video and digital

It is likely that at least some of your material for presentation will be on video tape. This is particularly likely to be the case if you are dealing with local film makers or screening obscure and archive material.

Video comes in a variety of formats the most common of which in the UK is VHS for domestic use. Other common contemporary formats include SVHS and, for industrial/professional

## Sound technology has advanced rapidly over the last decade



Blackmail, Courtesy bfi

uses, Betacam, Digibeta and DVD (digital video discs). The quality of a video projection will depend entirely on the quality of the production format and duplication. No matter how good your projection facilities are they cannot make poor material look good. It is quite possible to get good results from a VHS tape if the material was originated on film, digital or Betacam SP. DVD produces very good quality results and the equipment is good value for money.

### Video Projectors

There is a vast range in the quality of video projectors. The cost of a small good quality LCD projector is currently around £5,000. A superior DLP projector for venues of around 200 to 450 seats would cost approximately £40,000. The hire fees for projectors would vary from between £300 to £2,000 per day. It is important to recognise that some of the more powerful projectors are noisy and that they should be isolated from the auditorium.

It is also important to be aware of the size of the lens required and this is ascertained by calculating the distance from the projector to the screen and the screen height. At present the range of lenses available for the LCD projectors is more comprehensive than the more expensive DLP equipment.

The dark chip DLP projector used for releases such as *Toy Story* and *Star Wars* would cost around £150,000 and at present there are only three such projectors sited in the U.K.

### Video players

You will need to ensure that the video players in the projection box can play the relevant formats or that films arrive in a format you can project. If the venue is showing films from around the world it is especially important to check that films comply with local standards. This will avoid the need to hire/buy in several different machines or copying across from NTSC (the American system) or SECAM (the French system) to PAL (the European system).

If you do need to copy onto VHS or some other format, reputable facilities houses for duplication can be found in the *bfi* Handbook. DVD players are also Region specific, thus players in the UK will only play region two. It is

possible to purchase "Chipped" DVD players that can access all regions (there are six in total), and there are many Electrical stores that will do this. Apart from playing commercially made DVDs the player should also be able to play DVD Rom and DVD R formats which have been authored on an individual basis.

## Sound

Sound technology has advanced rapidly over the last decade and the sound levels now attainable are very high. Because of this, building-born sound needs to be taken into account and auditoria need to be isolated effectively from the outside environment to prevent sound leakage.

Similarly, with the advent of digital sound formats in the early 1990s, the quality now attainable is much higher than it was with the older analogue formats developed in the 1970s. Almost all new releases have 6 channels of digital audio information squeezed onto the outer edge of the 35mm film and to attain the highest sound quality a venue needs to have a multichannel system. The sound is fed into speakers at the left, centre and right behind the screen and to an array of speakers around the auditorium to create 'surround sound'.

Dolby Digital is the standard format now although other suppliers (notably DTS) have produced systems with even more channels (producing an even cleaner sound) which are supplied separately on digital disks and require additional playback equipment.

If using video you will need to ensure that the venue's sound processor is able to accommodate it. Some video projectors are unable to keep in synchronization with the sound. If this is the case an interface has to be hired or bought to achieve sync. For stereo, one interface unit is required, and for multi-channel sound three units are required. The projection supplier should be able to advise on this.

## Key points from Chapter 7

- Seek professional advice from an independent specialist adviser at the earliest opportunity
- Think carefully about the siting and design of projection boxes. You need to take into account ergonomics and legal requirements
- When planning your equipment purchases, don't forget that you may want to use formats other than 35mm. Video projection is a particularly useful facility
- Archives may have stringent presentation requirements
- Sound quality is as critical to audience enjoyment as picture quality but is often overlooked. Use an acoustic consultant if you are unsure



## Chapter 8

# Capitalisation

### Capital costing

The business of cinema, like hotels or theatres is high risk with high start-up costs, high fixed costs (overheads) and tiny margins. A film exhibitor's success is dependent almost entirely on the artistic flair and talent of film producers. If there are no good films around (as is often the case in the Summer for example) people simply won't go to the cinema no matter how comfortable the seating or brilliant the sound system.

The costs of building a cinema consist of four main elements:

- Site acquisition and preparation costs
- Construction costs
- Equipment and fit out costs
- Professional fees

The amount of initial investment capital required for a cinema is hugely variable dependent on where it is located, whether it is a new build or refurbishment, size, quality and nature of services to be provided as well as what is required in terms of compliance with local planning regulations. Conversion can often be more expensive than new build, especially if it is the conversion of an old cinema where the screens have to be reconfigured for modern audiences or its location, squashed between shops and offices in a pedestrian precinct, requires special equipment for the builders to gain access. Trying to 'rescue' and bring back into use an old cinema building may be prohibitively expensive. Distributor release patterns and smaller audiences generally mean that several smaller auditoria are required rather than one big one to make the thing work.

Multiplex operators in the UK reduced their capital start-up costs in the 1980s and 1990s by building multiple screens, out of town in a low cost shell with a basic minimum standard of fit out and limited ancillary trading areas. More recently, in the face of tighter planning controls on green field sites, and pressures to regenerate urban areas they have moved back onto the high street. With more screens than they can fill, they are also differentiating their offer with upgraded facilities and more diverse programming. Multiplexes increasingly represent direct competition to the smaller independent cinema and, like the 'corner shop' independents will have to work doubly hard to keep their customers.



Cinema Foyer, York Picturehouse

Site acquisition and preparation costs vary widely according to particular circumstances. Of the other costs, approximately 75% is accounted for by the construction of the building. The remaining 25% is split into broadly equal amounts for fit out and for professional fees. The effect of VAT should of course be taken into consideration when project cash flows are being planned.

The actual cost of creating a new cinema depends on the location and the configuration of the building. For example a four-screen cinema on a town centre site will normally be substantially more expensive to build than a two-screen facility alongside a leisure centre built on a greenfield or brownfield site. As a broad guide, it is possible to build a 2-screen cinema, seating 400 people in total, for as little as £750,000 but a more typical cost for a good quality new build would be around twice that amount. Digital cinemas will not necessarily be less expensive to build. See Annex 5 for a sample capital costing.

Independents are likely to incur higher than average fit out costs because they are often working within the constraints of an existing building, are aiming to provide a high quality experience by, for example, offering bars and restaurants as well as having to buy more sophisticated projection equipment in order to offer the full range of film product available. At the top of the range an independent specialist exhibitor would expect to pay around £1,800 per square metre (ex. VAT). Fit out is therefore likely to cost between £1 and £2 million for a 2/3 screen depending on size of venue.

## Raising Finance

Due to the high risk and low return on cinema builds, venture capitalists are unlikely to finance cinemas. Most of the money is private capital with some public sector capital subsidy. City Screen for example were very successful in the late 1990s in securing Arts Council of England Lottery funds for investment in a number of buildings in York, Cambridge, Exeter and Stratford (London). Bank loans and tax-efficient investments such as sale and leaseback are also typically used to finance commercial independent cinemas. It is usual to build a package of finance which includes a number of different elements. It is also not unusual to take an incremental approach,

perhaps refurbishing or fitting out only 1 or 2 of the screens to begin with and raising further finance at some later date.

As a general rule, you should avoid having too much loan capital in your finance package. Interest bearing borrowings are a fixed cost i.e. they need to be repaid regardless of how well (or badly) your cinema performs. This can be a terrible drain on working capital, particularly during the early months when you need to invest in marketing in order to build the business. It is far preferable to have venture (or risk) capital which only expects a return (albeit a higher one) when profits are being made. You may be able to locate a private investor (business angel) willing to back you or, if the cinema is well loved locally you could also consider doing a share or debenture loan stock issue to bring in friendly capital from the cinema's supporters. It is often possible to negotiate a capital repayment holiday on bank loans which may help during the first critical year or two. It is crucial not to under-capitalise your project as this can lead to over-reliance on very expensive bank borrowing further down the line to carry out essential work. Whatever you do, do not rely on a hefty overdraft facility.

It is in fact extremely difficult to make the economics of operation stack up if you have to repay masses of capital. There is some 'free' or 'soft' term capital available but it is not necessarily easy to get hold of unless you are lucky enough to be in a building of significant architectural merit (see the Clevedon Community Cinema case study) or in a location where there are structural/regeneration funds available (see the Ritzy, Brixton, London case study).

The sources of funding include the normal range of commercial funds plus, when appropriate, public funding from regional development agencies, local authorities, further education institutions, the Single Regeneration Budget, the Private Finance Initiative, and the Arts and Heritage Lottery Funds. When you are approaching any publicly funded body for support it is worth remembering that you will need to prepare your case for funding in just as much detail as you would for a private sponsor. Sometimes there is an assumed leniency by organisations that apply for public funding. If anything, these bodies are more stringent in their monitoring as they have to be publicly accountable for any monies spent and often

have to produce performance analyses of their funded clients.

Arts Lottery awards, including RALP awards (see below) are not normally made to purely commercial organisations. The fundamental concept behind Arts Lottery funding is 'public benefit' and this should always be clearly detailed in applications.

### Arts Lottery Capital Programme

The Arts Council of England's Lottery Capital Programme has been re-designed to answer criticisms levelled at the original Programme. In particular new awards will not include very large projects and more positively it will concentrate on sectors which were under-provided in the first round (Capital Programme 1).

Only a limited number of projects are likely to receive funding under the new rules, perhaps as low as 40 major projects for all artforms across the whole of England over the 5 years to 2005/06. However a specific allocation of £15 million has been made for cinema projects up until 2005/06. Any organisation planning to apply for Arts Lottery funding should initially contact their local Regional Arts Council (formerly Arts Board) for guidance. The Film Council is expected to play a major role in the selection of cinema projects for ACE funds.

In Scotland, Wales and Northern Ireland the Arts Lottery Capital Programme is operated under different rules, although many of the policy objectives are similar. In each nation the relevant Arts Council should be contacted for guidance at an early stage in the planning process.

### Regional Arts Lottery Programme

The Regional Arts Lottery Programme (RALP) is managed by the nine English Regional Arts Councils and is used to support arts projects, small scale capital and organisational development. The key aims of the Programme are to deliver:

- Access to the arts
- Education through the arts
- Production and distribution of the arts
- Investment in artists
- Development and sustainability of arts organisations.



Odeon, Scarborough

## Local authorities in the UK contribute substantially more funding for the arts than any other agency

Capital grants are available to assist freehold property purchases, leases in excess of 20 years, equipment and resources, access improvements, refurbishment of arts buildings, and public art. The amount of funding is limited and each Regional Arts Council is likely to favour applications which meet their own strategic objectives.

Grants can range from £2,000 to a maximum of £100,000 although most awards are expected to be below £50,000. There are no application deadlines and decisions are taken within a few months of submission. Details of these schemes are available from the appropriate Regional Arts Councils.

### Heritage Lottery Fund

The Heritage Lottery fund operates in broadly similar ways to the Arts Lottery and the focus, as far as cinemas are concerned, is on buildings with distinct architectural merit. In some instances the buildings will be subject to a Listing Order in which case the refurbishment and/or expansion plans will be subject to specific restrictions. Funding is available for projects throughout the UK and may include buildings in private ownership but such cases "must demonstrate that the level of public benefit provided clearly outweighs any incidental private gain". The three main areas of public benefit are:

- Safeguarding and enhancing the heritage of buildings, objects and the environment, whether man-made or natural, which have been important in the formation of the character and identity of the United Kingdom;
- Assisting people to appreciate and enjoy their heritage;
- Allowing them to hand it on in good heart to future generations.

### European Structural Funds

The European Regional Development Fund (ERDF) and INTERREG are both structural funds which work towards the goal of achieving economic and social cohesion in the European Union. ERDF money is allocated over Objective 1 and 2 areas in the UK. INTERREG money is used for border areas. European funding is a very complex area and although there are precedents for funding cinema projects from this source (the Showroom in Sheffield for example), these have tended to be as part of regional consortia bids led by local authorities and other significant agencies. The prospects for direct applications

from small organisations are frankly, limited. To find out more about European funding contact your local Government Office for the Regions. It should be noted that European Structural funds are likely to become less widely available in the UK as membership of the EC is expanded to include the countries of Eastern Europe.

### Local Authorities

Local authorities in the UK contribute substantially more funding for the arts than any other agency. The funding sources and budgets vary significantly from one council to the next and in some authorities arts budgets have been cut significantly over recent years. However, with cinema it is possible to make a strong case that a cinema is an important and wanted facility which makes a significant economic and social contribution to the life of the community. The names of departments you will need to contact also vary but funding is often accessed via Recreation and Arts, Tourism and Leisure or Economic Development departments. Support can either be available in the form of grants, or in kind, such as access to free training or use of council facilities. Some central Government funding for regeneration is also routed through local authorities.

### National Screen agencies

The Film Council was set up in 2000 in order to bring together the several disparate government funded agencies with development remits for film culture and industry. It is a relatively small body, with annual budgets in the region of £50m, the vast majority of which is committed to production funding. However, the Council is influential at strategic level for film exhibition and distribution and there are some smaller funding schemes it operates directly or through third parties which may be of relevance to film exhibitors. It also plays a major role in determining how Lottery Capital awards for film exhibition in England are spent. The Film Council's remit is UK-wide and it works closely with the three other autonomous national screen agencies for Scotland, Wales and Northern Ireland, Scottish Screen, Sgrŷn and Northern Ireland Film Commission. If your project is located in one of these countries you should contact the relevant agency in the first instance (see contacts).

### Regional Screen agencies for England

Following the setting up of the Film Council, regional funding for film activity in England is now

administered through nine new regional screen agencies operating along the same boundaries as the Government Offices for the Regions. It is unlikely that large amounts of capital funding will be available directly from these agencies, but you should certainly contact your local office to obtain advice and information on regional strategy. They may also have some project funding for which your project might be eligible at some future date. The screen agencies will have close contact with the Government's Regional Development Agencies (RDAs) which are responsible for local economic development and regeneration. These agencies are relatively well endowed and their main objectives are economic rather than cultural. Revitalising ailing local economies and the creation of cultural quarters fall within their purview, hence they may be interested in a cinema project for a particular area.

### Money from Trusts

Money from charitable trusts is often available, particularly for voluntary groups and organisations wishing to work on community projects. Many large companies create trusts which are often most active in the region in which their head office or manufacturing base is located.

Different trusts have varying and often very precise rules of eligibility: many will not consider your application unless you are a registered charity and an even greater number won't make grants to individuals. As with sponsorship you cannot necessarily expect a quick turnaround on your application - some trusts may hold their meetings as little as once or twice a year.

If you wish to pursue this source of funding, a number of useful publications exists, in particular the *Directory of Grant-Making Trusts* and *Funding Digest*, a monthly publication aimed primarily at voluntary organisations. Both are often available in public libraries.

### Sponsorship

Commercial sponsorship offers the potential to attract some significant financial and 'in kind' support but do not underestimate the amount of time you will need to spend organising sponsorship deals. Sponsorship is normally part of the general promotional expenditure of a business and although that can encompass a sense of corporate or social responsibility, it is not philanthropy or a gift. Some companies do make philanthropic donations but sums tend to be small and often access is restricted to community groups.

*the only limits on public subscription are your imagination and time*



Stephens and Son, Courtesy bfi

It is important to think carefully about what you may have to offer each company you approach. Companies will be most interested in supporting projects which are aimed at an audience section to which they are trying to market their products. Companies should usually be approached via public relations or marketing departments, although it is always worth playing on any direct contact with the management you might be able to establish. Don't expect to receive a rapid response or necessarily any response at all. It is good practice to follow up an initial letter with a telephone call. Be aware that sponsorship is a game of delicate negotiation and not something that will happen overnight.

As with any type of fund-raising it is vital to do your research: nobody is going to take you seriously if you haven't bothered to find out the name of the person you are writing to, or which products the company sells. The more you know about an organisation, the better the position you will be in to offer them an appealing package. Remember that company sponsorship is a payment for the promotion of goods and services. At all costs avoid offering a sponsor something you are unable to deliver. Equally, don't allow sponsors to feel that they can influence the cultural integrity of your project; if you feel uncomfortable with the extent of involvement sought by a sponsor, it might be better to look elsewhere for support.

It is also worth investigating Arts and Business (formerly ABSA). Although not a funder in the first instance, it does operate a pairing scheme which acts as an incentive scheme for business sponsors. The scheme helps both businesses and the arts get the most from their partnership by providing additional financial support in the form of awards. To qualify for an award you will need to have your sponsor already in place and the financial rewards are greater if this is a company which is new to arts sponsorship. The scheme will only match cash sponsorship.

Often companies may be more willing to provide support in kind by providing goods and services. For example, you may be able to find a brewer who will provide beer for your opening night launch party or a printer who will print your publicity at cost. Clearly, you cannot enter the 'in kind' support into your accounts. However, it is worth totting up the value of in kind support as this can sometimes be used as partnership funding and it is always useful to know the real costs of doing something.

If you wish to pursue this source of funding, a particularly useful publication is the *Guide to Company Giving* published by the Directory of Social Change. This should be available in most public libraries

#### **Raising money from the public**

Already mentioned above, you could try raising funds through the public issue of share or debenture loan stock. This is particularly appropriate if you have an easily identifiable community to sell your idea to (and it helps if its members are rich of course!). Apart from this, the only limits on public subscription are your imagination and time. There are endless examples of public fundraising efforts including sponsored activities (sky-diving, swimming, walking, slimming, hair-cutting etc) sponsor a seat (or a brick, or a plank), lotteries, car boot sales, appeals, covenants, legacies, large donations, events, benefits....the list is endless. All these methods have been used by many a successful cinema campaign. While you should not expect to raise hundreds of thousands in this way, it is not unrealistic to aim for several tens of thousands. Incidental benefits of raising money in this way are that (a) it creates profile locally among audiences for your venture and (b) it demonstrates to other funders that your project is genuinely wanted by the community it serves.

#### **Private Public Partnerships (PPP)**

This will almost certainly be an area you need to explore as part of your fundraising strategy. Public Private Partnerships are a relatively new political phenomenon and essentially look at ways of involving the private sector in public enterprises, in particular in financing arrangements but also in operation. Many people will be familiar with this type of scheme in relation to provision of health-care and public transport in the UK. In the case of cinemas, there are a number of examples of such partnerships including financing of the Lux in Hoxton, London (now, sadly defunct) and the FACT centre in Liverpool which incorporates a cinema operation run by City Screen, who also put up some of the start-up capital. It may also be possible to secure capital investment in bars and restaurants if you opt for a franchise. Securing private finance in this way is often the only option left but you should be particularly wary of deals with property developers. This will invariably entail the developer investing in (say) the cost of building the shell in exchange for ownership of the freehold. If your organisation is the lessee, don't forget that the developer will want to see a

substantial return on his investment in the form of rent (as well as property market inflation) and that the average lease agreement gives no protection against regular (usually 5 yearly) rent increases.

### Key points from Chapter 8

- Cinema is a high risk business with high start-up costs and small margins
- An independent cinema is unlikely to provide equity investors with an adequate return in the short term or to generate enough revenues to pay back substantial commercial loans
- Building and site acquisition costs are enormously variable. Building a smaller town centre cinema may be much more costly than a multiplex build due to location and the standard of ancillary trading facilities required
- Avoid having too much commercial loan capital in your finance package - it will suck the lifeblood of your business in the crucial early years when you need liquidity
- Opportunities for public sector funding of cinema venues are limited. Local authorities are often best placed to support a development but you should also consider national and regional screen agencies
- You may be able to secure some funds from the public, trusts or sponsors through conventional and unconventional fundraising initiatives



## Chapter 9

# The economics of operation

## Income

Cinemas derive their income from several sources, the most important being:

- Ticket sales (and membership income if applicable)
- Food, drink and merchandising sales
- Advertising revenue (screen and brochure)
- Public or film industry funding

The majority of their income though, is from screening new release films and selling confectionery, fast food and ice-cream to the audiences who attend. A hit film results in high ticket income and high concession sales. And vice versa. There is comparatively little that a cinema can do if there is a poor run of film releases, as the large cinema circuits in the USA and UK found during the disappointing Summer of the year 2000.

Income is calculated as total admissions x average ticket price, while concession revenues are based on average spend per admission.

### Illustrative Income Projection (all figures exclude VAT):

Estimated annual admissions 80,000 for a 2 screen cinema

Average ticket revenue	£3.45
Annual ticket income	£276,000
Film rentals (@38%)	(£104,880)
Net ticket income	£171,120
Concession income (£0.75 x 80,000)	£60,000
Concession cost of sales	(£25,000)
Net concession income	£35,000
Screen advertising	£15,000
Brochure advertising	£5,000
Bar & Cafe net profit	£25,000
<u>Total annual net income</u>	<u>£251,120</u>

## Demand forecasting

Unless you are taking over a going concern, trying to estimate how many people might visit your venue can be a bit of a shot in the dark. There are however, industry average occupancy ratios to help and you will also need to undertake some careful market research to verify that there is in fact a sufficiently large number of cinema-goers living within a reasonable catchment area. Average occupancy rates decline as screen numbers increase. A

*Trying to estimate how many people might visit your venue can be a bit of a shot in the dark*



A modern multiplex, fast food area

single screen cinema of say, 250 seats which was exceptionally successful might achieve an occupancy rate of 30-40%. However, average rates for a 2, 3 or more screen venue are more likely to be in the 15-20% range. Calculating your potential box office revenue is then a relatively simple matter once you have pinned down an average ticket yield.

#### **Example:**

A 3 screen cinema configured as 250:150:90 seats, a 15% average occupancy rate and average ticket prices of £4 would take £273,312 per annum in box office revenue based on a total of 44 screenings per week (a seven day operation with two evening performances in each screen and a Sunday matinee double bill).

44 weekly performances spread as follows:

Screen 1 - 16 x 250	= 4,000
Screen 2 - 14 x 250	= 3,500
Screen 3 - 14 x 90	= 1,260

Total capacity = 8,760 seats per week x 52 weeks = 455,520 per annum

15% x 455,520 = 68,328 seats sold@ £4 each = £273,312

Another useful 'rule of thumb' is to look at average admissions per screen in the UK, at the time of writing around 50,000. This figure includes multiplexes as well as independent operators, and as the multiplexes have many more screens the figure is skewed downwards. Stand alone and independent cinemas often perform significantly better than this although it is unusual to average much more than 60,000 per screen.

The figure you should not use is the average per capita visits to cinema (currently 2.6) and multiply this by your catchment population. A huge proportion of UK box office, circa 30%, comes from the capital's West End and so this average is heavily skewed away from the rest of the country.

Working out how many people might pass through your doors using industry standard ratios is only a rough guide. You need to provide evidence that your assumptions are realistic by conducting some kind of market research. If you are taking on a 'going concern' there will already be some indication about the

venue's potential audience size. However, if the venue is new or has been closed for some time, you need to find out if there are enough of the right kind of people (i.e. people who go regularly to the cinema) living within a realistic catchment area. Your catchment area is probably defined by drive-time but you also need to take into account local competition (see Chapter 3 - establishing a catchment area).

## **Ticket Pricing**

Ticket pricing should take account of a number of factors. First and foremost, local competition is likely to dictate what people will be prepared to pay for a cinema ticket. If your nearest multiplex charges £4.50, you are unlikely to be able to charge much more than this unless you are offering something very exceptional, and if your technical facilities are inferior to theirs you should probably charge less.

That said, you can use pricing imaginatively as a marketing tool to try and iron out peaks and troughs in demand or to reach particular audiences. Invariably, Friday and Saturday night tickets attract premium prices but you might want to make Monday or Tuesday evenings a more attractive proposition by discounting heavily. It is also common practice to have special prices for children's matinee performances on Saturday (sometimes as little as £1), or a pensioner special on Monday afternoons. Special promotions (e.g. two for the price of one) can also be used to raise profile and secure short term increases in admissions. However, when discounting you need to tread very carefully with distributors and let them know what you are proposing to do. Don't forget, they are taking a cut of the box office! The same applies to free screenings or complimentary tickets.

## **Direct costs**

The only direct costs for film exhibition are film hire costs (including transport). These are highly variable depending on a number of factors including the number of screens you have, the length of run you can offer, your bargaining power with distributors and the projected popularity of the film. In general, it has to be said that in the UK at the current time the distributors have most of the power in

the supply chain. With a limited number of film prints available, they decide which cinemas get which films and when, their objective being to maximise revenues. The percentage figure can be anywhere between 22% and 60% of box office. However, for the purposes of planning, an average anywhere between 35% and 45% can be used. If you plan to do your own film booking as a stand-alone operation you should budget at the higher end of this scale. In general, small operators have to pay higher rates.

## **Other costs (overheads)**

### **Principal Areas of Expenditure**

Staff costs: manager, deputy/relief manager, projection staff, box office and ushering staff, cleaners, etc.

Marketing and publicity

Premises costs: rates, insurance, maintenance, heat and light, cleaning, security

Office costs and licences (Performing Rights Society, etc.)

Programme enhancement/education costs (may be supported by public funding)

Finance costs, interest, audit fees

It is less easy to describe the amounts to be allocated in the overhead expenditure section since it is highly dependent on the way the cinema is organised and operated. For example some services may be provided under a management contract by third parties or some overhead costs might be shared with a larger organisation (if the cinema is part of an arts centre for example).

There are a number of independent specialised cinemas (the National Film Theatre and Regional Film Theatres) in the UK which receive revenue subsidy from national and local public bodies to enable them to programme culturally significant films and carry out educational work. However, in real terms the value of this subsidy has declined significantly since the 1970s when many of these venues were established and most now offer a mixed programme and are much more heavily reliant on box office income than they used to be.

It is very unlikely in the current political and economic climate that a new cinema would attract public subsidy for operation except perhaps at local level with some investment



*In general, budgets should be built on the assumption that box office and ancillary trading income will be required to cover all costs*

(probably in kind - for example through charging nominal or no rent for a building) from a local authority. Project funding for special events, festivals and education work may also be available from national and regional screen agencies, regional arts agencies and local authorities. However, in general, budgets should be built on the assumption that box office and ancillary trading income (bars, restaurants and screen advertising) will be required to cover all costs.

**Figure: Illustrative annual income and expenditure account**

Total annual net income £251,120 (i.e. net of direct costs: gross profit) based on 80,000 admissions as in example above

	£
Wages (8 ft equivalents @ £14,000 pa average)	112,000
National insurance @10.45%	12,000
Rent	50,000
Rates	7,000
Heat and Light	8,000
Insurance	8,000
Repairs and renewals	12,000
Audit/accountancy	4,000
Telephone	4,000
Printing and stationery	2,000
Depreciation	6,000
Advertising	5,000
Bank interest	10,000
 Total Overheads	 240,000
 Net Profit (before tax)	 11,120

**Key points from chapter 9**

- Cinemas derive their income primarily from ticket sales and from selling confectionery, fast food and ice-cream to audiences
- Calculating projected box office revenues can be tricky. You need to undertake careful market research to back up your estimates
- As a rule of thumb, a small 2/3 screen independent cinema operating without any subsidy of any kind (including voluntary labour, cheap rents and soft loans) will need to generate annual admissions of at least 120,000
- Average per screen admissions in the UK are around 50,000 per year but this declines as venue screen numbers increase
- Ticket prices will typically be based on local competition. The market is unlikely to bear much more than your local multiplex and you may need to charge less if your technical facilities are inferior. Don't let this stop you using pricing more flexibly as a marketing tool
- The only direct costs for film exhibition are film hire and transport costs. These vary considerably according to what you can offer distributors. For planning purposes work on the basis of 35-45% of box office
- The major fixed costs for a cinema operation apart from rent will be staffing. Staffing levels will be dictated by legislation and the layout of your building



## Chapter 10

# Operational matters

### Film Classification

The British Board of Film Classification (BBFC) is an independent, non-governmental body funded through the fees it charges to those who submit films, videos, DVDs and digital games for classification.

The BBFC classifies films on behalf of the local authorities who license cinemas under the Cinemas Act 1985. It does not have any powers of enforcement.

There are five classification categories for theatrically released films:

#### Advisory categories:-



U- Universal - suitable for all ages  
PG - Parental Guidance - General viewing but some scenes may be unsuitable for some children.



Unaccompanied children of any age may watch. A PG film should not disturb a child around 8 or older. However, parents are advised to consider whether the content may upset younger or more sensitive children.



#### Mandatory categories

12, 15 and 18 which restrict viewing by age i.e. a person has to be this age or older to view a film.

Essentially, the BBFC considers the content of a film in relation to the following aspects - theme, language, nudity, sex, violence, imitable techniques, horror and drugs. For more details on how the guidelines are interpreted, contact the BBFC and ask for a copy of the latest guidelines.

At the time of going to print the BBFC was about to change the 12 Certificate into an advisory category.

It should be noted that the BBFC carries out its functions on behalf of local authorities who may, if they do not agree with the category assigned by the BBFC, at their discretion alter any category or indeed prohibit entirely the showing of any film.



Cry for Bobo, Courtsey Scottish Screen

*The cinema manager and the staff are not simply functionaries but front-line marketing staff who should be recruited, trained and rewarded accordingly*

### Unclassified material

Public screening of material which has not been passed by the BBFC (for example films imported from overseas especially for a festival) is subject to local authority consent, usually with at least a month's notice in writing.

## The Cinema Exhibitors Association (CEA)

The CEA is the trade association for cinemas in the UK, representing the interests of approximately 90% of cinemas here including multi-national companies, national PLCs, smaller circuits, independently owned cinemas, council cinemas and regional film theatres.

- It has an Executive Board which meets on a regular basis to direct the policies of the Association
- Its Regional Branches hold regular meetings throughout the UK to feed opinions to the Executive Board
- It issues regular Newsletters, in addition to an Annual Report
- It handles national promotions encouraging people to visit the cinema
- It is active in Europe, representing the position of UK Exhibitors
- It carries out detailed consultative work on Governmental papers influencing exhibition - the 'bottom line'. This includes Health & Safety, Fire Regulations, Disability Issues and European Legislation.
- It has negotiated a 20% discount on the rate for Phonographic Performance Licences from PPL on behalf of CEA Members.
- It makes representation to Local Councils when requested.
- It has specialised retained consultants in the areas of Health & Safety, Fire Safety, Food, Disability and licensing who are available to advise CEA members.

Contact the Association direct for information on joining and membership fees.

## Human resources issues

The cost of staffing a local cinema is routinely included in feasibility studies and business plans. However the particular skills and knowledge required by successful, effective cinema staff are usually given less attention. Fifty or more years ago the local cinema manager was a high profile local entrepreneur who was widely known in the community. They were showmen and women who understood that they provided local entertainment and, relatively speaking, a quality service with a touch of glamour. Modern cinema staff seldom approach the job in this manner despite customer care training and incentive programmes. The effect that staff have on the success of a local cinema is difficult to quantify but numerous anecdotes point to the real value of talented and trained staff. In planning terms it is therefore important to realise that the cinema manager and the staff are not simply functionaries but front-line marketing staff who should be recruited, trained and rewarded accordingly.

Some cinema operators - large multiplexes and independent cinemas - are bringing individuality back to cinemagoing and reintroducing ideas of showmanship and community responsibility. Cinemas operating in smaller population centres can develop a highly beneficial and close relationship with their audience, and the audience with the cinema.

## Staffing structure

The way in which a cinema is staffed varies enormously depending on how it is organised, whether services are supplied in-house or contracted out, how much of the operation is voluntary in nature and the extent to which certain functions can be centralised (in a chain for example, marketing, programming and finance functions are often undertaken centrally whereas a stand-alone cinema will have to do all this at the venue). A local-authority run cinema may also make use of other central council services (cleaning, payroll, IT etc.) and a charge is generally made for these against the cinema's operating revenues. It is not really possible therefore to present a 'typical' staffing structure and its associated costs. However, what is presented below is the bare minimum full time equivalents for a full

time two screen stand-alone situation with an owner/manager who does all the day to day staff and building management as well as marketing the facility. While these are full time equivalents, in practice with projection, box office and ushering you are likely to employ a number of part time staff on a shift rotation. The numbers below are based on the assumption that the cinema is open 7 days per week for two evening performances plus weekend matinees and that the box office opens an hour before the first performance.

Venue (cinema) manager	1
Book-keeper/accountant/admin	1
Projectionists	1.5
Box office	2
Ushers	2.5

In practice of course, you may also employ people to take on specialist roles in the areas of education, marketing and, with a larger number of screens you might need front of house and box office managers to look after a greater number of floor staff.

## Managing a campaign

If you are an individual or group who are either trying to 'rescue' a cinema building under threat of closure or demolition or get one up and running, you may need to galvanise public support for your venture in order to make the case that a cinema is a needed and wanted local facility. The Plaza Community Cinema (see Chapter 12) is just one example of a very successful local campaign which was key to securing the support of the local authority, funders, residents, distributors, volunteers, local businesses and other support organisations.

The Plaza group were lucky enough to have the support of Sir Sydney Samuelson at the outset, who became the Patron of the organisation. They managed to drum up extensive interest in the threatened closure of the cinema and got masses of local press coverage.

*Individual circumstances will play an important part in determining which type of booking arrangement is most appropriate*



## Key points are:-

- Do not organise a campaign just for the sake of it - this may serve just to disenfranchise the very people you need on your side. You should have very clear campaign objectives.
- Campaigns should have a short shelf life. Recognise when the job is done or the point at which you should give up.
- Try and get a film-connected 'celebrity' on board.
- When writing press releases, make sure you have a real story to tell. Even local press people need a hook.
- Use the Internet. It costs little or nothing to create a website. This is also a good way to get petition signatures.

## Film Distributors

For an excellent account of UK film distribution structures read the Film Distributors' Association *Guide to UK film distribution* which is downloadable from their website [www.launchingfilms.com](http://www.launchingfilms.com)

## Programme booking

The income earning potential of films usually declines sharply in the weeks following the initial release, so delays in getting films can badly affect individual cinemas. On the other hand, non-metropolitan audiences can take longer to find out about new films, and a delay of a few weeks can prove beneficial. The effect varies depending on the type of film and the local population.

Overall it is important that cinemas establish and maintain a good relationship with film distributors. The bargaining power of a cinema is the key to obtaining a good supply of films. Solo cinemas will invariably face greater difficulty booking new films than will a chain of cinemas. At least four options for booking films are available:

- The cinema books films directly with film distributors
- The cinema contracts a film booking agent who works for several cinemas (and therefore may have a better knowledge of films and be able to negotiate better film rental terms, although this is not guaranteed. The *bfi* offers specialist booking and programme advisory services at very reasonable rates and these are available to all UK cinemas.)
- The cinema joins a consortium with other independent cinemas in the region (in order to improve overall negotiating power)
- The cinema teams up with a 'hub' cinema which has greater booking power. The hub cinema would typically be a larger cinema offering a range of local and regional programme enhancements or alternatively a range of programme and management services.

Apart from increasing bargaining strength the latter three arrangements can improve the quality of information about upcoming films to the local cinema, allowing more control over scheduling and marketing arrangements.

It is important to note that although four choices are listed above, individual circumstances will play an important part in determining which type of booking arrangement is most appropriate and, more importantly, available. It is not easy to find other cinemas who are willing or able to form a consortium or a 'hub-and-spoke' system.

There may be an active regional exhibition consortium in your region where you can benefit from group purchasing and networking with other similar venues. Contact your Regional Screen Agency for details.

## Running bars and catering

### Sub-contracted operations

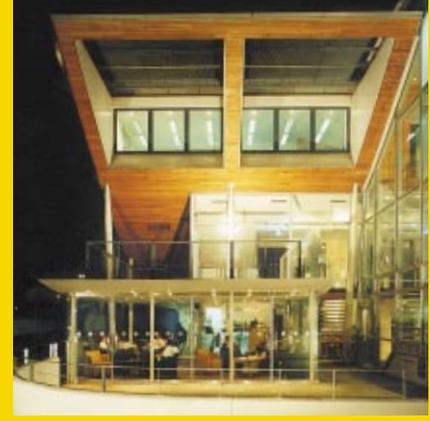
The decision whether or not to sub-contract is crucial and there are a number of different options available under the 'sub-contracting' umbrella. The UK market is dominated by a few large companies including Gardner Merchant, Sutcliffe and Compass. Growth via acquisitions and mergers mean these organisations are often subsidiaries of much larger corporations. In terms of structure, many are divisionalised or have specialist subsidiaries which cater to particular niches. It is important to ensure that you talk to the right division of the company when negotiating any contract. All of these companies specialise in industrial catering i.e. workplace canteens. However, the decline in this segment of the market has meant expansion into new areas and one which is of particular interest to them is the expanding leisure market.

Contractors make their money in three main ways:

- Management fees
- Profits on operations
- Supplier discounts

It is important to remember that contractors are first and foremost businesspeople. While they may have perfected the art of financial and operational control, it is a common complaint among arts venue managers that contractors do not really understand their audiences and that the food product offered is not appropriate. Much will depend here on the successful design of a specification for the contractor to adhere to. The appointment of the catering manager is also critical. If you do not like the way in which the manager is running the catering, insist on change. Contractors are very amenable to the redeployment of their personnel if they think they might lose the contract. It is also worth considering brands. There are many brands on the market which may be appropriate for your venue, for example Prêt à Manger, Café Rouge, Delice de France, Costa Coffee.

*Managing a contractor is never cost free. It will always be necessary to spend a certain amount of management time monitoring the operation*



Harbour Lights bar, Joe Low

At the other end of the scale, it is sometimes possible to find a small local caterer who is able to offer an appropriate service. Such arrangements can work very well but these much smaller organisations will not benefit from the economies of scale of the big players including the supplier discounts and head office infrastructure and so are often reluctant to take on a contract.

### **Advantages and disadvantages of sub-contracting**

#### The advantages

- The arts venue manager can concentrate on their core business and leave catering to a specialist
- With a fixed management fee arrangement budgetary management is easier and risk free
- Contractors (particularly the large companies) are able to secure large supplier discounts which they can pass on to customers in the form of lower prices
- In-house environmental health officers and specialist trainers will ensure all legal requirements are met
- Ideas and experiences from other locations can be brought to your operation
- Contractors may take 'risks' e.g. to develop banqueting or all day trading and can introduce branded franchises at no cost to the client
- The catering operation is managed as a discrete financial entity and provides a truer picture of catering financial performance
- Your facility can be marketed as part of a corporate activity by a national catering contractor

#### The disadvantages

- The financial return may be lower, particularly in the fixed fee scenario where the venue will not derive the benefit of their own success in attracting large audiences
- While you lose the responsibility for managing staff, you also lose the ability to motivate and reward staff whose conditions of employment and pay may be inferior to those of your own staff, creating two standards in what should be a cohesive whole
- If you choose a franchise you are not permitted to make even the slightest change to the product or service thus you lose the flexibility to respond to the market as you see fit
- You will be tied in to a contract for a period of several years, particularly if you want the sub-contractor to invest in the facilities, again restricting your ability to make changes. To break the contract you would have to prove a breach which may incur legal costs. It is time consuming and traumatic to change contractors and difficult to manage a transition to an in-house operation
- If your contractor or franchise operator develops a bad reputation at another location, your operation will suffer the bad press, even if your bar or restaurant is running perfectly well
- Managing a contractor is never cost free. It will always be necessary to spend a certain amount of management time monitoring the operation and negotiating improvements. If a contractor is under-performing badly, it can be more time-consuming than direct management
- Contractors tend to offer a standardised product of a standard acceptable quality at a standard cost. While product consistency is desirable, the downside is that there is little room for flair, imagination and creativity. A contracted operation is unlikely ever to become 'the talk of the town'.

### **Types of sub-contracting**

#### Management fee

For a fixed agreed rate, the contractor is responsible for the total provision of service. The balance between the fee and costs is the contractor's profit. The advantages of this system are that you know your revenue in advance and do not share any of the risks. The disadvantage is that you cannot benefit from supplier discounts or from additional revenues when profits are high. The management fee is likely to be in the region of 5% of turnover.

#### Concession fee

A concession fee is based on turnover of catering sales. Where capital investment into the catering facilities is required, the contractor will make this investment and give a smaller concession fee so that the investment is written off over the length of the contract. This has the advantage of improving your cash flow position. However, the contractor will expect the length of the contract to reflect the level of investment. It may also be possible to negotiate other terms such as a percentage of supplier discount and guaranteed minimum returns. The concession fee can be anything from around 15% to 22% of turnover.

#### Franchise

With franchising, 'brand identity' is bought for the operation in a specific location. The franchisor supports the franchisee with training, merchandising, management etc. as part of a package for which either fees or percentage of profit are paid. All costs (including investment) are met by the franchisee. The main disadvantage of franchising is that you will not be permitted to make any changes (no matter how small) to the franchise formula so, for example you cannot put chocolate sauce on your vanilla ice-cream if on the franchise menu it is served with melba sauce.

However, the advantage is the considerably reduced business risk due to a 'known quantity' and national corporate promotion. Conversely, the failure of a brand in one location will affect the reputation of all franchisees. The well known brands will only be interested in sites they know they can make work. MacDonalds will only locate in city centre high street prime sites with a large volume of foot traffic. You can either run a franchise yourself (although the

*The arrival of internet technologies has brought new marketing opportunities to local cinemas as well as to the multinationals*



Good News, Courtesy: bfi

franchisor will need to be assured that you have the skills to run the business) or you can ask a contractor to introduce one.

#### Sub-leases/licences

These arrangements are fairly common but tend to be the least satisfactory type of arrangement since the relationship is one of landlord/tenant (and unless specifically excluded will fall prey to the provisions of the Landlord and Tenant Acts). It is difficult to control the caterer and have them deliver the service you want for your audiences and to integrate the product offering into the venue. It is also likely to yield the lowest levels of financial return in the form of rent. The term of the lease is often long and without break clauses.

#### Managing the relationship

The most important part of the process is agreeing the principles at the outset i.e. prior to signing the contract. It is worth spending some considerable time negotiating the terms. While most contracts are standard, the contractor will be flexible while trying to secure your business. It may be worth employing a catering consultant to look over a contract for you to identify areas of potential difficulty and conflict.

In general, if a contract is running well it should not be necessary for the venue manager to spend more than an hour or so per week meeting with the catering manager to discuss current performance and on-going issues. In addition, there should be a monthly meeting with the regional or divisional management of the contractor to discuss financial performance and discuss projects.

One area of potential concern is the relationship between the venue's front of house staff and contractor's staff. It is important to develop systems for ensuring consistency of service delivery and this may entail joint training initiatives in customer care. For example, the catering staff ought to be able to talk to customers about the films or events you are offering in the same way that your own staff will be able to explain what is in the bars and restaurants.

## New methods of marketing

Cinema marketing operated in a predictable manner for most of the twentieth century, concentrating on star actors and directors, media reviews, poster campaigns, and trailers shown in cinemas. At the local level, newspapers continue to be important (although local radio appears to have a more variable influence) and word-of-mouth is often the best form of publicity.

Novel methods of targeting key opinion formers (for example students or energetic cinemagoers) are increasingly being tried but for local cinemas with modest budgets and limited staff time these methods often appear daunting. However the arrival of internet technologies has brought new marketing opportunities to local cinemas as well as to the multinationals.

### Internet marketing

There are good opportunities to use this technology at comparatively low cost to any cinema.

- Cinema websites - A number of cinema oriented websites already provide regular programme and venue access information, for example Scoot, Film Unlimited (The Guardian), Film Finder (Yellow Pages), BlackBox on-line video store and the BBC's informative website.
- Email news - An increasingly attractive, low cost method of advertising a cinema's weekly programme involves sending an email message to a home computer or digital television. A number of cinemas offer a free email service where details of the films and the performance times are sent to thousands of subscribers
- Web pages - Film producers and distributors are making extensive use of the internet to market films, especially to the younger, multiplex-oriented audience. Websites can be glamorous, expensive and time consuming to operate. In contrast a simple web page which provides contact details and information about the cinema can be easy and inexpensive to establish. If a more sophisticated website is considered necessary, the costs can be reduced by, for example, a number of local cinemas operating as a regional group and sharing the financial and operational burden
- Advance ticket purchases can be made by visiting the appropriate websites. For audiences who have to travel significant distances the certainty of a ticket is highly desirable. Although telephone booking systems work well, internet bookings are expected to grow rapidly in importance
- Publicity materials - cinema promotional material, especially film reviews and still photographs, are now distributed over the internet from specialist websites. Image.net and Picselect are the commercial websites used by most film and video distributors and other cultural organisations. An annual subscription is payable for some of these services

## Key points from Chapter 10

- Film classification in the UK is handled by the British Board of Film Classification (BBFC) on behalf of local authorities. Films without a BBFC certificate have to be separately licensed by the local authority
- Front of house and box office staff are not simply functionaries but are front-line marketing staff who should be recruited, trained and rewarded accordingly
- If you are organising a local campaign to keep a cinema open, developing good local press contacts is key
- Booking films as a stand alone operation may prove problematic due to lack of bargaining power with distributors. You might want to consider using the services of a professional film booker or joining a local consortium
- Bar and catering operations can make a valuable contribution to overall trading revenues but do not be over-optimistic about their potential and on no account underestimate how difficult it may be to manage effectively
- Sub-contracting catering and bar operations may be a sensible option as it reduces your risk although in the long term this is likely to yield less return than a directly managed operation

- With high levels of PC ownership and ISP subscription by individual consumers, now is the time to invest in electronic marketing via the internet. E:mail news is an increasingly attractive, low cost method of advertising a cinema's weekly programme

# The Curzon, Clevedon

[www.curzon.org.uk](http://www.curzon.org.uk)



## Fact File

Number of screens:

1

Size of auditorium:

390

Date first operated as a cinema:

1912

Operating company:

The Curzon Community Cinema Ltd

Style of programming:

commercial, arthouse

Redevelopment costs:

c£4.6m

Potential sources of funding for redevelopment:

Heritage Lottery Fund

2001 (Jan-Dec) admissions:

53,578

2001 (Jan-Dec) box office turnover:

£150,697

When Clevedon's Picture House cinema opened on 20 April 1912 Britain was still reeling from the sinking of the Titanic only 5 days previously. As such it seemed appropriate that the very first screening should be a charity event of newsreels to raise money for survivors and bereaved relatives. The residents of Clevedon turned out in force for the event and a grand total of £2 2s was donated to the Lord Mayor of London's Fund.

Ninety years later the cinema has sustained numerous re-designs, shrapnel damage during World War Two (the art deco 'sunrise' above the entrance still flaunts its war wounds), and a change of name from the Picture House via the Maxime to its current incarnation - the Curzon. This wonderful historical cinema boasts being 'the oldest, purpose-built, continuously operated cinema in the world', and so far no one has been able to refute its claim.

The cinema is located in the heart of Clevedon, a charming, quiet seaside town, popular with the kind of residents and holidaymakers who would run a mile at the sight of a kiss-me-quick hat. The fact that the town has changed comparatively little since the early twentieth century has not gone unnoticed by filmmakers with Merchant/Ivory Productions using it as a location for their Oscar-winning hit, *Howards End*. Along with the elegant pier, the Curzon is - or rather could be - one of the major jewels in Clevedon's crown.

Significantly it is the only cinema between Weston-Super-Mare and Bristol, serving a population of around 75,000 people in the North Somerset area. When, in 1995, the company that owned the Curzon went into receivership, it looked as if local people would have to make a 24 mile round trip if they were going to enjoy a night out at the pictures. Fortunately local resident Jon Webber decided to take on the responsibility of co-ordinating not only the 'save our cinema' campaign, but to put into action a set of highly ambitious plans to develop and restore the building.

It is not immediately apparent that you are approaching a cinema when you arrive at the Curzon, least of all one that is both architecturally important and, if you happen to be a lover of old cinemas, ravishingly beautiful. Its slightly down-at-heel deco façade vies for attention with a number of ground level shop fronts and the east wall, along which most

traffic entering Clevedon passes, looks not unlike any anonymous warehouse in any British town or city.

But as soon as you enter the building you enter another age. Currently the cinema's entire history sits cheek by jowl - faded Jazz Age splendour sharing space with a now-tatty 1950s refurbishment and cheap but no longer cheery 1970s fixtures and fittings. And even the original 1912 front doors are hidden away in storage. The auditorium is lined with unique, ornamental pressed 'tin' panels. Although they are currently painted a rather unfortunate shade of crimson, the 1920s panels give the cinema a real sense of period opulence and it doesn't take a large stretch of the imagination to envisage the venue in its heyday. The circle was partitioned off in 1972 with the aid of a false ceiling depriving audiences of the best seats in the house and one of the cinema's greatest treasures - its tin panel-clad, barrel vaulted ceiling. An extensive virtual tour of the cinema (including sections of the building not currently accessible to the public) is available at the Curzon's excellent website.

The restoration of the building and its development to meet the expectations of contemporary cinema audiences is key to the long-term success and viability of the cinema. Although numerous changes to the building's fabric have taken place over the last 90 years, many 'original' features remain. The cinema, however, had to make a decision about how the word 'original' was interpreted as any attempt to capture the cinema at a specific moment in time will necessarily need to incorporate its longer past and lose many of its later additions. Given the prominent art deco frontage to the building and the unique interior it is back to the 1920s that the restoration of the Curzon will go. However, Webber realises that it is one thing to have a beautiful, fully restored 1920s cinema, but unless the sound system, seats and facilities are the equal in terms of quality to the commercial competition, then audiences will quickly defect once the novelty has worn off.

Overseeing the development of plans for this complex fusion of the ancient and the über-modern are architects Burrell Foley Fischer, a practice well known for its cinema developments including Harbour Lights in Southampton (see p69), the Exeter Picture House and the Rio in Dalston, North London.



Titanic (1964), Courtesy bfi

*The Titanic sets off on its fated maiden voyage. The Curzon opened just 5 days after the liner sank in April 1912 and the first screening was a charity event to raise money for survivors and bereaved relatives.*



*The Curzon's auditorium is lined with unique, pressed 'tin' panels from the 1920s. This rose forms part of the barrel vaulted ceiling that will be revealed once again as part of the cinema's ambitious restoration plans.*



The 1920s interior sits in uncomfortable juxtaposition with the 1970s false ceiling.



Vanessa Redgrave serves tea in *Howards End* (dir James Ivory/1992/dist: Mayfair Entertainment UK). Clevedon provided one of the locations for Merchant/Ivory's hit film.

Courtesy Mayfair Entertainment (UK) Ltd

**The key restoration plans include:**

- The removal of the false ceiling, revealing the circle.
- The restoration of the whole auditorium to original 1920s plans including the replacement of the boxes that were removed in the 1950s.
- The restoration of the Oak Room Café.

**New developments will include:**

- The building of a new 80-seat screen at the back of the cinema.
- A large new foyer/box office at the east side of the building.
- A new café/bar.

During this interim period the programming policy of the cinema is dictated by the need for achieving financial independence, though it still manages to include children's matinees and a monthly arthouse screening in addition to the main evening film. The new screen will vastly improve the flexibility of the programming, enabling a wider range of films to be shown, and for the cinema to maximise its income.

The new foyer/box office will not only enhance the audience experience at the cinema (the current foyer is of the shoebox variety), but will also massively increase the cinema's visibility when repositioned on the otherwise blank exterior east wall of the building.

Lovers of wine, dining and even tea-drinking are currently not exactly over-taxed with choice in Clevedon. The restoration of the Oak Room Café and the building of a new café/bar aim to rectify this situation, intelligently tapping into an under-provided market. The original art deco shell of the Oak Room Café will be restored and reopened as a 'heritage' eating and drinking experience - along similar lines to the Pump Rooms in Bath - thereby catering for an older clientele and, especially, attracting summer visitors. The new café/bar will be focussed at the younger end of the market, a group whose current social outlets in town are extremely limited.

The Curzon could and should be at the heart of any regeneration schemes in Clevedon. The scope of Webber's ambitions should transform the cinema into a national attraction, bringing new visitors to Clevedon, new money into the town and providing the local community with a vital and vibrant local resource. It would have been too easy to turn the Curzon in to an old world heritage experience for the over-60s,

but Webber's scheme is wholly in keeping with the nature of the town. It is sympathetic to the quiet, Middle England atmosphere of Clevedon, but at the same time offers a resource that will be used and enjoyed by residents, whatever their age or background.

Like South Sefton's Community Cinema, the Plaza (see p45), the Curzon has mounted an impressive and on-going campaign to save, restore and develop the cinema. Immediately after the cinema went into receivership in July 1995 Webber took up the challenge to save the Curzon. Realising that one of the most important things for the cinema's future success was to maintain its existing audience, Webber's first step was to ensure that the Curzon kept showing films. The true campaign to save the cinema began with public meetings held in August and November 1995. The Curzon: Clevedon Community Centre for the Arts was set up at this time as a registered charity with the intention of purchasing the freehold of the cinema and thereby securing the future of the building. The charity's trading arm - The Curzon Community Cinema Ltd - was set up as a non-profit community business to run the cinema with the intention of transferring all profits generated by the cinema to the charity.

Fundraising through public donation proved to be a very significant part of the campaign. 900 people were persuaded to sign up as members of the company, each coughing up a small donation of £5 upwards. Not only did this contribute £30k towards the Curzon's coffers, but the membership scheme acted to galvanise local support for the cinema in an extraordinary way. A diversity of Clevedon residents, the majority of whom would never have normally entertained the notion of becoming company members, suddenly found themselves playing a small, but not insignificant role in determining the future of their local cinema.

With the freehold up for sale at £125k the Curzon was still a long way short of its financial targets. However, with a soft loan of £50k from Clevedon Town Council, matching funding from North Somerset District Council and a mortgage of £55k from Lloyds Bank, the Curzon charity was ready to go ahead with the purchase in November 1996. The freehold of the cinema was acquired by The Curzon: Clevedon Community Centre for the Arts on 26 November 1996 and the newly owned cinema 'opened' for business

only 3 days later with a gala screening of *Brassed Off* and a performance from the Clevedon Town Brass Band.

Throughout this period Webber had been campaigning for the cinema to receive Grade II listing. This was finally granted just days before the purchase and was a major landmark in the cinema's history, ensuring not only that the building couldn't be knocked down or radically altered, but preserving the Curzon's integrity as a cinema.

Given the cinema's unique architectural status, Webber has applied to the Heritage Lottery Fund for substantial funding towards a restoration project that will cost c£4.6m. In order to secure this essential Lottery funding, the cinema needs to raise £1.2m under its own steam by 2003/04.

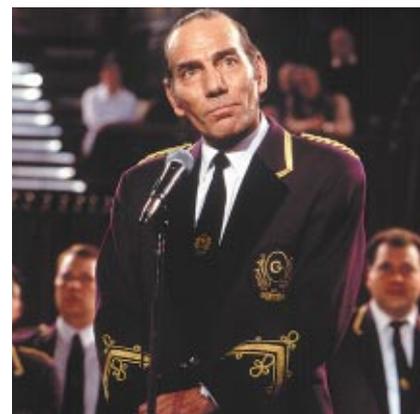
Much of Webber's success in working towards this target has been down to both his ingenuity and persistence. It is not uncommon for fundraisers to believe that substantial grants and generous donations from the great and the good are the be-all and end-all of any campaign. Webber, however, has maintained the fundraising impetus over the last 6 years through a range of inspired and sometimes unorthodox activities that both keep the campaign in the public eye and act to bring together the local community. The fundraising schemes, many of which are on-going, have included:

- Collections. Large and very visible collection points are located in all public areas of the cinema for donations of any size. £30k was raised between 1999 and 2001.
- Donations. A gift-aid scheme was set up to encourage one-off donations or, particularly, donations paid via a monthly standing order. There are now over twenty monthly donors giving £100+ per month.
- Sponsor a seat. Individuals and businesses are invited to sponsor a seat in the newly refurbished auditorium for the not too princely sum of £110. In the past twelve months over twenty people have signed-up.
- Sponsor a skydiver. For this rather less conventional and on-going fundraising scheme, local residents - including a pair of plucky pensioners - volunteer to participate in a sponsored parachute jump.

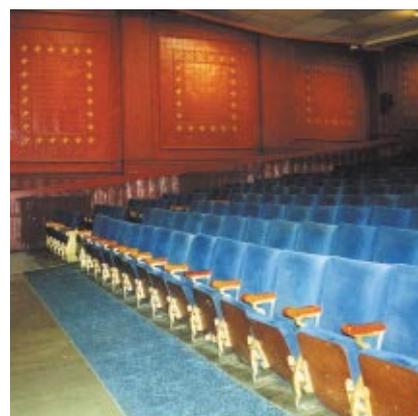
- The Curzon Lottery. Part of the Weather Lottery scheme ([www.theweatherlottery.com](http://www.theweatherlottery.com)) which helps charities to raise funds for special projects and general development. The Curzon benefits from individuals subscribing by bankers standing order to the weekly lottery. £1.5k was raised within an 8-month period.
- Leave a legacy. Obviously a rather long-term fundraising strategy, local residents are encouraged to include a provision for the Curzon in their wills. Local solicitors have volunteered their services for those wishing to contribute in this way and a promotional leaflet even includes suggested wording and a guide to updating an existing will.

It is easy to overlook the importance of the support of local press when mounting a fundraising campaign. Webber sensibly sought out the help of the local newspaper, the *Clevedon Mercury*, right from the outset, and the paper's continued enthusiasm has ensured that the Curzon's campaigns, ambitions and film programmes have never slipped from local consciousness over the last 6 years.

As the Curzon moves into a vital new stage in its development it can hopefully look to the future with optimism in the knowledge that the foundations laid down by Webber and his team could not be stronger.



*Pete Postlethwaite takes a break from playing his cornet in *Brassed Off* (dir Mark Harman/1996/dist: Film Four). The re-launched Curzon 'opened' for business with a gala screening of the brass band epic in November 1996.*



*Much of the beauty of the Curzon's spectacular 1920s interior is currently hidden behind some rather oppressive paint work.*

# The Plaza, Crosby

[www.plazacinema.org.uk](http://www.plazacinema.org.uk)



## Fact File

Number of screens:  
3

Size of auditoria:  
576, 92, 92

Date first operated as a cinema:  
1939

Operating company:  
Plaza Community Cinema Ltd

Style of programming:  
commercial, arthouse

Redevelopment costs:  
c£2.8m

Potential sources of funding for redevelopment:  
Arts Lottery, National Lottery Community Fund,  
SRB (Single Regeneration Budget), ERDF, Sefton  
Council, trusts and sponsorship.

2000/2001 admissions:  
65,000

2000/2001 box office turnover:  
£318,550

The word 'community' is often imprecisely used in the world of local arts provision.

Organisations seem to believe that if local residents simply turn up to sample their wares then they can define themselves as a community venue. But the Plaza - Crosby Community Cinema, based in Waterloo, South Sefton, takes the ethos of 'community' extremely seriously, involving a large number of local people and businesses in all aspects of the organisation: running the cinema, organising and participating in fundraising events and attending cinema screenings.

Located six miles outside the centre of Liverpool, South Sefton has a predominantly white, working class population. Considered to be one of the most economically deprived areas of Britain, it is at the heart of an SRB (Single Regeneration Budget) area, the government funded mechanism aimed at stimulating economic and environmental regeneration. And at the centre of this process must surely be the Plaza.

Despite an inauspicious opening the day before war broke out in 1939, the large, 1460 seat venue spent many years leading a successful double life as both a cinema and variety theatre, mixing the latest films with star turns from the likes of Arthur Askey, Hylda Baker, Charlie Chester, Tommy Handley and Ted Ray. The post-War decline of variety coincided with the decline of the cinema, subsequent owners neglecting to invest in the infrastructure and fittings of the building. The cinema was chopped up in 1976 to form three screens (the two small screens looking like small aircraft hangers stuck inside the main auditorium), but there were few other 'improvements'. Despite the on-going regeneration that had been taking place in Liverpool throughout the 80s and 90s, the cinema - then called the Apollo - finally closed in 1996 and all the fittings and equipment were removed. The building by this time was a shabby mess and worthy of the epithet 'flea-pit'.

South Sefton's large population of 120k was left with no cinema, and it required a journey to either Liverpool or Southport to get to the nearest screen. In an area where car ownership is below the national average, the closure meant that many people - especially the young, senior citizens and other people on low incomes - would find it difficult to make this journey and therefore be deprived of the pleasures of cinema-going. And in an area with

few recreational amenities South Sefton lost a very vital community resource.

The campaign to save the cinema was started in 1995 by a 12-year-old schoolboy, Paul Culshaw, after hearing that the cinema's owners, Apollo Leisure, planned to sell the property to a developer who would demolish it and replace it with a government benefit office. Local residents Janet Dunn and Jean Plant very quickly adopted leadership of the campaign by forming an action group. Plant has retired from her voluntary duties, but Dunn is now Chair of the Plaza's Board of Trustees. Despite no previous experience of leading a campaign, fundraising, or running a cinema, Dunn's enthusiasm, vision and sense of purpose over the last eight years are remarkable.

The first part of Plant and Dunn's campaign focussed on an attempt to find another operator to take over the cinema. Every cinema chain in Britain was approached, but all said 'no'. Nobody wished to take on the risk of a decrepit building in an economically deprived area at a time when purpose-built multiplexes serving more affluent areas seemed to be the way ahead. It became obvious that the action group would need to transform itself into an organisation that would not only save, but also run the Plaza, so the Crosby Community Cinema Committee (CCCC) was formed.

The CCCC started a petition to raise local awareness of the campaign and to provide Sefton Metropolitan Borough Council with proof of community support. The local media got behind the campaign, keeping it in the public consciousness and encouraging a letter-writing campaign. The Council and the Crosby Herald were besieged with letters demanding the preservation of the cinema; in fact it was the most reported story in the paper's history. The local outcry combined with a 10,000-signature petition compelled the Council to refuse the proposed planning permission for another use. The CCCC's double-pronged attack also included a letter-writing campaign to the Department of the Environment, forcing the DoE to reply to each one individually, and resulted in a date being set for a public enquiry.

With the imminent closure of the cinema and the prospect of running it themselves, the CCCC needed to focus their energies on fundraising and awareness raising. One of the most successful campaigns was the organisation of



*The slightly shabby interior of one of the Plaza's mini screens. The whole interior is badly in need of investment to bring it up to the standard expected by contemporary audiences.*



*The Plaza's foyer.*



*Crowds outside the Plaza eagerly await the gala screening of *The Lost World*. They have little idea however of the last minute refurbishment that is taking place inside.*



*One of the Plaza's many ingenious fundraising schemes included 'Moustache Day' in June 1996. Here Janet Dunn and Jean Plant indulge in a very convincing spot of celebrity cross-dressing.*

'Moustache Day' in June 1996. Taking their inspiration from Red Nose Day and Charlie Chaplin, little black plastic moustaches were sold for £1 and were available at over 30 local shops, pubs and businesses including the local branch of Sainsburys. The moustaches were, of course, a gift for local press coverage with everyone from Dunn and Plant to local celebrities such as composer/conductor Carl Davies caught on camera sporting interesting additions to their upper lips. Dunn and her daughter even designed a large black bowler hat to sit on top of the family's Volkswagen Beetle! The event culminated with an afternoon fun day event for children and a gala dress-as-a-movie-star night for the grown-ups. £3.5k was raised in just three weeks, but more importantly, no local resident or Council Member could remain unaware of the CCCC's campaign.

Following the advice of a consultant, the primary short-term objective for the CCCC was the re-opening of the cinema. This was essential for income generation as well as making a strong statement to the community and to potential funders.

The CCCC formed the Plaza Community Cinema - a registered charity operating through a company limited by guarantee - and initially leased the building. It was not until January 2000 that they were able to purchase the freehold for £325k, with grants from Sefton Council (£140k) and the Esmée Fairburn Trust (£66.5k), a low-interest loan from the Charities Aid Foundation (£60k) and a mortgage from Lloyds TSB (£60k).

With only £11k working capital to cover refurbishment, equipment, rent, cleaning, film hire... and no business plan to help focus them on their way, the re-opening date for the cinema was set for 18 July 1997, to enable the cinema to capitalise on blockbusters released during the school holidays. It was considered important that the Plaza should re-open with a big movie and *The Lost World: Jurassic Park 2* was secured with some help from cinema mogul Sir Sidney Samuelson. The refurbishment didn't begin until the last week of May leaving only 7 weeks to equip the building and return it to a state suitable for a high profile public event. With the aid of extensive coverage by the local media, a campaign was mounted to find volunteers. A massive team of 60 was recruited not only for cleaning and painting duties, but also skilled joiners, plasterers, plumbers and

electricians gave their time for free. Local businesses donated a range of otherwise expensive materials, from timber to carpets. With only ten days until the cinema was due to open there were still no seats in the auditorium, and those that they had still needed to be upholstered. The scene was not unlike an Ealing comedy. Volunteers honed their upholstery skills throughout the night and the first seat was fixed in the cinema at 4am on 18 July, 13 1/2 hours before the doors were due to open. To avert the impending crisis, a joiner and his mates were recruited from the local pub and they helped to ensure that the final seat went in with just 15 minutes to spare. A queue of hundreds had formed outside the cinema and the Plaza reopened on a beautifully warm and sultry evening to a sell-out success. And everyone had a seat, even if the glue wasn't quite dry.

Gaining an audience for a gala event is one thing, but Dunn and her team knew that maintaining them would be more problematic. One of the strategies in doing this has been through programming. The mainstay of the programme has been commercial cinema appealing to the broadest audience and essential for the financial stability of the organisation. However, when the two smaller 100-seat screens re-opened in September 1997 and February 1998 they provided the option of far greater programming flexibility that would appeal to a wider range of local people and also attract audiences from outside the area. Prior to the re-opening of the Plaza, and pending the opening of the City Screen-run FACT Centre in 2003, Merseyside and most of Cheshire had virtually no alternative to mainstream cinema, the nearest arthouse screens being located in Manchester. The provision of a dedicated arthouse screen is central to the Plaza's current programming policy and its success refutes the patronising assumptions that frequently insist that such an enterprise is only sustainable in a middle class area with a high density of students. Some audiences come from as far away as North Wales and Chester, though the screen survives predominantly through the attendance of local residents and audiences from across the Liverpool area.

Conscious of the needs of parents with young children the cinema hosts a successful Kids' Club every Saturday morning with around 400 members, 200 of whom attend each week, in addition to theatrical runs of films targeted at

children or families. Similarly a weekly social club is organised for unemployed people, senior citizens and people with special needs on Thursday afternoons.

Education is at the forefront of the cinema's work. Organised by John Hodgkinson, the programmer/booker of the arthouse screen, education events range from post-screening discussions with filmmakers to more formal events for schools and colleges. Hodgkinson has built relationships with charities including Oxfam, Scope and Refuge and developed a range of issue-based educational work with them. One major event for schools and youth groups exploring the Holocaust Memorial Project included a fact-finding mission to Auschwitz and was followed up with screenings and a discussion led by a Holocaust survivor. Such an event is on an epic scale for a venue in receipt of a revenue grant. For the unfunded Plaza it is both remarkable and inspirational.

Maintaining self-generated additional funding has been of paramount importance to the on-going viability of the cinema. Both unique and very profitable was the Plaza's decision to open two charity shops based just around the corner from the cinema on St John's Road. The first shop was opened in 1996 and stocks the usual charity shop staples of clothes, bric-a-brac and books, whilst the other sells second hand furniture. With low rent and rates offered by the Council, the Plaza is able to plough much of the income generated through the shops back into the development of the cinema. In 2000/01 this resulted in a very significant £33.5k. Located in the heart of the area's main shopping street, the shops also play a major role in raising awareness and maintaining the momentum of the campaign. They also enable a large cross section of the community to participate in the fundraising activities whether they are volunteering at the shops, donating goods or purchasing them.

One of the greatest successes of the Plaza - and one of its biggest challenges - is the maintenance of the 40-50 strong volunteer base required to ensure that the cinema can function. Indeed, the only paid members of staff are the Cinema Manager, projectionists and the Development Officer, a post funded by Lloyds TSB. The volunteers create a genuine sense of community within the organisation, involving a wide cross-section of people of different ages, backgrounds and experience.

But five years on from the gala re-opening it's much harder to maintain the same impetus for volunteer recruitment and the turnover is always high requiring a large investment in training.

Dunn realises that the cinema cannot keep going forever on the energies of a volunteer workforce, and neither can the building survive in its current condition. Her plans for the Plaza are ambitious, but exactly what the cinema requires if it is to maintain and develop audiences. She hopes to convert the existing space into 4 screens served by a single projection box, improving programming flexibility and providing more realistically sized screens. Plans also include a flexible screen/education space to be built on the current car park; conference facilities for local community groups; a café and a space for internet access. The cost of the proposed redevelopment and refurbishment is £2.8m and the Plaza is in the process of applying for funding from the Arts Council, National Lottery Charities Board, Single Regeneration Budget and European Regional Development Fund. This funding is essential to the continued success of the Plaza. With almost 70,000 admissions in 2001 the venue has gone from strength to strength, but such a major resource cannot be allowed to survive on little more than the goodwill and enthusiasm of volunteers.



*A typical audience for the Saturday morning Kids' Club.*



*The campaign vehicle for 'moustache' day.*

# The Watershed, Bristol

[www.watershed.co.uk](http://www.watershed.co.uk)



## Fact File

Number of screens:  
2 + Digital Café/video suite

Size of auditoria:  
200, 55 (+ up to 60 in Digital Café)

Date first opened:  
1982

Operating company:  
Watershed Arts Trust Ltd

Style of programming:  
arthouse, repertory, festivals, artists' film and  
video, new digital forms

Sources of revenue funding:  
South West Screen, South West Arts,  
Bristol City Council

2001/2002 admissions:  
88,943

2001/2002 box office turnover:  
£326,319

Watershed is without doubt one of the very best cinemas in Britain. Whereas Watershed's management team might be happy with the compliment, they may also take exception to the word 'cinema' as the venue has long described itself as a 'media centre', dedicated to exploring and exploiting all aspects of media and the moving image. Granted, that's a bit of an esoteric phrase, but the word 'cinema' doesn't begin to embrace the range of activities, screenings and agenda-setting work that takes place at Watershed.

Leading Watershed's creative team are Managing Director, Dick Penny and Head of Exhibition, Mark Cosgrove. Penny has been with Watershed for six years, including a stint helming the venue in the early 90s, whilst in the mid 90s he co-ordinated the national Cinema 100 events. Cosgrove was previously programmer of Plymouth Arts Centre and education officer at Manchester's Cornerhouse. He comes from a line of strong appointments: previous Watershed cinema programmers have gone on to lead the ICA's cinema and Aardman Animation's production wing. The team's experience, enthusiasm and desire for innovation is unusual within a sector that is both under-trained and not always known for its progressive stance. They work as a great team, and their tenure at the venue has been marked by extraordinary developments and intelligent responses to changes within the industry.

Many arthouse cinemas feel under threat by the rapidly evolving commercial exhibition sector as independent films that were previously their bread-and-butter are now regularly appearing on a multiplex screen near you. In the late 90s it was highly unusual to see a foreign language film in a multiplex, but 2001/2002 has seen a revolution take place. Some independent venues have taken the ostrich approach by burying their heads in the sand and pretending that nothing different is happening whilst others have decided to go head-to-head with the competition. The effect has been that some of these cinemas have weakened their position by losing the very qualities that made them stand out from the crowd. However, Watershed and a number of other cinemas such as Glasgow Film Theatre and Edinburgh's Filmhouse (see p53) have used this encroachment upon their territory to strengthen their position. According to Cosgrove:

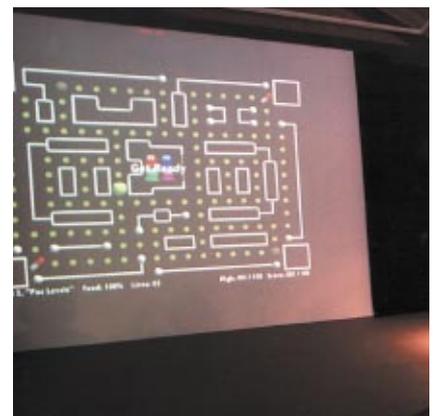
'It is more important than ever that Watershed asserts its difference. Of course we need to play the titles that audiences expect to see at Watershed (e.g. *Amélie*, *Gosford Park*, *24 Hour Party People*) even if they are concurrent with other cinemas, but it is also our responsibility to ensure that audiences in Bristol get to see the widest range of films possible. But our long-term strategy must be about building audiences for the future. There may well come a day when certain films are no longer available to us, so focussing now on the work that both makes Watershed different and looks to the future must be our priority.'

One of Watershed's greatest assets is its location. Situated on the waterfront alongside a couple of bars and shops and opposite the renowned Arnolfini gallery the immediate surrounding area isn't exactly humming with life. But Watershed is at the intersection of the busy city centre with its business community and high street shops to one side, and Park Street and Clifton with their mix of the chic and the Bohemian (to say nothing of a very large student population) to the other. Watershed is therefore perfectly located not only for audiences who might be tempted into the building to see a film or attend an event, but also for shoppers and business people looking for an alternative to Starbucks, Weatherspoons or Prêt à Manger for a coffee, a beer or a meal.

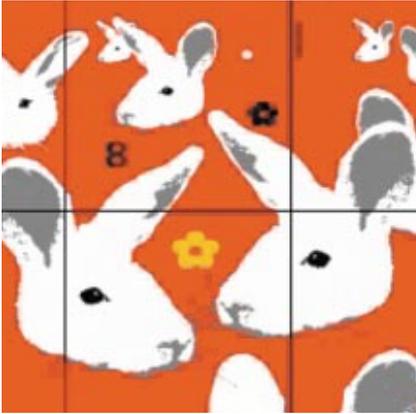
Situated on the first floor of the building, Watershed's spacious and bright Café/Bar overlooks the waterfront. It is not slavishly fashionable, nor does it indulge in big-time film branding, ramming its cineaste credentials down your throat. Where Watershed succeeds is in providing an informal space that is idiosyncratic but doesn't threaten with the ambience of a private members' club. The food is good (no pre-packed sandwiches with sell-by dates) and reasonably priced, the service pleasantly low-key and the views are the best in town. At lunchtime the café will be full with an eclectic mix of the young and trendy, senior citizens and business people; in the evening the bar is buzzing and feels like a major focal point in the city's cultural and social life. The Café/Bar is also in the heart of the building and ensures that the venue feels alive throughout the day. Together with income from conference facilities and a small retail outlet on the ground floor, the Café/Bar turned over £1.26M in 2001/2002 which resulted in a net contribution of £281k profit to the venue.



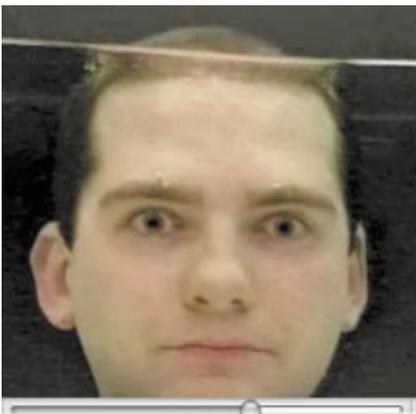
*Watershed's thriving Café/Bar attracts a wide cross section of local people in search of an alternative to Bristol's more predictable watering holes.*



*An interactive computer game available at the Digital Café.*



Scene from *Rabbits* by Joe Magee - created for screening at Watershed



Scene from  *Holding Tank* by Philip Walker - created for screening at Watershed and tour.

In addition to significant revenue funding received from South West Screen, South West Arts and Bristol City Council, Penny has raised annual funds of c£200k from sources that go beyond these traditional funding routes including the Learning and Skills Council, the New Opportunities Fund, Adapt, trust funds and private sponsorship. Watershed has also recently participated in ACE's Stabilisation scheme - designed to enable organisations to make fundamental change to develop their business - and submitted an application for funding for their 3-year plan in Spring 2002. Watershed's increasingly strong financial position is also due, in part, to the fact that the ideas and motivations for its genesis in 1988 are only now coming of age, with the venue becoming busier and more successful each year.

Despite the fact that Watershed was purpose built, the venue is currently stymied by space limitations, in particular by the tiny, 55-seat Screen 2. With 'sold out' signs making frequent appearances at the box office often days before the end of a run the cinema is currently unable to maximise its revenue potential. Although a range of independent films and artists' film and video appear locally at the Arnolfini and Cube, there are still many quality films that fail to screen in Bristol. One of Penny's priorities for the venue therefore includes a third screen with 130-seat capacity. His plans also include a central projection box serving all three screens and thereby reducing staff overheads.

Watershed is currently one of the few cinemas in Britain paving the way, and developing audiences, for the hoped-for digital revolution. A new Digital Café opened in 2000 and is located just off the main Café/Bar. Penny was anxious that such a new and unknown space would need to be demystified to ensure its accessibility to the widest audience. With windows from the Café/Bar leading into the Digital Café even the most Luddite cappuccino drinker could not be unaware that something rather exciting is happening next door.

So, what exactly is a Digital Café? Penny and his team have created their own blueprint, devising a flexible space that combines a reconfiguration of e-cinema with a digital video suite. The internet has helped to revolutionise the popularity of short films, massively stimulating production and consumption, though as yet the technology for viewing this work feels distinctly remedial. With lengthy

download times and a picture size that is often the wrong side of microscopic, domestic e-cinema would test the patience of your average saint. Visitors to Watershed can now use the Digital Café to surf the internet via an ultra-fast fibre optic connection, with pin-sharp images projected onto a large cinema screen. Although it is possible to project the contents of your Hotmail account to an unsuspecting audience, the facility is primarily used to enable individuals and small groups to scour the world wide web for short films and interactive digital art.

The Digital Café has also greatly increased the flexibility of Watershed's screening spaces, becoming the venue's temporary third screen in all but name. With informal seating the space can be adapted for a range of events - from seminars, to events to screenings. The digital video suite has enabled work shot on video to be screened in the Digital Café freeing up the over-subscribed Screens 1 and 2 for work generated on film. Recently this enabled the cinema to increase a booking of the Inuit film *Atanarjuat: The Fast Runner*. With only a limited number of 35mm prints in the UK, Watershed was only able to screen the film for a week before the print moved on to the next venue. However, given *Atanarjuat's* digital origins, Cosgrove decided to expand the booking by an extra week, screening a beta copy in the Digital Café. This additional flexibility is of vital importance to Watershed's long-term success. As Cosgrove points out:

'Our plans are to ensure that we have digital capability in all screens. The short, fixed-length booking structure that we currently have doesn't allow us to take advantage of word-of-mouth. By the time that people have gone out and told their friends about a great film that they've just seen at Watershed, the chances are that the run will be over and the print has moved on. Given the low cost of digital projection formats, in the future there will hopefully be far more copies of films available. We will then be able to hold onto titles for longer, exploiting word-of-mouth, developing audiences and maximising income.'

Penny and his team are not only inventing the future in programming and exhibition terms, but they are pushing the boundaries of the range of digital work that is accessible through the internet, setting and determining new directions for venue websites. The majority of independent venues now have their own

website, but in most cases these offer little more than an electronic version of the printed cinema brochure. Watershed's goes beyond simply informing audiences what might happen to be showing in Screen 2 at 6.10, utilising cyberspace for a range of additional resources - from teaching packs created by the cinema (e.g. [www.watershed.co.uk/east](http://www.watershed.co.uk/east)) to reports from international film festivals. Best of all, the site hosts a range of innovative digital work produced locally and commissioned by Watershed. In one project, taking the Twelve Days of Christmas song as their inspiration, pupils from local schools created twelve days of web art that combine digital artworks, paintings, illustrations, sculpture and animations. And the highly successful Electric December project - a playful and provocative mix of games, animation, video, short films, poetry, prose and visual art - is produced annually by a wide range local organisations. It is an inspirational project with the work of community groups sitting alongside work by Aardman Animation. A range of Watershed's digital projects can be seen at [www.watershed.co.uk/dshed](http://www.watershed.co.uk/dshed)

Watershed's commitment to digital work has been enhanced by on-going training and debate about new technologies and has included residencies by digital artists such as Ana Bilankov and Duncan Speakman ([www.watershed.co.uk/residencies](http://www.watershed.co.uk/residencies)). This work, of course, comes at a price and the venue currently has four people working full-time to support it. However, Watershed has already seen a return on their investment. Inextricably linked to the venue's long-standing and acclaimed educational work, the various digital projects have massively increased the number of people able to participate on some level with Watershed's activities, helping to break down barriers, educate and attract new young audiences into the building.

This dynamism exists throughout Watershed's programme which has recently included seasons that range from a historical retrospective of South African cinema to a successful series of silent cinema screenings. Critical to this success is a range of partnerships with other cultural agencies that enhance the programme breadth. For example, the silent cinema strand was a collaboration with Bristol Silents, an organisation dedicated to promoting the art of silent film.

That Watershed can find audiences for work that otherwise might be perceived as marginal is a strong indicator of not only of the success of the on-going audience development work, but that audiences trust the venue's programming choices. Among Watershed's fully-fledged festivals are the annual Black Pyramid Film Festival ([www.watershed.co.uk/blackpyramid](http://www.watershed.co.uk/blackpyramid)), featuring new work from black filmmakers, and the renowned Brief Encounters ([www.brief-encounters.org.uk](http://www.brief-encounters.org.uk)) and Animated Encounters ([www.animated-encounters.org.uk](http://www.animated-encounters.org.uk)) festivals, providing a major forum for short and animated filmmaking respectively. These festivals are geared towards local audiences, but their scope and excellence are of national and international importance, attracting industry delegates and - in the case of the Encounters festivals - leading the field in the UK.

Watershed is one of 17 venues that currently work with the *bfi*'s Programme Unit. These venues range from full-time, multi-screen arthouse cinemas to part time arts centres where films might be screened for just a couple of days a week. What they all share is a desire to bring to their areas films that offer a perspective that goes beyond that of Hollywood mainstream. The Programme Unit offers programming advice and a film booking service, developing programming strategies with local personnel. Cosgrove has worked with the Programme Unit's Catharine Des Forges for 8 years:

'I speak with Catharine about programming issues almost every working day. This relationship with the Programme Unit enables an essential dialogue not only about the commercial potential of a film, but importantly about its cultural worth and significance. Without this additional perspective it would feel as if I was working in isolation. Similarly, the Programme Unit's negotiating powers with distributors puts us in a stronger position than if we were booking films directly ourselves.'

Des Forges is equally enthusiastic about this symbiotic relationship:

'The dynamic of working with a venue that constantly seeks to challenge and stimulate an audience ensures that our working relationship is immensely creative and always fulfilling. Watershed is not only a regional model of excellence, but a venue of national importance to which cinema programmers and venue directors across Britain can look for inspiration.'



Scene from *Working Patterns* by Paul Matson for Decode Publishing - short film created for Electric December 2001 online.



Scene from *24* by Burrell Durrant Hifle - interactive short film created for Electric December 2001 online.

# Filmhouse, Edinburgh

[www.filmhousecinema.com](http://www.filmhousecinema.com)



## Fact File

Number of screens:  
3

Size of auditoria:  
280, 97, 72

Date first opened:  
1979

Operating company:  
Filmhouse Ltd

Style of programming:  
arthouse, repertory, festivals

Sources of revenue funding:  
Scottish Screen, Edinburgh City Council,  
Europa Cinemas Media 2

2001/2002 admissions:  
160,000

2001/2002 box office turnover:  
£490,000

Edinburgh is a cultural oasis. With its internationally renowned arts festival, fringe festival and film festival, there's nowhere in Britain outside London where it should be easier to run a full time arthouse cinema. Even once the mime artists, hair-braiders and bagpipe players have packed their bags at the end of the Summer season and departed with the hoards of international culture vultures, artistes, and drama students, Edinburgh remains a city full of cultural energy and options.

It's impossible to bundle the entire population of a city into a single socio-economic group, but Edinburgh is one of the most middle class cities in Britain, with a large affluent and well-educated population. This is boosted by a substantial student population (and by the academics that teach them) at four universities - Edinburgh, Heriot Watt, Napier and Queen Margaret - as well as numerous colleges.

Cinema-going is booming in Edinburgh. The commercial options seem to be increasing by the day, with new Warner and Odeon multiplexes due to open by the end of 2003 in addition to the existing UGC and UCI plexes. And arthouse audiences certainly couldn't ask for any more choice with the independent Filmhouse and Zoo-owned Cameo showing virtually every independent film on release worthy of a screening, in addition to a healthy repertory programme.

The highly successful 3-screen Cameo, located just a few minutes walk away from Filmhouse, offers tough competition with the two cinemas frequently negotiating for the same titles. The Cameo's programme includes strong arthouse titles such as *Y Tú Mama También*, *Italian For Beginners* and *Sex And Lucia* - exactly the kind of films that Filmhouse would hope to screen first-run. This competitive situation has been compounded by UGC's recent policy of screening arthouse titles - especially key foreign language films - in its screens. Both Filmhouse and the Cameo therefore need to play titles on concurrencies more frequently than they used to. But despite these constraints Filmhouse has developed a dynamic programme that provides the perfect complement to Edinburgh's burgeoning film scene.

At the end of 2001 Filmhouse's programme included first runs of *The Piano Teacher*, *Kandahar*, *George Washington* and *Annie Hall*,

seasons of Tibetan and Palestinian films, the *bff*'s touring Werner Herzog retrospective and the homegrown annual French Film Festival. Not, perhaps, a recipe for obvious box office success, and certainly very few British cinemas would dare to mount such an esoteric programme without the obvious bolster of a substantial handful of *Amélie*s, *Ghost Worlds* or the odd *Harry Potter*. It is telling that in 2001 Glasgow Film Theatre (GFT) - Scotland's other leading independent cinema - raised around 50% of its total box office revenue from titles that were not available to Filmhouse.

Leading Filmhouse's adventurous programme is the cinema's director, Ken Ingles. Formerly director of GFT, Ingles arrived at Filmhouse in 1999 with 14 years of programming experience behind him, the ideal CV for a cinema operation predicated on a complex cultural programme and bold and informed programming decision-making.

Developing his programming strategies at GFT, and consolidating the work of the Edinburgh International Film Festival (EIFF), Ingles has continued to champion the work of Scottish filmmakers at Filmhouse. The reality of the British film industry is that many features fail to get distribution and, despite the excellent work of the short film agency Short Circuit, very few short films ever enjoy a theatrical life. Given the amount of high quality work that is produced or supported by Scottish Screen, Ingles tries to ensure that as much as possible is screened at Filmhouse, highlighting especially the work of young Scottish filmmakers. Recently this has ranged from the theatrical run of the FilmFour-released *Late Night Shopping* (which was filmed in Glasgow), to screenings of the otherwise undistributed *Ferry Up the Amazon* to the Scottish Screen short *Cry For Bobo*, which accompanied the re-release of *Meet Me in St Louis*. Filmhouse also organises regular archival screenings in association with the Scottish Film Archive, collaborates with the local video access centre and enables local colleges to showcase student work. This advocacy of local filmmaking is also supported by Filmhouse's impressive education programme, which is at the heart of all the cinema's work.

One of the problems with this kind of programming strategy is that it is very labour-intensive, requiring far more time for



Cry for Bobo, Courtesy Scottish Screen

Filmhouse has made a major commitment to screening work by Scottish filmmakers. The Scottish Screen supported short *Cry For Bobo* accompanied the re-release of *Meet Me in St Louis*.



Filmhouse's welcoming and spacious foyer is a model of how to get it right. The foyer provides plenty of easily visible space for posters and press cuttings to promote upcoming screenings.



Filmhouse's recently refurbished bar and café plays an important role in attracting potential new audiences to the venue. They also contribute a significant annual profit of c£120k to the organisation.



*The Colour of Lies, Courtesy CinéFrance*

*The Colour of Lies (dir Claude Chabrol/1999/dist: CinéFrance) was a major success at Filmhouse. The film was one of the titles released by the then Filmhouse-based CinéFrance.*

researching, booking and marketing the films, and therefore more expensive to mount. For example, Filmhouse's Marketing and Education Assistant devotes much time to targeting specific films and seasons to particular local groups and communities. Occasionally project funding is available for one-off projects (Filmhouse recently received £2k from the City Council for a festival of Arab films), but in the current funding climate where less money appears to be available for exhibition development it is becoming increasingly difficult for Filmhouse to maintain the diversity of work with the support that it requires. Given the nature of the Filmhouse programme, the cinema's annual revenue funding of £30k from Edinburgh City Council and £92k from Scottish Screen is far from luxurious.

Filmhouse's monthly promotional brochure is currently one of the best in the independent sector, although it needs to be, given that few of the films that the cinema shows will have received high profile press and marketing campaigns. Ingles understands that his audience is both film-literate and anxious to read about a film before choosing to pay to see it. Unlike many cinemas that attempt to sell under-marketed, esoteric titles to unsuspecting audiences in a matter of 2 or 3 lines of copy, Filmhouse regularly supplies around 200 words of intelligently written review for each title. If you're showing *Amélie*, then the TV campaign probably does the job for you, but when you're screening a season of Palestinian cinema it's rather more difficult to raise awareness. And, in any case, Palestinian cinema is unlikely to be perceived as a hip and fashionable 'must-see'. Ingles' policy pays dividends and is a significant contributing factor to why he can programme a Palestinian film season and sell-out the screenings. Filmhouse is not simply interested in preaching to the converted, but in getting evangelical. The production of such a publication doesn't come cheap, but Filmhouse's brochure covers 25% of its production costs through selling advertising space. Paid for by predominantly regular advertisers, this generates c£16k pa.

Ingles is one of the organisers of the 10-year-old French Film Festival. This event has grown in scope and substance over the years and is the UK's largest festival platform for contemporary French cinema. The Festival runs concurrently at Filmhouse, GFT, Dundee

Contemporary Arts and the Belmont in Aberdeen followed by selected screenings in London. As such, it operates as a low-level form of distribution for films that would otherwise fail to see the light of day in Britain and as an awareness-raiser for those awaiting a UK release. By taking place at cinemas across a large area of Scotland, the Festival is able to gain a much higher level of press coverage than would be possible for a single-cinema event.

The high profile presence of French cinema at Filmhouse has done much to boost audiences for French films throughout the year at the cinema. Building on this initiative, in 2001 Ingles became one of the funders who set up CinéFrance, a small, independent distribution company specialising in French cinema and working out of Filmhouse. The aim of the project was to provide distribution for quality French films that had otherwise slipped through the distribution net, the most successful of which has been the release of Claude Chabrol's *The Colour of Lies*. Although these films have played across Scotland and the rest of Britain, one of Ingles' primary objectives was to provide additional strong titles for Filmhouse's programme. Indeed, when *The Colour of Lies* opened in July 2001, it proved to be the most commercially successful film screening at Filmhouse that month. With its exorbitant advertising costs Britain is famously one of the most expensive places in the world to distribute films, with the risks of failure terrifyingly high. However, although no longer directly involved with CinéFrance, Ingles hopes to build on this pilot scheme by setting up a new distribution arm as part of Filmhouse, thereby increasing the number of films available to the cinema.

Filmhouse and the Edinburgh International Film Festival (EIFF) exist not unlike conjoined twins, sharing accommodation, certain staff members and feeding off the resulting synergies. And their shared history goes back over 70 years. The Edinburgh Film Guild was formed in 1930 "for the study and advancement of film art", and brought to Edinburgh an array of European cinema that otherwise would not have been seen in Scotland. In association with other Scottish film societies, the Guild helped to found the Scottish Film Council, and in 1947 it launched the EIFF, the world's oldest, continuously running film festival. The Guild's 100-seat cinema in Randolph Crescent provided

Edinburgh with the first Regional Film Theatre based on the model of the National Film Theatre, and provided a home for the EIFF. In 1978 the building in Randolph Crescent was sold providing funds towards the purchase of Lothian Road Church - the ideal home for both Filmhouse and the EIFF, located opposite another of Edinburgh's cultural landmarks, the Usher Hall, itself a major focus for high profile music events at the Edinburgh Festival. Filmhouse opened in 1979 as a single 97-seat screen, with the main 285-seat auditorium opening in 1983 followed by the bar and restaurant in 1985. The most recent phase of development saw the addition of the 72-seat Screen 3 in 1999. Needless to say, such an extensive range of developments over such a long period involved investment from a large number of partners including The Scottish Film Council (later Scottish Screen), Edinburgh District Council, Lothian Regional Council, the Scottish Tourist Board, and the Edinburgh Film Guild. Additionally, the Filmhouse Appeal contributed a considerable amount whilst demonstrating local support and raising local awareness. The development of the bar and restaurant was funded by the distillers Arthur Bell and Sons to the tune of £250k.

EIFF and Filmhouse were run as a single organisation for many years, sharing a director, budgets, office space and staff. Now the Festival rents offices from Filmhouse and shares several staff. But the collaborative ways in which the two work ensures that both organisations benefit from this relationship. Recently led by artistic directors Mark Cousins, Lizzie Franke and Shane Danielsen (whose first EIFF takes place in August 2002) the EIFF is considered by many in the industry to be one of the best programmed film festivals in the world. Filmhouse has certainly gained from the EIFF's spirit of risk-taking and intelligent programming, and by maintaining much of the Festival's momentum throughout the year, delivers back this key audience to the Festival each August. Partial separation has had its benefits too, enabling the Festival to gain more grants and sponsorship, whilst any short term trading problems incurred by the festival can no longer be a drain on Filmhouse's tight budgets.

Screen sizes are a major bone of contention for virtually all cinemas. Many cinemas have second or third screens that are simply not

financially viable (see Watershed, p49), and Filmhouse is no exception, though the full time cinema and the EIFF probably take rather different perspectives. For Ingles, Screen 1's 285-seat capacity is larger than required for many of his releases, though if the Cameo didn't exist this would be a very different state of affairs. And with the EIFF working at capacity houses for many of its screenings, the 285-seat auditorium invariably doesn't allow them to accommodate everyone who wants to see a particular film and thereby maximise income. Conversely, Ingles considers Screen 2 to be too small for many releases, with screenings regularly selling out, citing an optimum size of 140 seats, though any desire to expand would be difficult at the current location.

The layout of Filmhouse is not ideal - the entrances to Screens 2 and 3 are hidden at the back of the building - but the building boasts an extremely spacious and welcoming foyer from which the newly refurbished bar and café are unmissable. The foyer provides considerable space for posters and press cuttings enabling the cinema to promote upcoming titles, and allows for a large ticket/reception desk and a small retail space for selling videos and DVDs. The bar and café make a very significant contribution to the overall running of the cinema. The addition of plasma and video screens in the bar and foyer in 2002 will provide the venue with additional programming options as well as heightening awareness of the venue's programme. The bar and café not only attract new people into the building, but with a turnover of c£750k pa (turnover for the cinema is £600k pa), contribute an annual profit of c£120k.

Over the last 15 years audience figures at Filmhouse have fluctuated between 145k and 165k pa, achieving their highest point when the Cameo closed for refurbishment. Attendances have now stabilised at c156k pa, a remarkable figure for a cinema operating in such difficult circumstances and delivering such a vital and invigorating programme.



*Despite being housed in a building that was not originally designed as a cinema, Filmhouse clearly signposts the nature of the beast to passers-by without compromising the integrity of the architecture.*



*Filmhouse also caters for conferences and events, an important source of revenue.*

# The Dome, Worthing

[www.worthingdome.com](http://www.worthingdome.com)



## Fact File

Number of screens:

1

Size of auditorium:

600

Date first operated as a cinema:

1911

Operating company:

Worthing Dome Ltd

Style of programming:

commercial, children's cinema,  
occasional arthouse

Redevelopment costs:

c£2m

Potential sources of funding for redevelopment:

Heritage Lottery Fund, English Heritage

2001/2002 admissions:

c75,000

2001/2002 box office turnover

c£300,000

Before you visit Worthing for the first time you are likely to conjure up an image of a genteel southern seaside town basking in very slightly faded Georgian splendour: tea rooms, tea dances, string quartets and the sleepy air of yesteryear. That is part of the make up of the town, but so is the very large population of under-21s searching for something to do, as are the not insignificant number of unemployed people and the burgeoning crime rate. And the feeling of decay that includes a tragic and almost wholly boarded up shopping centre apparently known locally as 'Beirut'.

One of the most visible landmarks of old, 'genteel' Worthing is the Dome. The cinema is almost perfectly located on Marine Parade, only a couple of minutes from the heart of town and overlooking the sea, and as such is necessarily seen by thousands of visitors each summer. The Dome is also one of Worthing's best-loved buildings, its distinctive roof forming an essential part of the town's skyline. It's not surprising therefore that various local businesses have chosen to use images of the building as their logo.

The Dome was built in 1911 as an Edwardian leisure centre, or kursaal, and was named rather unimaginatively... the Kursaal. Downstairs, locals enjoyed the facilities of the area's leading roller-skating rink, whilst upstairs the more sedentary could spend an evening at the movies in the opulent setting of the Electric Cinema for the princely sum of 3d. The whole development came in at only £4000. In 1921, after £8000 of remodelling, the cinema was converted into a ballroom whilst the rink was transformed into a 'luxurious picture house'. At the reopening, fans of Mary Pickford got to see their idol in *Pollyanna*, accompanied by a 6-piece orchestra. Post-War sentiments required a name change, so the Germanic-sounding Kursaal became the Dome.

The interior has survived remarkably well offering a near-perfect glimpse into the glamorous world of an early 1920s picture palace. In the words of the Department of National Heritage:

"The Dome is of dual interest as a rare surviving kursaal or multi-purpose hall... Save for the balcony front, the decoration all dates from the conversion of this hall to a cinema in 1921, and this is both remarkably elaborate and exceptionally complete. The complex as a whole

is a remarkable survival of an early kursaal; the elaborate and well-preserved foyer and principal auditorium justify the Grade II\* status. The Dome is one of the best five early cinemas to survive in England and the grading reflects both its architectural and historical interest."

*DNH, January 1997*

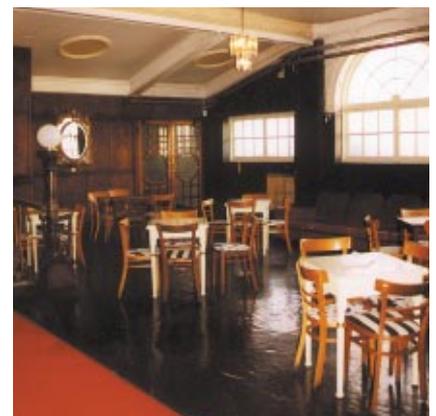
Chairing the trust that runs the building is Belle Stennett. She is a little blunter in her assessment of the cinema foyer in particular, describing it as "a crisis of taste". The reality lies somewhere between the styles of Rococo, Tiffany and the classical world - in other words, pure cinema. Armed with an astute grasp of the business and financial imperatives of the building as well as a real desire to preserve and promote the Dome as a major heritage attraction, Stennett has been leading the project since 1998.

After the successes of the 1920s-40s, the Dome's more recent history was decidedly chequered. Following years of neglect and dwindling audiences, Worthing Borough Council purchased the freehold of the Dome in 1969 specifically to redevelop the area, but their plans lay in limbo for decades. As such, the Council was loath to grant long leases, thereby discouraging tenants from spending large sums of money on maintenance and modernisation. Although this resulted in the accumulated problems of continued neglect, it did ensure that most of the original features remained intact. Despite the fact that the beleaguered building was first listed in 1988, it almost found itself converted into both a shopping centre and a nightclub, but the subsequent Grade II\* listing fortuitously prevented any significant alterations to the interior. The Dome remained in the hands of Worthing Borough Council until November 1998. Over the years various trusts had been set up to save the building, but had collapsed due to a lack of sufficient skills. Stennett realised the importance of bringing together a committee that comprised real, practical skills as well as the energy of cinema enthusiasts. The new trust was set up in August 1998 and included an architect who had worked in conservation architecture, a structural engineer, a quantity surveyor, a solicitor and an accountant, each supplying very specialist and otherwise extremely expensive expertise.

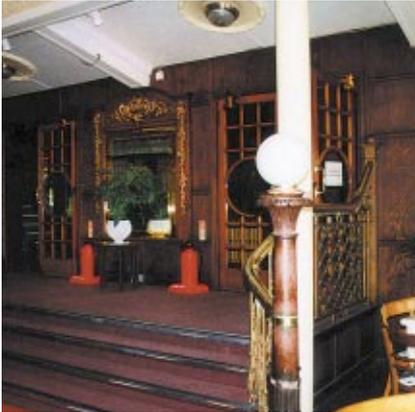
One of the Trust's earliest and key objectives was writing and compiling a business plan that was sent to the Heritage Lottery Fund as part of



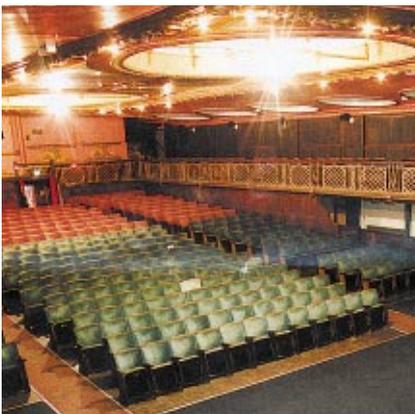
*Audiences arriving at the Dome discover a venue that has changed very little since the 1920s.*



*The Dome's extensive foyer.*



*This staircase is one of the many original features that makes the Dome's interior so exceptional.*



*The Dome's magnificent 1921 auditorium.*

an application for a grant of £2.5m towards refurbishment. This Lottery bid was submitted in February 1999 and was awarded a Stage 1 Pass in October 1999, allocating 75% of the project costs (£1.75m). English Heritage also offered a further £200k that would be accessible once the project started.

Given that Worthing Borough Council was not interested in finding funding for the project themselves they agreed to sell the freehold of the building to the trust at the knockdown price of £10. With a little legal help from a Trust member who happened to be a solicitor the freehold was transferred in November 1999 on the condition that the town's Tourist Information Centre could be located in office space at the front of the Dome.

The cinema had ceased to show films in April and Stennett was determined to ensure that a full programme was up and running as soon as possible. In less than six weeks from the transfer of the lease the cinema was showing films again. In that short period, and with the aid of a £20k grant from Worthing Borough Council, Stennett and her large team of volunteers knocked the building back into an operable condition as well as obtaining the necessary fire and electrical certificates and a new ceiling licence. The Dome reopened on 17 December 1999 with the ironic choice of the minor British classic about a charming, but crumbling cinema, *The Smallest Show on Earth*. And it's certainly not hard to imagine Margaret Rutherford selling tickets from the Dome's original pay box in the cinema foyer or Peter Sellers up in a projection box that has hardly changed in 70 years.

Worthing Dome Ltd was set up in November 1999 to run the cinema operation with a board of directors who are also trustees. The board employed a management agent - PDJ Leisure - to manage the cinema operation including the appointment of initial staff, paying staff, paying creditors, presenting monthly accounts and booking the films. The paid cinema staff currently comprises a full-time manager, a part-time deputy manager, eight part-time ushers, a cleaner and two full-time projectionists.

One of Stennett's major collaborators on the development project has been her son, James. His skills as a designer and carpenter have proved invaluable to the restoration and emergency repairs that have taken place to

date. The wonderfully idiosyncratic Projectionists' Bar located off the foyer was designed by the mother and son team and opened in June 2000. Neither had experience of running a bar, but together with the kiosk, it now provides an important strand of income generation. The bar was created for the relatively small amount of £20k and was paid for through a bank loan to prevent any disruption to the organisation's cash flow.

The Trust's primary objective is now to repair and restore the Dome and to guarantee its future as a commercially viable heritage venue, providing sufficient profit to maintain the building and ensure future growth. And in order to meet the conditions of the HLF funding the Dome needs to raise £500k by 2004. Unlike other cinemas that have emphasised fundraising through community-based initiatives the Dome's main strategy is to generate as much income as possible through its cinema programme, relying predominantly on first run, and occasionally second run commercial titles. The Dome is one of only two cinemas in town, the other being the 2-screen, Council-run Connaught Theatre and Ritz in the centre of Worthing. There is strong competition between the two cinemas - indeed, they have been rivals since the 1920s - but the Dome manages to get many of its first choice titles given the lack of multiplex competition.

The Dome currently struggles to maintain its profile with a small marketing budget and a local press that offers limited support. Stennett acknowledges the need to maintain the momentum of awareness-raising, citing the fact that even after the brouhaha of the HLF funding and the gala re-opening in December 1999, there were still many local people who failed to realise that the cinema was back in business.

The Dome's awareness-raising initiatives have been many and various. Shortly after the cinema's reopening Stennett managed to persuade local radio station Southern FM to broadcast their Breakfast Show live from the Dome. With a regular listenership of 250k - many of whom are the key teenage target audience who would need coaxing to enter a venue that might be perceived as fuddy-duddy - the programme resulted in full houses for the cinema's run of *Toy Story 2*.

Although community fundraising has not been a priority, working with the local community

has been. To make sure that even the youngest audiences have their say in the direction that the cinema takes, the Dome has instigated a children's committee, and the main committee also includes an 11-year-old member. Proving that the cinema pays more than lip service to its youngest members, when *Harry Potter* mania hit Britain at the end of 2001 the Dome's cinema foyer was dominated by a large display created by local children. Most visibly, the cover of the Dome's monthly film brochure was designed by one of the Kids' Club members, sending out a strong message of the venue's individuality to local residents.

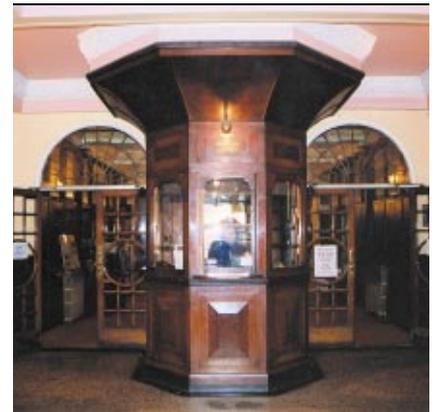
From the outset the cinema has organised regular tours of the Dome complex, enabling people to see areas of the building (many containing remarkable original features) that otherwise would not be accessible to the general public. The tours have not only been popular with local people, schools and tourists, but have acted as an important way of recruiting volunteers and stimulating local enthusiasm and support.

Given the limited selection of films currently available in Worthing (the nearest arthouse provision is 12 miles away in Brighton), one of Stennett's priorities is the building of a smaller second screen. This will be located on the first floor in the space previously occupied by a bingo hall and originally by the Electric Cinema. Stennett hopes that the new screen will not only widen the range of films available at the cinema, but also broaden the range of audiences attending the venue. She plans to apply to the Film Council and South East Arts to fund the capital project. Another plan for increasing the diversity of people attending the venue - especially those with cash in their pockets - is the development of a prestigious new restaurant also on the first floor. With uninterrupted views across the seafront, the restaurant could not be more ideally located. And at the top of the building - in the old billiard room and just under the dome itself - will be a café/bar, again offering some of the best views in town. Stennett is also keen to improve facilities for both weddings and conferences, aiming to accommodate up to 100 people. Among the other long-term plans is the appointment of an education officer to implement an on-going outreach programme for schools, colleges and local groups. The possibility of setting up a small cinema history museum to complement this work is also being

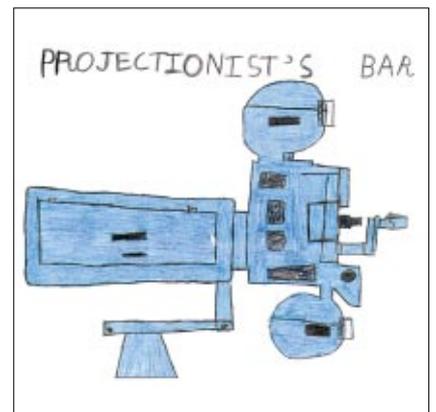
considered. It is hoped that this mixed economy will keep the building alive throughout the day and ensure the viability of the Dome as a business.

This viability is essential if the Dome is to receive the requested £2.5m from the HLF. At the time of publication the trust has received £42k from the HLF towards development costs and an additional £20k from the Architectural Heritage Fund for a project organiser to progress the development for the HLF. The AHF has also provided a £4k administration grant. In preparation for the arrival of the HLF grant, the Trust and trading Company have become VAT registered to ensure that they don't lose a significant proportion of their grant in taxes. But the HLF grant will only provide 75% of the building costs, leaving the Dome with high financial targets that must be reached over eight years.

The restoration and redevelopment of the Dome is potentially one of the most exciting heritage and film exhibition projects of the last decade. A project on this scale has the potential of stimulating local interest in cinema and cinema history, providing the town with a major tourist attraction and acting as a catalyst for local regeneration.



*The original pay box in the cinema foyer.*



*From the programme - drawn by Kit Bradshaw, aged 10 - the Youngest Committee Member.*

# The South Holland Centre, Spalding

[www.sholland.gov.uk](http://www.sholland.gov.uk)



## Fact File

Number of screens:

1

Size of auditorium:

330

Date first operated as a cinema:

1988

Operating company:

South Holland District Council

Style of programming:

commercial, occasional arthouse

Redevelopment costs:

£3.3m (total cost for redevelopment of multi-use arts centre)

Sources of funding for redevelopment:

South Holland District Council, ACE National Lottery, Foundation for Sport and the Arts, local sponsorship

2001/2002 admissions:

26,000

2001/2002 box office turnover:

£72,855

The historic town of Spalding with its mix of 18th century and medieval buildings is famous for its flowers and flower festival. The town is surrounded by fields of blooms that in the Spring turn this spot of the Fens into an image not unlike something from a Dutch Old Master. Indeed, the local authority covering the area is the appropriately named South Holland District Council (SHDC). Cultural provision in small market towns is invariably limited and cinema provision is rapidly becoming a thing of the past. However, the SHDC has done remarkable work to ensure that Spalding's population of 25k (and the largely rural population of c75k who live within a 15 mile radius of the town) have considerably more than daffodils and tulips to enrich their lives.

The SHDC-owned South Holland Centre is the major cultural resource for a significant area of Lincolnshire with a range of activities that runs from theatre to cinema to jazz to tea dances. The Centre appeared in its first incarnation in 1974, created out of the old Corn Exchange, though the venue didn't start screening films until 1988. By the early 90s the Centre was beginning to show its age and its facilities were increasingly incapable of accommodating the flexibility that the venue demanded.

With the support of the Eastern Arts Board SHDC commissioned architects Sansome Hall to undertake a structural feasibility study to look at development potential for the building, and with their team, which included a company of cinema and theatre consultants, they completed the re-development work on the Centre. A SHDC briefing team including Nigel Hawkins, Arts Manager for the Council, oversaw this work. Hawkins recalls one of the teething problems that the venue faced:

'A real problem was the placing of delicate and sensitive cinema equipment on sites where work was still in progress. The rush to complete the build and place equipment in areas which are not completely dust free, must be resisted and in our case caused enormous operating problems.'

Hawkins also points to the need for staff training when faced with a new building:

'Our staff were trained in running a live arts venue, not a cinema. Although we brought in trainers to ensure that they learned new skills, it's important not to underestimate the amount of time required for the training process.'

Despite these problems the building, which re-opened in April 1998, is a great success and is notable for its bold and eye-catching architecture. It is a brave architect that plans to rip down the front of an old building that nestles between Georgian neighbours and replace it with a modern façade, but that's exactly what Sansome Hall did. The Centre is now faced with a mix of stone and brick that sympathetically relate to its surroundings in a great juxtaposition of architectural styles, and the focus is a large and very modern window looking out across the square. The window not only offers a strong architectural statement, but reveals people enjoying the café/bar and public spaces on the first and second floors especially at night. And to the right of the doorway is a glass-fronted clock tower and staircase exposing the bells that have pealed in Spalding for the last century. Only the most virulent critic of contemporary architecture could have objected to the designs. Indeed, one of the more bizarre complaints that SHDC received when the plans were published for public consultation was from someone who worried that men might look up women's skirts when they walked up the glass-fronted staircase!

The Centre benefited from the Arts Lottery's Percentage for Art Scheme as 2% of the total capital costs were allocated to several art projects. This use of public art has added greatly to the venue, emphasising its uniqueness, its relationship to the local community and Spalding's history, and by reinforcing a real sense of identity. The attractive new clock face and housing for the bells provide an aural as well as visible landmark for the town. The oriel window at the front of the building not only makes passers-by want to stop and look but provides a focus for drinkers and diners in the café/bar. It was etched by a glass artist and is decorated with snippets of local history and verse. And the specially commissioned trailer that shows in front of all films playing in the venue makes screenings feel more special, far removed from the 'could-be-anywhere-on-the-planet' experience of most multiplexes.

Given that the Centre is a multipurpose arts venue each activity has to be accommodated within the same, adaptable space, a recipe that in many similar venues has resulted in compromise. For example, the recently closed



*Catering is sub-contracted to a local independent company, adding to the venue's feeling of uniqueness.*



*The Centre's auditorium was designed to accommodate a range of artforms.*



*The multi-purpose auditorium prepares for a film screening.*



*The Centre's striking architectural design fits sympathetically within Spalding's Georgian town square.*

Lux in east London never offered a fully satisfactory 'cinema' experience despite the excellence of its programming and striking design. Even though the building was purpose-built, its multifunctional cinema/performance/events space was far from ideal for film screenings. The requirements of other activities - as well as aesthetic preferences - had been prioritised over the demands of a cinema.

Fortunately the experience of watching a film at the Centre is as comfortable and successful as that of going to the theatre. The plush, raked auditorium has retained the old stalls and circle configuration, and even the 'slip' seats along the side walls at circle level prove popular with punters who are prepared to enjoy their exclusivity at the price of getting a crick in their neck. Most importantly, the screen is a good size and the image is masked. This level of quality ensures that audiences feel that they are attending a real cinema, not one that simply rolls down a village hall-style battered screen whenever they fancy showing a film.

The Centre is the only cinema in the area and it requires a 32-mile round trip to Peterborough until you reach the nearest competition. This kind of journey is simply not feasible for the majority of cinemagoers so the Centre's film programme is vital to the local community, especially those people who don't own a car.

The Centre's programme comprises a mix of mainstream, independent, and a few foreign language titles attempting to bring the widest and most accessible range of films to Spalding. Given the limited size of the immediate catchment area it isn't feasible for the venue to screen new titles on long, open-ended runs, a lesson the Centre learned through experience. On average the cinema screens films for between 2-4 days, though these screenings have to be programmed around live events taking place in the auditorium. The venue targets different audiences by trying to build up an expectation that certain types of films will be screened on particular days of the week with one show taking place per night. In general the programming structure aims to include films for audiences aged 30+ from Monday to Wednesday, whilst targeting young people and children from Thursday to Saturday. Children's films play a very important role at the venue with matinées throughout the school holidays as well as the weekly Saturday morning kids' slot. Programmes also include occasional

weekday matinees helping to make the venue accessible to older people who would rather not venture out at night.

The Centre is the antithesis of the anonymous atmosphere of many local authority amenities throughout Britain and prides itself on the very friendly and accommodating environment that it has created. This mix of personalised service and facilities that feel special rather than off-the-peg plays an important role in attracting and maintaining audiences. The café/bar typifies this experience and it is perhaps significant that the catering has been subcontracted to a local independent company.

The cinema is largely promoted via the bi-monthly cinema leaflet, providing reviews of all titles, dates, times etc. The fact that this information is not just included in the Centre's main publicity brochure helps to reinforce the cinema's identity as well as ensuring that the film programme doesn't suffer at the expense of the long lead times that are often required when promoting live arts. The leaflet receives extensive distribution and is mailed to selected postcodes throughout the area. Unlike much local authority-produced literature the Centre's cinema leaflet displays its SHDC credentials quietly. The effect is in tune with the building itself: it has the appeal and idiosyncrasy of an independent cinema.

The SHDC has a very healthy attitude towards the cinema, choosing not to see the film programme as a cash cow that will subsidise other activities at the venue, but as an important cultural resource in its own right. The cinema programme pays its way, but venue overheads are subsidised by the authority.

When plans for the redevelopment were first mooted, the Centre faced the daunting task of mounting a film programme even though no one in the building was a film exhibition specialist. But as a venue based in Lincolnshire they had the enormous advantage of the services offered by Cinelincs.

Cinelincs, or the Lincolnshire Cinema Exhibitors Consortium, is a project that grew out of a partnership between four district councils and arts centres in Lincolnshire, Lincolnshire County Council, Eastern Arts Board and the British Film Institute. It has been instrumental in developing film exhibition in the county, providing its members with a specialised film programmer,

booking service, marketing advice, and education programmer and project budget as well as networking opportunities. Although the model has not yet been copied elsewhere in Britain, the Consortium provides an excellent example of what can be achieved in rural areas when a group of exhibitors work together.

Cinelincs comprises five venues - both arts centre and full-time cinemas - across the county who are committed to screening a broad range of films. In addition to the Centre they include Blackfriars Arts Centre (Boston), Trinity Arts Centre (Gainsborough), Grimsby Screen and Stamford Arts Centre. Each venue devises its own film programme in consultation with Cinelincs' co-ordinator, as such programmes are developed to reflect the venue's cultural priorities and the specific needs of each audience. Inevitably there are similarities between the programmes of each venue, but the Consortium does not act as a circuit, responding to different needs, marketing deadlines and screening slots. Cinelincs acts as a central booking service for the venues with the co-ordinator negotiating directly with distributors, though contracts and invoices are administered by the venues. Education is central to the work of the Consortium and a successful bid to the Lottery's Arts For Everyone scheme secured c£100k funding for a three-year education project.

The Consortium is funded from fees paid by each of the participating venues. This is based on a £500 annual membership fee; a charge of £3 per title booked and an additional 5% of the net box office up to £30k, and 2.5% over £30k. Cinelincs also receives funding from East Midlands Arts and Lincolnshire County Council.

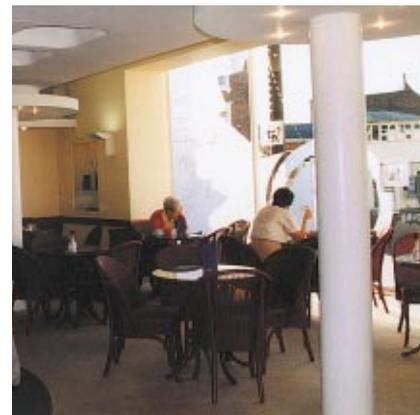
Importantly, Cinelincs provides a forum for its members to meet and exchange ideas and information, helping to remove the sense of isolation frequently experienced by arts professionals working in rural areas. This is particularly true of film where the industry is largely based in London.

The Centre's relationship with Cinelincs has proved vital to the development of Spalding's only cinema. According to Hawkins:

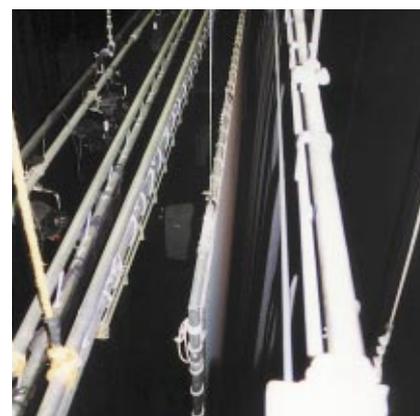
'Cinelincs has proved essential to our development as a cinema. Not only have we saved the costs of employing a cinema specialist - or braving it on our own - the

Centre feels part of a much wider network of shared ideas. It would be impossible for each of the participating venues to attend festivals and screenings in London, but Cinelincs' co-ordinator is able to share their experience with us.'

Cinelincs has made an enormous contribution to the development of cinema culture and audiences in Lincolnshire. Dealing with a very low population density the Centre's impressive audience of c26k in 2001/2002 may not have been achieved without such expertise on hand.



*The café/bar provides an attractive meeting place in the heart of the town centre and provides views across the square.*



*The cinema screen conceals the paraphernalia required for theatre production.*

# The Ritzy, Brixton

[www.ritzycinema.co.uk](http://www.ritzycinema.co.uk)



## Fact File

Number of screens:  
5

Size of auditoria:  
354, 179, 125, 108, 84

Date first opened as a cinema:  
1911

Operating company:  
Zoo Cinemas

Style of programming:  
commercial, arthouse, festivals

Redevelopment costs:  
£4.2m

Redevelopment funding sources:  
Private, City Challenge

2001/2002 admissions (1/5/01 - 30/4/02):  
377,664

2001/2002 box office turnover (1/5/01 - 30/4/02):  
£1,856,457

*'The Ritzy is my local cinema and, as a citizen of the global village, it provides me simultaneously with the cosmopolitan and the cosy.'*

Will Self, author

'Vibrant' and 'colourful' are two of the euphemisms most frequently thrown in Brixton's direction, but the cultural, racial and social mix that co-inhabits this corner of Southwest London ensures that it is one of the most diverse areas of Britain. Brixton still lives in the shadow of the infamous 1981 and 1996 riots, but anyone who has not visited in the last decade is probably unaware of the changes and developments that have taken place. Some people bemoan these changes - particularly the loss of the radical political edge that once preserved Brixton as the squatters' capital of Western Europe - citing the gentrification that has encroached in certain areas as the thin end of the wedge. Brixton still has a disproportionately high number of people living in poverty, but it now has a truly 'vibrant' cultural infrastructure. This embraces the Brixton Academy (South London's biggest music venue); a range of clubs, including the Fridge, to which the young, fashionable and cutting-edge make their pilgrimages from across the capital; it provides a home to two of Britain's key black cultural resources - The Voice and the Black Cultural Archive; and at the centre of everything is the Ritzy Cinema.

Under the guise of the Electric Pavilion, the doors of the Ritzy first opened on 11 March 1911. It was one of Britain's earliest purpose-built cinemas, seating over 750 people in the single auditorium. After an assortment of alterations and a series of name changes over the years the cinema closed in 1976, demolition was threatened, and it appeared that Brixton would lose this important cultural and community resource.

In 1978 local cinema enthusiast and film editor Pat Foster came to the rescue. He placed an advert in London listings magazine Time Out requesting four people to join him in his mission to save the cinema by investing £1k. Out of this entrepreneurial zeal the Ritzy (or 'Little Bit Ritzy' as it was then called) re-opened later in the year. Foster (whose film editing credits include the sex-spoof *Eskimo Nell*) and his co-workers shared the roles of programmers, projectionists, managers and ushers, finding themselves sticking bits of celluloid together one night and selling ice

creams the next. The repertory programme at this time offered one of the most diverse ranges of films available in London; it was political, it was radical, and was one of the very few venues in Britain to make a regular commitment to screening lesbian and gay cinema. The cinema was so politically aware that it was not unknown for an over-zealous projectionist to turn censor and snip out a sex scene that was felt not to meet the current approved sexual orthodoxy.

The 1981 Brixton riots had a profound effect upon the box office of the cinema with audiences who came from outside the immediate area feeling too nervous to enter what they presumed to be a war zone. As the decade progressed it became increasingly clear that the cinema was unlikely to survive in the prevailing economic and cultural climate unless it developed. Additionally, the fabric of the 80-year-old building was beginning to show its age and audiences now had the added entertainment of water dripping from the ceiling whenever it rained.

After discussions with several cinema operators, the Ritzy was finally sold to Oasis in 1994. Oasis appeared to have exactly the right credentials for a cinema renowned for its cultural and political nous. Already owning the Gate in Notting Hill and the Cameo in Edinburgh, Pete Buckingham of Oasis and Island Records' Chris Blackwell (who owned Oasis with producer Jeremy Thomas) were staunch advocates of independent cinema. Not only did the purchase provide the cinema with far greater financial stability, but also with much increased bargaining power. As a single screen venue the cinema had had little clout with the distributors of key first-run features. As part of a small but influential chain, there was always going to be a far greater chance that the Ritzy would get the films that it wanted.

Given the diversity of local audiences a single-screen cinema was never likely to fulfil the needs of the whole community or, indeed, the financial ambitions of its owners, so Oasis embarked on a major redevelopment project to transform and redevelop the building. The cinema closed in 1994 to reopen a year later as the largest independent specialist cinema in the country, complete with five screens, a bar and café.

Although the cinema was designed to be part of the new Brixton, at the heart of the plans was the renovation and preservation of the Grade II



*The Ritzy's original 1911 auditorium remains one of the most attractive cinemas in London.*



*The Ritzy is located at the heart of the community in Brixton town centre*



The Ritz's foyer seems extensive, but is often hard pressed to accommodate rush-hour audiences for all 5 screens.



A reminder of the past, this projector is now housed in the main bar.

listed 1911 auditorium. With its wonderful asymmetrical proscenium arch the auditorium remains remarkably unchanged, unlike other cinemas that were ripped apart for the addition of subsidiary screens or innovations such as Cinemascope.

The majority of the funding for the development came from Blackwell with a small amount of public money from the City Challenge scheme that had been set up to stimulate urban regeneration. There were problems at virtually all stages of the redevelopment and the project finally came in at £4.2m - £1m over-budget. This over-spend, combined with problematic advice given at various stages of the redevelopment, has had long-reaching effects on the cinema. Not only did the cinema re-open for business with a big hole in its owner's bank account, but some of the decisions made about the infrastructure and layout of the building were forced by financial compromise. For example, each of the five auditoria has its own projection box with each requiring its own projectionist. This is an extremely expensive luxury in days when many multiplexes survive on a skeletal team of projectionists working from a single projection box. And with digital projection no longer the stuff of a faraway, brave new cinematic world, the Ritz faces the prospect of lugging expensive, fragile equipment from projection box to projection box in the not too distant future.

Oasis is now managed by Zoo and its Managing Director - and programmer of the Ritz - is Clare Binns. She first joined the cinema in 1980 as an usher, later becoming a shareholder, then joined the new team when Oasis took over the cinema. With over 20 years working in independent film exhibition Binns' film knowledge and acuity is among the best in the business. She's opinionated and an opinion-former, the kind of person who would never book a film without seeing it first. Importantly, her continued enthusiasm for cinema is palpable and, apparently, inextinguishable. When dealing with the imprecise science of film programming, Binns' experience of monitoring the successes and failures of thousands of films and building relationships with film distributors has proved invaluable for the Ritz's on-going success.

Unlike central London-based screens, the Ritz's audience is predominantly local. As such Binns and her estimable co-programmer Carol Miller provide their audiences with one of the

most wide-ranging selections of films available at a single cinema anywhere in Britain. At the end of 2001 the Ritz's programme included theatrical runs of *Harry Potter* and *Legally Blonde* at one end of the spectrum via *The Man Who Wasn't There* and *Apocalypse Now Redux* to *The Piano Teacher* and Ken Loach's *The Navigators* at the other. These full-scale theatrical runs are backed up by week long runs of small arthouse releases playing matinées only including such titles as *Gohatto*, *La Ciénaga*, *At the Height of Summer* and *The Iron Ladies*. In addition, the programme includes regular Sunday matinées, a choice of two different films for kids each Saturday morning, as well as a host of one-off events, special screenings and festivals, including The Human Rights Watch International Film Festival ([www.hrw.org/iff](http://www.hrw.org/iff)), Cinemagic Children's Film Festival ([www.cinemagic.co.uk](http://www.cinemagic.co.uk)), and certain screenings for the London Film Festival ([www.rlff.org.uk](http://www.rlff.org.uk)).

The Ritz is first and foremost a commercial cinema, but Binns cites that:

'Although we must be seen to be delivering large amounts of cash to distributors, the Ritz needs to do this within a cultural context. If we were to take the perceived 'easy route' of simply screening blockbusters, we might benefit in the short term, but this policy would damage our long-term audience development aims.'

Binns has remained true to the cinema's spirit of radicalism by maintaining a political edge to her programming as well as catering for the very specific needs of local audiences. Given Brixton's significant Afro-Caribbean population, the Ritz has made an on-going commitment to screening films by black filmmakers or for black audiences. In addition to screening first-run features, the Ritz regularly hosts events and screenings promoted by Nubian Tales ([www.nubiantales.net](http://www.nubiantales.net)) including the Bites, Beats and the Big Screen festival. Binns stresses how important it is for an independent cinema to ensure that an audience trusts the venue's programming choices. As such she doesn't just screen every culturally diverse film that is offered to the Ritz, rejecting *Scary Movie 2*, for example, because it failed to make the quality grade. The Ritz also offers a platform for local filmmakers and artists - screening their work and hosting exhibitions - with regular events taking place in the Ritz Café.

The cinema runs both the café and bar. Although they are not major income generators, they ensure that the venue is kept alive and buzzing and offer greater flexibility for accommodating events. Indeed, one of the planned developments for 2003 is a new crush bar with video facilities, further widening the programming options.

Education plays a major role in the Ritzy's programme and the cinema employs a fulltime education officer to mount a range of screenings and events for both schools and the general public.

The Ritzy's only real local rival is the Clapham Picture House, located a couple of miles away in the leafier and rather more bourgeois heart of Clapham. Run by City Screen (see p72), Britain's leading operator of independent arthouse cinemas, Clapham audiences similarly benefit from a programming policy that is predicated on quality. Although on occasion the two cinemas do show the same titles, as a general rule the Ritzy and Clapham Picture House attempt to show different films. This not only ensures that audiences aren't split in two, but with so many screens showing a wider choice of films across Southwest London local cinema-going is encouraged.

Like City Screen, Zoo operates and/or programmes and books films for a range of cinemas across Britain. The Zoo empire still includes the Cameo in Edinburgh and the Gate in Notting Hill, but their sphere of influence now includes eight cinemas in London as well as cinemas in Croydon, Letchworth and Henley-upon-Thames - a total of 30 screens. Each of these cinemas has a very different programming policy, with those based in less cosmopolitan areas generally screening a more middle-of-the-road range of films. As the chain grows, so does Zoo's negotiating power with distributors, helping to ensure that each of the cinemas gets more of the films that they want when they want them.

Zoo's experience in film exhibition has helped to put some of these cinemas on a more secure financial footing without compromising their cultural integrity. As Binns points out:

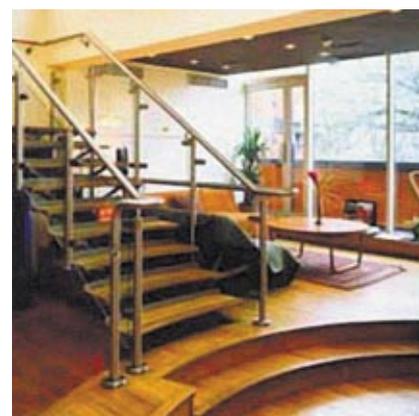
'Everyone thinks that they're a film programmer just because they watch and like films. Many cinema owners believe that the best way to make money is to show the biggest

blockbusters. But this isn't always the case. I worked with one cinema that always wanted to be screening the top three blockbusters, happily paying distributors the 50-60% of the box office that they demanded. Not only were they paying these high percentages, but the films were invariably playing at other local cinemas. It made more economic sense for them to screen smaller films that wouldn't necessarily be screening nearby and for which the distributors' take could be as low as 25%. Once the cinema adopted this new programming policy they saw their profits noticeably rise.'

The Ritzy's own programming policy ensures that it caters for a real diversity of local audiences - it's a mix of multiplex, commercial arthouse and Regional Film Theatre rolled into one. The cinema understands that its audiences are film literate and politically aware, that many have young families, and that a lot of people simply want to see the best blockbusters around. By catering for these specific local needs, and not pandering to pap, it stops people from jumping on the first tube to watch films in the West End and has resulted in an outstanding 385k admissions a year.



*The Ritzy's digital projector. The Ritzy was the first UK cinema to screen Star Wars digitally.*



*Upstairs at the Ritzy, which overlooks Brixton town centre.*

# Harbour Lights, Southampton

[www.picturehouse-cinemas.co.uk](http://www.picturehouse-cinemas.co.uk)



## Fact File

Number of screens:  
2

Size of auditoria:  
325, 144

Date first operated as a cinema:  
1995

Operating company:  
City Screen

Style of programming:  
commercial, arthouse, repertory

Development costs:  
£1.5m

Sources of development funding:  
Southampton City Council,  
Hampshire County Council, British Film Institute

2001 admissions:  
87,000

2001/2002 box office turnover:  
Not available

During the early 1980s cinema provision in Southampton was miserably inadequate. With a handful of commercial city centre screens provided by Odeon and Cannon (later ABC), a college-based independent (the Mountbatten) and the university-based film society, there was little real choice for the city's 250k population. In 1986 the city saw the arrival of two crucial developments for film exhibition. The Gantry, Southampton's community arts centre, opened and committed itself to screening a range of films that otherwise would not have seen the light of day in the city. And the City Council funded and ran the city's first film festival. Like certain other council-run film festivals the Southampton Film Festival was partly an exercise in civic PR, an attempt to ensure column inches in the national press. But the wide-ranging and often innovative programme and the strong educational work formed the foundations upon which Harbour Lights would be built. The festival attracted very large audiences and the sell-out successes of more 'difficult' work together with the findings of audience surveys helped to make the case for year-round, full-time arthouse provision in the city.

The impetus for a Regional Film Theatre (a *bfi*-supported independent cinema specialising in cultural, arthouse cinema) came largely from the Film Festival Committee (comprising a range of local film programmers, teachers, film enthusiasts and cinema managers) and particularly from the Chair of the Committee, Councillor Wyn Jeffery, rather than from Council officers. In 1989 Jeffery, then Vice Chair of the Leisure Committee, proposed that the Council commission a feasibility study on establishing an RFT in the city. The *bfi* had long been interested in seeing the development of another RFT in the under-provided South and offered to co-fund the study. Later in the year the Council appointed an officer to programme and manage the film festival and also established the Film Development Group, chaired by Jeffery, to steer the project ahead. The Group comprised members of the Film Festival Committee with officers from across the Council, representatives of other city arts organisations, the *bfi*, Southern Arts and Hampshire County Council. The study, published in 1990, announced that:

'A modern RFT, well resourced, programmed and organised, will be a major asset to the entire region, providing culture, education and, above all, entertainment to the people of

Southampton and beyond... It should present the best of world cinema and a mixture of English and foreign language releases. The film programme should be augmented with a range of events, talks and an education programme.'

A design brief for the proposed cinema was drawn up as part of the feasibility study based on a number of existing RFTs including Broadway in Nottingham and Cornerhouse in Manchester, and proposed a range of facilities, screen capacities and full access for people with disabilities. The study provided outline capital and revenue projections for running the cinema and capital costs based on fitting out a shell structure as well as audience projections. The *bfi* had stressed the importance of a purpose-built, stand-alone venue, thereby avoiding the compromises inherent in a conversion, and so the feasibility study identified a range of sites across the city, but predominantly on the waterfront, then a major regeneration area in Southampton. The study also emphasised that good public transport and parking would be key to the venue's success.

But there was another key factor in choosing the waterfront and the Ocean Village location in particular. In an agreement with Associated British Ports (ABP) the Council had committed to providing a commercial heritage attraction on the site with £1.2m capital allocated to the project. When it became clear that it was impossible to build the proposed Maritime Heritage Centre within that budget, the Council found themselves potentially in breach of contract. Only one 'heritage' project was sufficiently advanced to meet ABP's deadline, so Ocean Village quickly became the Council's favoured location for the RFT. The cinema would be located a stone's throw away from the MGM (now UGC) multiplex, creating a mini cultural quarter on the waterfront.

A second brief was drawn up and based on a business plan prepared by the Council's Arts Manager and Film Festival Officer. It offered more precise costings and provided a range of potential options. The first option was based on the full recommendation of the feasibility study. Options 2 and 3 were necessarily geared to the limited resources available from the Council.



Joe Low

*Harbour Lights' dramatic new building offers an important landmark on Southampton's otherwise unattractive Ocean Village development. The light, bright interior offers great views across the waterfront.*



Joe Low

*All public spaces were designed to feel as light and open as possible.*



Joe Low

At night Harbour Lights' glass frontage ensures that the building feels alive and buzzing.



Joe Low

Harbour Lights' exhibition space helps to attract different audiences to the venue.

**Option 1**

Screen 1 = 350 seats  
 Screen 2 = 150 seats  
 Bar  
 Café  
 Gallery  
 Cost = £2.196m

**Option 2**

Screen 1 = 350 seats  
 Screen 2 = 150 seats  
 Bar  
 Cost (excluding fitting out of Screen 1) = £1.407m

**Option 3**

Screen 1 = 350 seats  
 Screen 2 = 120 seats  
 Bar  
 Cost (excluding fitting out of Screen 1) = £1.347m

In March 1993 the Council decided to go with a reduced specification - cutting back or excluding elements such as the café/bar, foyer space and exterior landscaping - to meet their available budget of £1.3m. The project received an additional £100k from the *bfi* and £50k from Hampshire County Council, but Southampton City decided not to investigate other fundraising options given ABP's impending deadline of October 1994.

	Original budget	Final costs
Construction	£1,062,800	£1,151,700
Fees	£138,200	£170,000
Equipment	£128,000	£153,600
Other	£21,000	£21,700
Contingency	£100,000	n/a
	£1,450,000	£1,497,000

All of the partners believed that the cinema should be a landmark building of high quality and design. Three architectural practices were shortlisted and Burrell Foley Fischer was appointed, impressing the funders with their track record of cinema design and their ability to find imaginative, low cost solutions where required.

Building began in summer 1993 and Harbour Lights finally opened in February 1995, 4 months late. Southampton had one of the most beautiful contemporary cinemas in the country, and a landmark building for the city. But by the

end of the year it became clear that the ambitious audience targets (40% for Screen 1; 30% for Screen 2) were not going to be met. Year on year the cinema failed to meet its financial targets and the doors were closed in January 1999.

**What went so badly wrong?**

The Council saw Southampton's waterfront developments of the 1980s and 90s as vital to the economic growth of the city, but the reality did not match the expectations. Despite creating a marina full of expensive, shiny boats and hosting the starting point of the Whitbread Round the World Yacht Race, the waterfront failed to become a year-round mecca for wealthy yachting enthusiasts. Hopes of a buzzing development of quality restaurants, chic bars and exclusive shops were never realised. Instead, the focus of Southampton's waterfront developments is Ocean Village, and at the centre of this is Canute's Pavilion, an enormous shed packed with trinket shops, fast food outlets, theme bars and assorted life-sized fibreglass sea creatures suspended from the ceiling. The world and ambience of Canute's Pavilion is a million miles away from that of Harbour Lights, yet they exist in close and slightly uncomfortable proximity.

Ocean Village is located about a mile away from the town centre and is poorly served by public transport. Even for the more athletically inclined, it is not an especially pleasant walk to get there. At one time the Council had ambitious plans for a Rapid Transport System that would revolutionise public transport in the city, making the waterfront easily accessible and more attractive. It never materialised, but neither did any significant improvement in the bus services.

Given its out-of-town location Harbour Lights lacks the visibility that is essential to the success of so many cinemas. Whereas the nationally and internationally known chains such as Odeon and UGC can succeed on the might of their brand and the saturation marketing that their product receives, an independent arthouse has a much tougher job to make its presence felt. Virtually no one in Southampton has to walk past the front door of Harbour Lights to get to work or home, indeed the number of people working and living in the Ocean Village area is limited. As such the vast majority of potential audiences have to make a decision to get in their cars and drive to the

cinema to watch a film or to have a drink. Whilst the cinema struggled to achieve box office targets it was also hampered by the initial lack of investment in start-up costs and by the costs of running the building itself. The price of having a glimmering building clad in glass resulted in high utilities with prohibitively expensive heating and window cleaning.

The more patronising of the cinema's critics claimed that Southampton simply didn't have the kind of population who would be interested in arthouse cinema.

Moving from a position of throwing money at the flailing cinema the Council adopted a 'not a penny more' stance and by early 1999 it looked as if Harbour Lights would at best be converted into a bingo hall, and at worst, demolished. Leading the local campaign to save the cinema was Southern Arts' Film Officer Jane Gerson and Roger Brown, Principal of Southampton Institute and former Harbour Lights Board Member. Gerson joined the Arts Board in 1993, the week in fact that the foundation stone of Harbour Lights was laid. Previously she had worked as a Film Exhibition Officer at the *bfi* for 12 years and her experience of cinema development, film programming and marketing proved invaluable when disaster hit the cinema. For several months Gerson found herself working up to 14 hours a day in her bid to save the cinema and quickly commissioned an emergency consultancy followed up by a feasibility study to investigate realistic and practical options.

Gerson cites a lack of marketing and programming skills as being fundamental to Harbour Lights' problems:

'One of the biggest mistakes was that the cinema's approach to marketing neither clearly defined nor adequately targeted its key audiences. To many people Harbour Lights appeared to be like an exclusive club.'

This image of the cinema as a venue for a snobbish élite was reinforced by the cinema-baiting policy of the Echo, Southampton's daily newspaper, and in four years the Harbour Lights team were unable to woo or tame the blood-thirsty tabloid.

Audiences were also confused by the nature of the beast. The mix of slightly oddly chosen commercial and arthouse films often sat uncomfortably together, and the programme lacked the ambition and diversity of other key RFTs. According to Gerson:

'Harbour Lights had a wonderful building, but the programming didn't really demonstrate an understanding of who the potential audience was. Programming should be key to audience development, but the essential mix of diverse, quality work was often missing.'

Working closely with the *bfi* and City Council Gerson approached the respected independent arthouse cinema circuit City Screen to consider taking over the cinema. With the chain of highly successful Picture House cinemas including venues in other university towns such as Oxford, Cambridge, York, and Brighton, City Screen was the ideal organisation to resurrect Harbour Lights without compromising its cultural ideals and ambitions. The cinema reopened in September 1999 after 8 months of darkness as the re-branded Harbour Lights Picture House. City Screen had to make a major investment in the cinema but has been financially supported by the City Council, Southern Arts and the *bfi* (later by the Film Council).

Although the cinema may no longer look quite as smart and immaculate as when it first opened, City Screen has turned around the operation in just two years. In 2001 Harbour Lights began to start recouping City Screen's investment as well as being voted 'Best Loved Independent Cinema' by readers of Empire magazine. Managed by City Screen the cinema has massively reduced the administrative costs (especially staff) incurred by an independently operated cinema.

City Screen's programmer Alex Stolz has found a programming mix that is diverse but creates a very strong and clear identity for the cinema. At the end of 2001/early 2002 the cinema's programme ran from the acclaimed blockbuster *The Lord of the Rings* (a commercial choice, but fitting in with the programming integrity of the cinema) to arthouse titles such as *Kandahar*, *The Circle*, *The Piano Teacher*, *Little Otik* and *The Devil's Backbone*.

And the programme is backed up by the chain's usual marketing expertise. Realising that Harbour Lights had failed to attract the bulk of Southampton's massive student population, many of whom live and study right at the other end of town, City Screen has focused much of its energies on luring this essential group. They have developed special student screenings and events, provide extremely attractive ticket offers (some introduced screenings are free to students) and are very proactive in promoting the cinema on campus. Crucially, City Screen has gone out of its way to build relationships with the local media, especially the Echo, and the cinema is now perceived as a fashionable destination rather than an élitist white elephant.

Harbour Lights is now buzzing with its regular quiz nights, kids' matinees, late night screenings, film studies courses, Bollywood screenings, parties and schools events. As Gerson points out:

'Harbour Lights now feels like a place where film is celebrated. City Screen's policy has demonstrated that despite the perceived problems of location, if you create the right programme, the right ambience and understand your market it is possible to make such an enterprise work.'

# Sample Options Appraisal

The following is reproduced by kind permission of the National Museum of Photography, Film and Television from a successful Lottery application made in 1997.

## Introduction

NMPFT was, until very recently, the only site in the world where it was possible to view the complete spectrum of all the major and culturally significant film formats. Recent developments have led to 3D IMAX projections systems.

Having been the only IMAX theatre in Britain for 14 years, five new theatres will open by 2000 in the south of England, and all will have 3D technology.

This options appraisal examines the implications of these developments on the Museum's 2D IMAX.

## OPTIONS BEING EXAMINED

Four options were identified:

- Option 1 - Do nothing
- Option 2 - Upgrade to 3D IMAX
- Option 3 - Consider other 3D technology
- Option 4 - Consider minimal action

### OPTION 1 - DO NOTHING

In recent years, the growth in number of IMAX theatres around the world has increased steadily and is now extremely buoyant. IMAX, once a fledgling format, has demonstrably passed its trial period. Although in comparison to 35mm theatres, the number of theatres is relatively small, the increase in IMAX theatres has created the necessary critical mass to increase awareness, and stimulate film production and build audiences. The wider profile has increased their worth in terms of the size and impact they contribute to social and economic regeneration, tourism and inward investment plans.

The small number of theatres, coupled with their wider spectacular appeal to visitors ensures that wherever they are, they provide a honey-pot attraction - a 'must-do' filmic experience.

Although the IMAX at NMPFT remains unique in Britain, a further five are being opened by the year 2000 - three in London, one in Bristol and one in Bournemouth. This is a positive step for the development of IMAX in Britain. A greater number of IMAX theatres will increase

awareness of the IMAX medium and help build audiences and encourage further film production. In the short term this could have a positive effect on the Museum's performance.

However, the new theatres will all have 3D technology, an advance which will impact upon the Museum's 2D theatre.

If the NMPFT remains with 2D technology the implications are:

- 2D is effectively 'old' technology which sits uncomfortably with the Museum's new development, where new technology and its artistic possibilities are at the top of its agenda. In the longer term remaining 2D could effectively tarnish the full potential success of the newly launched Museum;
- the Museum will no longer be the place where all film formats can be viewed;
- the Museum's remit for educational film exhibition, festivals and conferences will be constricted thus its National authoritative voice will suffer;
- the institution's 'national' status - The National Museum of Photography, Film and Television - will be undermined, both in Britain and in a world context;
- the percentage of 3D films being produced is rising in even greater proportion than the rise in 3D theatres and thus the Museum's film mission will be seriously compromised as it will not be able to offer the full spectrum of available programme;
- the Museum's active Bradford Film Festival programme with its particular and unique emphasis on widescreen will not be able to include all new IMAX releases, with loss of profile and artistic relevance;
- the points made above will have the effect of depressing audiences. A drop in audiences will impact on the Museum's longer term business plan, both in terms of visitors, but also in retail and corporate hire. The drop would gather momentum as the five other IMAX theatre's profiles grow, and the number of new 2D films decreases;
- the fact that at present the Museum's IMAX will remain the only such facility north of London presents a dichotomy. The impact of 3D technology will not immediately be keenly felt as the new 3D

IMAX theatres are geographically distant. However this does demonstrate a very uneven balance of artistic and educational provision. Those visiting in the South of England will have a choice of five 3D IMAX theatres. Those visiting the North will only have comfortable access to what is effectively outdated facilities offering an increasingly restricted artistic programme. Visitors able to make a choice will select a visit out of this region;

- it would be significantly more expensive, both in terms of structural works and disruption to the business plan to have to embark on an upgrade once the 'new' Museum is launched and would undoubtedly attract much criticism. It would be cost effective to tie-in the upgrade with existing building works;
- to remain 2D would effectively create a gap in the market, allowing the possibility for a competitive 3D IMAX to be opened outside this recognized region. This would damage, forever, the Museum's reputation, its artistic mission, and the Museum's commercial viability which would be put under serious threat;
- corporate hire would be negatively affected - our current 'unique' status will be overshadowed by a better, more exciting, up-to-date provision in the South of England.

### OPTION 2 - UPGRADE TO 3D IMAX

- without compromising existing 2D IMAX possibilities, to upgrade would ensure the Museum retained its prime position, being able to offer its audiences access to the very latest IMAX films and the full range of their artistic and educational potential;
- the Museum's mission to be a major, up-to-date cultural and art focus would be commensurate with a 3D IMAX upgrade, which will allow access for everyone to the latest and most up-to-date technology and film product;
- it would provide a 3D IMAX facility in the North of England, thus redressing the geographical imbalance;
- the Museum would continue to enhance the region's national and international artistic profile;

- it would halt any decline in IMAX audiences due to competition from the other 3D theatres;
- it would allow the Museum to capitalise on the full potential of any joint marketing/educational and interpretational projects with other, UK new 3D IMAX theatres;
- it would ensure that the Museum's vital economic role in the region as an authoritative and proven tourist facility is not compromised;
- upgrading would allow the established film festivals and their unique wide-screen input to flourish;
- the viability of a major cultural attraction would be assured and competition ruled out;
- Britain's first, and only IMAX for 14 years would be seen to have been worthy of investment - a vote of confidence in IMAX, film and nation;
- to upgrade at this point during the Museum's refurbishment would be cost effective in terms of structure, business and operational impact;
- the Museum would be able to build on over 14 years of proven success in building audiences for IMAX;
- although the upgrade would be a cost effective option in a proven venue, with experienced staff and an established audience, the upgrade would nevertheless require an estimated £2 million capital injection. The business plans show the scheme could not be achieved on a straight capital depreciation plan. The scheme should fulfil other funding criteria, but even so, 25% of the estimated £2 million would have to be found;
- care would be needed to ensure procurement and build did not disrupt or damage the 'Imaging Frontiers' process already underway in the Museum;
- the Museum would be able to offer an enhanced corporate hire facility with an international reputation, which would contribute to growth in attracting business tourists to the region.

### **OPTION 3 - CONSIDER OTHER 3D TECHNOLOGY**

L&R Consultancy were commissioned to examine and review the various large screen formats. They considered:

- track records for companies;
- reliability of technology and service supplier;
- current film availability and future film development;
- capital and operational costs;
- future development, research and development spend.

On the basis of this research the report convincingly recommended IMAX 3D with proven reliability, quality, support infrastructure and demonstrable growth both in theatres and film development.

### **OPTION 4 - CONSIDER MINIMAL ACTION**

There are no available minimal actions which could be taken. The 3D IMAX projector system is off-the-shelf technology with bespoke features to meet the requirements and physical needs of each individual theatre.

3D IMAX viewing is only available with the specific technology. The minimal action to retain the full performance of the Museum's IMAX programme is to upgrade. Thus the proposal contained herein must be seen as the minimal action.

## **SUMMARY**

The conclusion to be drawn from the above argument is that to not upgrade would effectively condemn the existing IMAX theatre to a steady decline, leaving a National Museum not truly representative of the media it represents on behalf of the nation. This would damage the attraction's international reputation, depress business and visitor numbers, with the obvious ramifications for this region's economic, educational, social and artistic health.

The appraisals highlight the wisdom of choosing to upgrade during existing building works, so as to take full advantage of the efficiency savings in structural build. To upgrade at a later stage would be possible but the costs would be increased by a very substantial amount. Action to upgrade should therefore be taken urgently.

The research by L&R confirms that 3D IMAX is the best system in which to invest. Since this report the development of five 3D wide-screen theatres in England has been announced. All are 3D IMAX theatres, which reaffirms this report.

To invest at this stage would be a cost-effective strategy - the sums involved being less than 10% of building an equivalent facility from scratch. There is also the additional benefit of an established high international profile, the result of 14 years successful trading and marketing strategy and recognized profile in the artistic sector for its contribution.

# Sample Sensitivity Analysis for one screen

In the following example the sensitivities are: Occupancy rate, Film Hire Costs, Ticket Price

	<b>Bases for projections - baseline figures</b>	<b>Scenario 1 Occupancy Rate falls to 15%</b>	<b>Scenario 2 Film Hire Costs increase to 40%</b>	<b>Scenario 3 Net ticket price drops to £4.20</b>
Occupancy rate	20%	15%	20%	20%
Film Hire cost	35%	35%	40%	35%
Net Ticket Yield	£4.50	£4.50	£4.50	£4.20
Total Annual Performances	800	800	800	800
No. Seats	300	300	300	300
Annual admissions	48,000	36,000	48,000	48,000
<b>Profit and Loss Account</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Box Office Sales (net of VAT)	216,000	162,000	216,000	201,600
Less Film Hire	75,600	56,700	86,400	70,560
Gross Profit	140,400	105,300	129,600	131,040
Fixed Costs	125,000	125,000	125,000	125,000
Net Profit/Loss	15,400	-19,700	4,600	6,040

# Sample Risk Assessment

## Norwich Cinema City Risk analysis for option 4, Bennetts

Risk	Probability (1 - 5)	Time Impact (1 - 5)	Cost Impact (1 - 5)	Risk Rating (1 - 25)	Time or Cost Sensitive	Contingency Action
<b>Funding Items:</b>						
Delay on behalf of ACE providing funding	3	5	4	15	Time	Liaise with ACE and other key funders
Inability of Cinema City to obtain Partnership funding	3	5	4	15	Time	Prepare contingency fundraising strategy
<b>Third Parties:</b>						
Inability to agree site purchase terms	2	1	4	8	Cost	Liaise with developer and City Planner. Maintain back-up option 3B
Lack of regeneration of surrounding area	3	1	4	12	Cost	Produce audience development contingency strategy
<b>Statutory Requirements:</b>						
Inability to obtain Listed Building Consent	3	5	3	15	Time	Consultation with appropriate authorities
Inability to obtain other Planning Consents	3	5	2	15	Time	Consultation with appropriate authorities
Delays with any potential Section 106 Agreements	2	4	4	8	Both	Liaise with developer and City Planning
Changes in legislation	2	4	4	8	Both	Maintain contingency fund
<b>Site Issues:</b>						
Unforeseen ground conditions	3	2	3	9	Cost	Maintain contingency fund
Archaeological investigations more extensive than anticipated	2	4	3	8	Time	Maintain contingency fund
<b>Budgets:</b>						
Budget estimate for building works incorrect	3	1	4	12	Cost	Market test estimates
Budget estimate for equipment incorrect	2	1	4	8	Cost	Market test estimates
Assessment of inflation incorrect	3	1	5	15	Cost	Maintain contingency fund
Inability to recover the majority of VAT	2	1	5	10	Cost	Maintain contingency fund
<b>Project Organisation:</b>						
Changes to brief	4	4	4	16	Both	Consult with key stakeholders
Poor communication between team members	2	3	3	6	Both	Produce communication strategy
Supply problems	2	4	3	8	Time	Maintain back-up suppliers
<b>Demand Issues:</b>						
Reluctance from distributors to offer "First Runs"	3	2	3	9	Cost	Liaise with distributors
Fall off in cinema demand from public	2	1	3	6	Cost	Monitor local and national trends
<b>Other Issues:</b>						
Ability to achieve stabilised state	3	1	3	9	Cost	Liaise with key funders
				<b>Total 212</b>		

Categories are as follows:-

**Probability:**

1. Very low
2. Low
3. Medium
4. High
5. Certain

**Risk Rating:**

By multiplying the probability (between 1 - 5) with the worst impact (between 1 - 5) we arrive at a risk rating of between 1 - 25. This will highlight to the team those risks with the highest rating.

**Impact:**

- |                  | Time         | Cost          |
|------------------|--------------|---------------|
| 1. Negligible    | 0 - 2 weeks  | £0 - £10k     |
| 2. Quite Serious | 2 - 4 weeks  | £10k - £25k   |
| 3. Serious       | 4 - 8 weeks  | £25k - £100k  |
| 4. Major         | 8 - 16 weeks | £100k - £250k |
| 5. Show Stopper  | 16 weeks+    | £250k+        |

# Cinema Audience Research

## Audience/market data main sources:

### **CAVIAR**

Cinema and Video Industry Audience Research  
Published annually [March]. Initiated by the Cinema Advertising Association in 1997, produced by CAVIAR since 1983. Based on research carried out by the British Market Research Bureau [BMRB]. Objectives: "To provide a unified body of data about the whole cinema and video film audience." Task to assess attendance at cinemas and measure the audience for specific films. Since 1983 also assess impact of video market. Reports are very expensive [£8,000] and aimed at commercial sector. CAVIAR includes a short section on 'art house film'.

### **Mintel/Leisure Intelligence**

Mintel International Group Ltd, marketing intelligence company. Produce annual report on UK cinema market. Aimed at commercial sector. Cover: market factors, market size and trends, market segmentation, the supply structure, advertising and promotion and the consumer.

### **Office for National Statistics**

Produce quarterly figures on GB cinema admissions based on estimates for the film exhibition activity for all legal units whose main activity is film exhibition. Not all sites where film exhibition takes place, therefore [by their own admission] estimates not completely comprehensive.

### **Dodona/Cinema-going UK**

Produce annual Cinema Going reports covering UK, European and wider markets. Provide information on films released, distribution, cinemas, key cities, admissions and revenues, companies and forecasts.

### **Screen Finance**

Published fortnightly by the Financial Times. Covers UK and European production, exhibition and distribution as well as film finance. Provides regular statistics on attendance and in-depth analysis of market and policy issues.

### **Arts Council/TGI**

Arts Council of England has TGI, demographics and statistics for each region of the UK based on a 1996 survey undertaken with TGI, BMRB, CACI, OPCS. This provides regional demographic information and figures for potential arts attenders including cinema, theatre, ballet, opera, contemporary dance etc.

### **BFI Year Book**

Summary information on admissions, sites and screens, cinema-going, breakdown of box office by films including foreign language and information on circuits. [Based on Screen Finance, CAA, EDI/*bfi* Screen International and CAVIAR]

## Annex 5

# Sample Capital Costing

Building Cost Summary (2 screen cinema completed 1995)

Element	£/M <sup>2</sup>	% of total		Equipment spend includes
SUBSTRUCTURE	59.81	5.72		Seats
<i>Group Element Total</i>	<i>59.81</i>	<i>5.72</i>	<i>59,150</i>	Sound Equipment
SUPERSTRUCTURE				Projection Equipment (35mm)
Frame	77.43	7.40		Screens
Upper Floors	22.84	2.18		Projection Equipment (16mm)
Roof	52.32	5.00		Projection Equipment (Video)
Stairs	64.5	6.17		Cleaning equipment
External Walls	113.98	10.90		Fire Extinguishers/Signage
Windows and External doors	16.24	1.55		Storage/sundries
Internal walls	33.78	3.23		Signage
Internal doors	10.05	0.96		Clocks/Timers
<i>Group Element Total</i>	<i>397.08</i>	<i>37.97</i>	<i>392,708</i>	Office IT
INTERNAL FINISHES				Box office
Wall finishes	14.64	1.40		Sundry Carpentry
Floor finishes	20.9	2.00		Sundry Electrical
Ceiling Finishes	31.65	3.03		Sundry Plumbing
<i>Group Element Total</i>	<i>67.2</i>	<i>6.43</i>	<i>66,459</i>	Office equipment (inc Phones)
FITTINGS AND FURNITURE	59.9	5.73		Poster frames
<i>Group Element Total</i>	<i>59.9</i>	<i>5.73</i>	<i>59,244</i>	Security (inc CCTV)
SERVICES				Bar fitting and equipment
Sanitary appliances	10.71	1.02		<b>Professionals spend includes</b>
Disposal installations	4.1	0.39		M&E Consultancy
Water installations	3.74	0.36		Architect
Heat Source	1.42	0.14		Quantity Surveyor
Mechanical installations	118.47	11.33		Engineer
Electrical installations	118.13	11.29		Hydrological consultant
Lift 19.85	1.90			Environmental Consultant
Builders work in connection	17.13	1.64		Acoustic Consultant
<i>Group Element total</i>	<i>293.55</i>	<i>28.07</i>	<i>290,320</i>	Solicitor and Licensing
<i>Building sub-total</i>	<i>877.53</i>	<i>83.90</i>	<i>86,7881</i>	Furniture/Fit out Designer
EXTERNAL WORKS				Financing
Site works inc.drainage	69.87	6.68		Misc Professionals
External services	4.08	0.39		Building Project Manager
<i>Group Element Total</i>	<i>73.95</i>	<i>7.07</i>	<i>73,138</i>	Fit out Project Manager
Preliminaries	97.49	9.32	96,413	CDM Supervisor
Contingencies	47.48	4.54	46,960	
<b>TOTAL (excluding fees)</b>	<b>1045.91</b>	<b>100</b>	<b>1,034,403</b>	

Gross internal floor area = 989m<sup>2</sup>

This building cost summary refers to tender costs - actual costs were closer to £1.06m

Equipment costs*	153,600
Professional fees**	170,000
Publicity and launch	8,000
Inflation to 1995	34,914
Contingency	15,946
<b>Total capital cost</b>	<b>1,416,863</b>

# Useful contacts

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Website: [www.artscouncil.org.uk](http://www.artscouncil.org.uk)

Arts Council of Northern Ireland  
MacNeice House  
77 Malone Road  
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Website: [www.artscouncil-ni.org](http://www.artscouncil-ni.org)

Arts Council of Scotland  
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Website: [www.sac.org.uk](http://www.sac.org.uk)

Arts Council of Wales  
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Website: [www.ccc-acw.org.uk](http://www.ccc-acw.org.uk)

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Website: [www.artsline.co.uk](http://www.artsline.co.uk)

British Board of Film Classification  
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Website: [www.bbfc.co.uk](http://www.bbfc.co.uk)

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Website: [companieshouse.gov.uk](http://companieshouse.gov.uk)

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Website: [www.filmeducation.org.uk](http://www.filmeducation.org.uk)

Film Distributors Association  
22 Golden Square  
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Website: [www.launchingfilms.com](http://www.launchingfilms.com)

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Tel: 020 7534 5200  
Fax: 020 7636 4118

Warner Bros Distributors  
98 Theobalds Road  
London WC1X 8WB  
Tel: 020 7984 5200  
Fax: 020 7984 5201

Winchester  
19 Heddon Street  
London W1R 7LP  
Tel: 020 7851 6500  
Fax: 020 7852 6505

Winstone Films  
18 Craignish Avenue  
Norbury  
London SW16 4RW  
Tel: 020 8765 0240  
Website: [www.winstoneFilmDist@aol.com](http://www.winstoneFilmDist@aol.com)

## INDEPENDENT CINEMA OPERATORS, PROGRAMMERS AND BOOKERS

*bfi* Programme Unit  
National Film Theatre  
South Bank  
London SE1 8XT  
Tel: 020 7815 1442  
Fax: 020 7825 1418

City Screen  
86 Dean Street  
London W1D 3SR  
Tel: 020 7734 4342  
Fax: 020 7734 4027  
Website: [www.picturehouse-cinemas.co.uk](http://www.picturehouse-cinemas.co.uk)

Zoo Cinemas Exhibition Ltd  
20 Rushcorft Road  
London SW2 1LA  
Tel: 020 7733 8989  
Fax: 020 7733 8790

## ACCESS

Adapt Fund  
Cameron House  
Abbey Park Place  
Dunfermline  
Fife KY12 7PZ  
Tel: 01383 623 166

National Disability Arts Forum  
All Saints Church  
Akenside Hill  
Newcastle NE1 2EW  
Tel/minicom: 0191 261 1628

RNIB (Royal National Institute for the Blind)  
105 Judd Street  
London WC1H 9NE  
Tel: 020 7388 1266

RNID (Royal National Institute for Deaf People)  
19-23 Featherstone Street  
London EC1Y 8SL  
Tel: 020 8808 0123  
minicom: 080 8808 9000

British Deaf Association  
1-3 Worship Street  
London EC2A 2AB  
Tel: 020 7588 3520  
Website: [www.bda.org.uk](http://www.bda.org.uk)

## COMMUNITY CINEMA:

Phill Walkley  
Tel: 01202 399857  
Email: phill.walkley@ntlworld.com  
Runs the Moviola village halls scheme and is also involved in the development of a Cinemobile mobile cinema for Dorset.

Ian Kerry  
Email: ian@artsalive.co.uk  
Website: www.artsalive.co.uk  
Arts Alive run the Flicks in the Sticks village hall project

National Rural Touring Forum  
David Porter  
Tel: 01759 303454  
www.nrtf.org.uk

HI Arts  
Robert Livingston  
Tel: 01473 720884  
www.hi-arts.co.uk

HI Arts run the Screen Machine mobile cinema operating in the Highlands & Islands of Scotland.

## FILM ARCHIVES

NATIONAL FILM ARCHIVES:  
National Film & Television Archive  
21 Stephen Street  
London W1T 1LN  
Tel: 020 7255 1444  
Website: www.bfi.org.uk

Scottish Film & Television Archive  
1 Bowmont Gardens  
Glasgow G2 9LR  
Tel: 0141 337 7400  
Website: www.scottishscreen.com

Wales Film & Television Archive  
Unit 1, Aberystwyth Science Park  
Cefn Llan  
Aberystwyth  
Dyfed SY23 3AH  
Tel: 01970 626007

Imperial War Museum Film and Video Archive  
Lambeth Road  
London SE1 6HZ  
Tel: 020 7416 5000  
Website: www.iwm.org.uk

## ENGLISH REGIONAL FILM ARCHIVES

East Anglian Film Archive  
University of East Anglia  
Norwich NR4 7TJ  
Tel: 01603 592 664  
Website: www.uea.ac.uk/eafa/

Media Archive of Central England  
The Institute of Film Studies  
School of American and Canadian Studies  
University of Nottingham  
University Park  
Nottingham NG7 2RD  
Tel: 0115 846 6448  
Fax 0115 951 4270  
email: james.patterson@nottingham.ac.uk

North West Film Archive  
Manchester Metropolitan University  
Minshull House  
47-49 Chorlton Street  
Manchester M1 3EU  
Tel: 0161 247 3097  
Website: www.nwfa.mmu.ac.uk

Northern Region Film & Television Archive  
Blanford House  
Blanford Square  
Newcastle upon Tyne NE1 4JA  
Tel: 0191 232 6789

South East Film & Video Archive  
University of Brighton  
Grand Parade  
Brighton BN2 2JY  
Tel: 01273 643 213

The South West England Film & Television Archive  
New Cooperage  
Royal William Yard  
Stonehouse  
Plymouth  
Devon PL1 3RP  
Tel: 01752 202 650  
Website: www.geocites.com/athens/  
atlantis/1802/fta.htm

Wessex Film & Sound Archive  
Hampshire Record Office  
Sussex Street  
Winchester SO23 8TH  
Tel: 01962 847 742

Yorkshire Film Archive  
College of Ripon & York  
St. John College Road  
Ripon HG4 2QX  
Tel: 01765 602 691

## REGIONAL GOVERNMENT OFFICES

Government Office for the East of England  
Building A, West Brook Centre  
Milton Road  
Cambridge CB4 1YG  
Tel: 01223 346 748

Government Office for the East Midlands  
Belgrave Centre  
Stanley Place  
Talbot Street  
Nottingham NG1 5GG  
Tel: 0115 971 2766

Government Office for London  
Riverwalk House  
157-166 Millbank  
London SW1P 4RR  
Tel: 020 7217 3514

Government Office for the North East  
Wellbar House  
Gallowgate  
Newcastle Upon Tyne NE1 4TD  
Tel: 0191 202 3878

Government Office for the North West  
Sunley Tower  
Piccadilly Plaza  
Manchester M1 4BE  
Tel: 0161 952 4341

Government Office for the South East  
Bridge House  
1 Walnut Tree Close  
Guilford GU1 4GA  
Tel: 01483 882 281

Government Office for the South West  
4th floor  
The Pithay  
Bristol BS1 2PB  
Tel: 0117 900 1839

Government Office for the West Midlands  
77 Paradise Circus  
Queensway  
Birmingham B1 2DT  
Tel: 0121 212 5343

Government Office for Yorkshire and  
Humberside  
City House  
PO Box 213  
New Station Street  
Leeds LS1 4US  
Tel: 0113 283 5452

## TECHNICAL

Cinema Services Ltd  
(Specialists in screens, curtains  
and wall drapes)  
Unit 32  
College Street  
Kempston  
Bedford MK42 8UL  
Tel: 01234 326 574

Frank Powell & Co  
(screens and masking)  
9 Heather Close  
St Leonards  
Ringwood  
Hampshire BH24 2QJ  
Tel: 01202 872 543

Projection Display Services  
(outdoor projection)  
Stanlake Mews  
Shepherds Bush W12 7HS  
Tel: 020 8749 2201  
Website: [www.projectdisplay.demon.co.uk](http://www.projectdisplay.demon.co.uk)

## ARCHITECTS

Burrell Foley Fischer  
York Central  
70- 78 York Way  
London N1 9AG  
0207 713 5333

Avery Associates Architects  
270 Vauxhall Bridge Road  
London SW1V 1BB  
[www.avery-architects.co.uk](http://www.avery-architects.co.uk)  
020 72336262

Dignan Read Dewar  
3 Tollbooth Wynd  
Edinburgh E86 6DN  
Tel: 0131 554 4434  
Fax: 0131 553 4608

Panter Hudspith Architects  
235 Southwark Bridge Road  
London SE1 6NP  
020 74072786

David Chipperfield Architects  
1a Cobham Mews  
Agar Grove  
London NW1 6NP  
020 72679422

## USEFUL PUBLICATIONS

Arts Professional  
PO BOX 957, Cottenham  
Cambridge CB4 8AB  
Tel: 01954 250 600

Arts Research  
52 Norland Square  
London W11 4PZ  
Tel: 020 7229 2710

bfi Film and Television Handbook  
Price: £20.00  
(please contact *bfi* Publishing for further details)

Directory of Grant Making Trusts 2001/2002  
Price: £75.00  
(Contact the Directory of Social Change for  
further info: [www.dsc.org.uk](http://www.dsc.org.uk))

The Guide to UK Company Giving  
Price: c£25.00  
(Contact the Directory of Social Change for  
further info: [www.dsc.org.uk](http://www.dsc.org.uk))

Guide to Evaluation  
by Pete Mosley  
(Please contact Arts Council of England for  
further details:  
[www.artscouncil.org.uk](http://www.artscouncil.org.uk))

Guidelines for Marketing to Disabled Audiences  
(Please contact Arts Council of England for  
Further Details)

Funding Digest  
RTI Publications  
Suite 1.02 St Marys Centre  
Oystershell Lane  
Newcastle NE4 5QS  
Tel: 0191 232 6942

Partnerships for Learning  
by Felicity Woolf  
(Please contact Arts Council of England for  
Further Details)

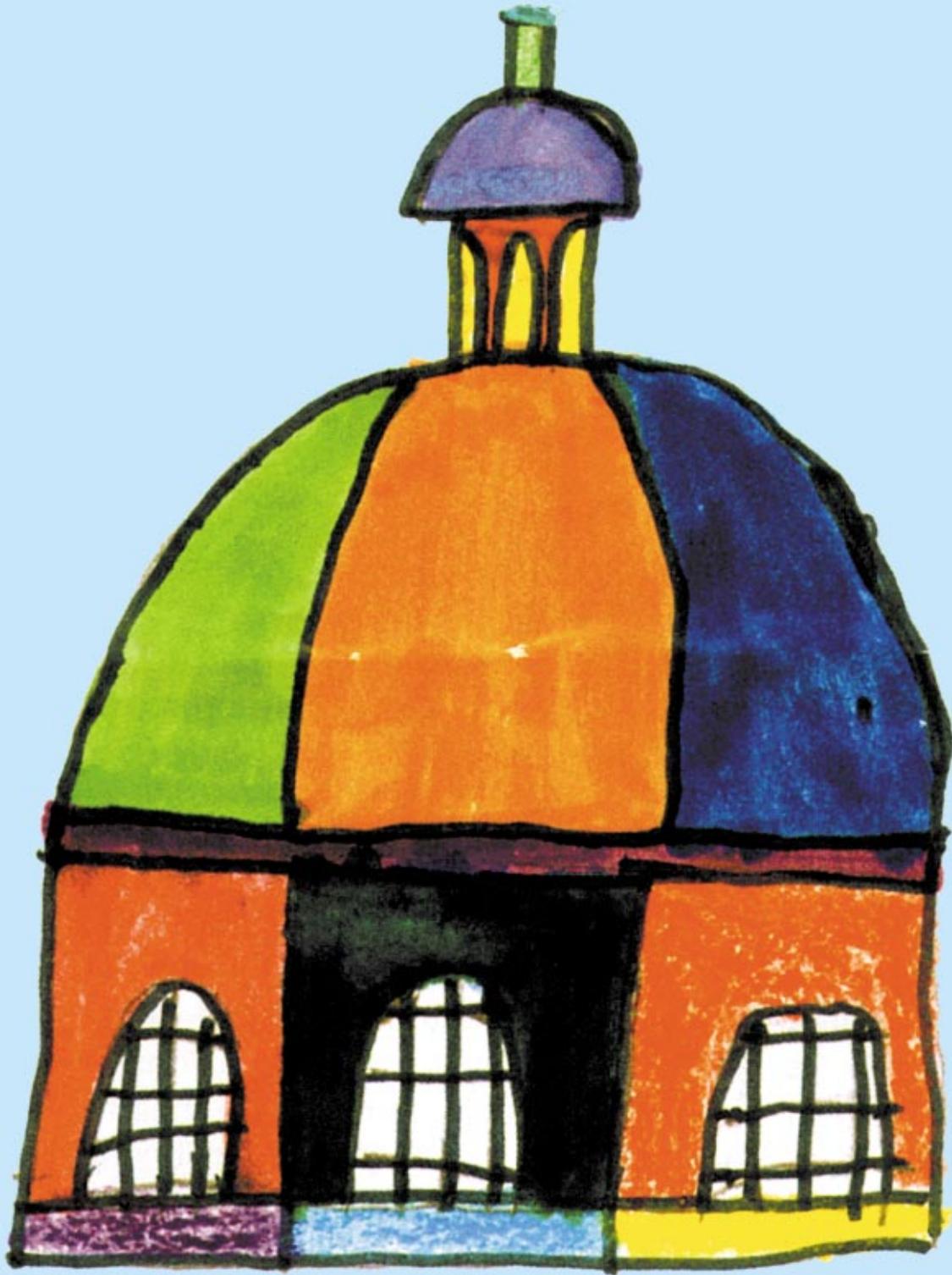
Screen Finance  
Customer Services  
Informa Media Group  
20 Berners Street  
London W1T 3NA  
Tel: 020 7453 2331

Screen International  
EMAP  
Audit House  
260 Field End Road  
Ruslip  
Middlesex HA4 9LT  
Tel: 020 8956 3015

Variety  
6 Bell Yard  
London WC2A 2JR  
Tel: 020 7520 5222  
Website: [www.variety.com](http://www.variety.com)

## USEFUL WEBSITES

<http://www.artsline.co.uk>  
<http://www.bfi.org.uk>  
<http://www.filmcouncil.org.uk>  
<http://www.filmfestivals.com>  
<http://www.filmfestivalspro.com>  
<http://www.reelscreen.com>  
<http://www.variety.com>  
<http://www.netribution.co.uk>



British Film Institute  
21 Stephen Street, London W1T 1LN  
020 7255 1444  
[www.bfi.org.uk](http://www.bfi.org.uk)