

Committee(s)	Dated:
Barbican Centre Board	27 September 2023
Subject: Barbican Centre - Commercial Strategic Update	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	3, 5, 10
Does this proposal require extra revenue and/or capital spending?	n/a
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain's Department?	n/a
Report of: Claire Spencer, CEO Barbican Centre	For Discussion
Report author: Jackie Boughton, Acting Director Commercial, Barbican Centre	

Summary

This paper outlines the status and opportunities in the three areas of the Barbican's business: Business Events, Retail and Commercial Development (which incorporate restaurants, cafes and bars and car parking).

These businesses are significant contributors to both our financial performance (they make up around a third of our income and deliver a net positive contribution of £4.6m in 22/23 which is invested back into the core purpose of the Centre) but are also major contributors to the audience experience (current audience touchpoints exceed 1 million) and our aspirations to be a positive contributor to Destination City.

We measure success by revenue and profitability, with lead indicators around sales lead and conversion rates. Qualitative measures include feedback, benchmarking and industry recognition.

Strategically, they sit across the Strategic Framework, with participation in the following programmes:

- Audience Strategy
- Building Renewal Development and Operation
- Proactive and strategic optimisation of space
- Reviewing our Operational Support of GSMD (we provide services)
- Growing our Income Streams
- EDI
- Ethical and transparent business (who we chose to do business with)
- Responding to the Climate Crisis

Barbican Renewal will be a strategic and operational game changer for these businesses in the medium term but there are opportunities to be explored in the meantime which with some modest investment and review of operators may lead to an uplift in revenues. This paper explores both. Immediate opportunities also exist through improved marketing of

the food and beverage and retail offers and these are being explored with our new Interim Head of Marketing who has significant food and beverage experience.

Current challenges include macro impacts of cost inflation and cost of living driven reduction in spend per head, the localised impact of a failing asset and the competition for space across the Centre.

Organisationally these businesses are well lead, with additional opportunities to be explored by the proposed new Director of Audiences, and this paper should be read with reference to the CEO report on the agenda.

There are 5 senior leaders who are also part of the Management Team.

Recommendation

That the Board NOTE the report.

Main Report

Commercial Overview

The Commercial operation at the Barbican covers several distinct business operations:

Business Events – covering all commercial conferencing, meetings, graduations, private functions and banqueting. The concert hall, theatre, cinemas, conservatory, garden room, foyers, Frobisher meeting rooms and other spaces across the Centre are utilised for these activities.

Public Catering – including the restaurants, bars, coffee points, and pop-up catering points.

- Under contract, Searcys manage two restaurants – Barbican Brasserie (formerly Osteria) and Barbican Bar & Grill (formerly Bonfire) and their associated bars.
- Under contract, Benugo manages Barbican Kitchen and the foyer coffee points.
- The three performance bars in the Barbican, two bars in Milton Court, the Martini Bar along with the GSMD Student Union Bar are managed in house and in the past year, the team have also taken over the operation of the Members Lounge (which was trialled as a Late Lounge/Piano Bar during Strange Loop) and the Cinema Cafés.
- The Green Room, which is currently closed and which previously was managed by Baxter Storey is now operated on request by theatre companies by Benugo, who also operate the Artist Bar for Music.

Retail – includes the foyer and gallery shops, ‘pop-up’ shops and an online portal.

Barbican Car Parks – approximately 375 spaces across four car parks.

Business Stream	Revenue 22/23 £'000	Contribution 22/23 £'000	5 year Growth (17/18 to 22/23) %		# Audience Touchpoints
			Revenue	Contribution	
Business Events	4,388	2,963	33%	39%	167,000
Catering	720	646	-21%	-17%	576,003
Bars	1,868	604	51%	65%	187,376
Retail	2,502	318	-2%	-56%	132,253
Car Parks	633	293	-22%	-44%	0
Head of Commercial Development	0	-195	0%	21%	0
Total	10,111	4,629	15%	6%	1,062,632

All the above functions have seen transformational change over the past 8 years, adapting from passive non-essential ‘nice to have appendages’ which the Barbican previously categorised these areas as, into revenue focused ventures fully supporting the overall vision.

Each Head has been engaged with industry specific external experience and teams are made up of professionals proficient in their subject, and despite a previous infrastructure which was not aligned to development of these areas, the division has become a financially sustainable model.

Whilst there are still challenges across some of the areas particularly as we grapple with a building not originally designed to meet the needs of a fully integrated hospitality, retail and business approach, the Commercial team are committed to creating a dynamic and revenue driven approach in line with the new Strategic Framework and at the same time looking towards a Barbican Renewal future, which will see the Hospitality, Retail and Event become an integral part of the offer.

The above progress has allowed the organisation to set substantial financial targets and subsequent net contributions across these functions. With Commercial targets forecast to continue at this increased level (circa £1m more than 19/20) for 23/24.

This paper looks at how each area is developing, focusing on 23/24 and reviewing future strategy in alignment with the Strategic Framework model as we strive to become financially sustainable, grow and diversify our audiences and improve the audience experience.

Barbican Business Events

Business Events - Sales

Forward Planning

Securing base business going into new financial years continues to be fundamental to success for Business Events. The market remains competitive with many unique venues or even office spaces being repurposed to event spaces as well as new developments. Thus, the sales team are required to negotiate harder and within fixed budgets as well as manage client increased expectations on venue capabilities including technology.

A key strategy of ensuring income growth, is to contract larger, repeat events at least 3-5 years in advance incentivising them to rebook by offering fixed annual increases to secure business. With limited dates in the Barbican Hall (60 in the Hall annually) and Theatre (on request only), clients are encouraged to secure preferred dates to avoid disappointment. Business mix is important to ensure a good balance of repeat business while still allowing dates available for new (business).

Since Covid, clients requirements run to more than interest in event spaces. Being able to provide information on the Barbican's sustainability and ED&I journey with their respective initiatives, have become important factors when a customer is deciding on a venue. In light of this, we aim to incorporate our sustainability and ED&I messaging within all our communication (social media and proposals) and press releases.

Barbican Renewal continues to drive a lot of interest, as was demonstrated by our latest [press release](#) on the £25m investment. This was published by 15 different event industry publications resulting in it being our most successful release of the year thus far. As mentioned, with the increased pressure within our industry of new and refurbished venues, Barbican Renewal is key to a successful future for Business Events and how our spaces are designed and repurposed are going to be important for future proofing our growing income.

Current Trends

Lead times continue to be short, creating additional pressure on our operations and catering teams around the building to deliver high-valued, complex events, but within a reduced timeframe. With the future of instant booking being developed in other industries, there are expectations that events can operate at the same level. Historically, what was considered a short lead is now being reduced to 2 weeks to 2 days.

The desire for adding creative elements to events has grown and organisers are being tasked to make their event unique and stand out. We are fortunate enough to work within a vibrant Centre with many additional services available to offer, including our backstage and architecture tours. We provide our clients with the “something extra” which some of our competitors are unable to do easily.

Sustainability and CSR continue to be on the top of many organisers’ agenda. Ahead of booking, organisers are being required to gather supplier’s sustainability policies and credentials before confirming as the importance continues to grow. With a dedicated Sustainability resource in the building, we are fortunate enough to be able to provide them with this information easily along with ongoing consultations with team members and suppliers onsite.

Post pandemic, as the international market has returned post Covid, the industry has seen an increase in business attendees attaching leisure activities to their visit. This emerging “Bleisure” market gives us an opportunity to extend the business delegate experience of the Barbican, into the shoulder nights and weekends, encouraging them to visit a theatre show or concert or exhibition. This also provides the Barbican with a unique selling point (USP).

The trend for fully Hybrid events has lessened as face to face in person events have returned to pre Covid levels, although we have seen a continued interest in hosting elements of events in a hybrid format as organisations look at costs and CSR pledges. This is particularly popular with our ‘in conversation events and larger conferences with an international audience who don’t want to travel to the venue.

As an international venue, there is an expectation that with the hybrid facilities we offer, these are state of the art however, although the Barbican can offer this service, we are doing so in venues that are flexible and therefore we must install the equipment on an event-by-event basis which adds strain to our current resources.

Clients hiring Barbican venues with complex ‘broadcast quality’ hybrid requirements are recommended to an external provider to supply these services and the Barbican retains an introductory fee for this provision. The Barbican are not currently able to provide these ‘broadcast quality’ arrangements owing to the equipment and staffing that is needed, although we are exploring options for providing this facility ourselves however the current risks outweigh the benefits, i.e. labour costs, equipment costs and replacement. Whilst it is anticipated that Barbican Renewal will address this, to remain competitive, we need to find a solution to bridge the gap before Renewal work commences.

Business Outlook

Enquiry levels continue to grow as well as our conversions. Currently we sit at an average conversion rate of 13.2% compared to 22/23 which was 10.26% which is in line with industry sentiment. The MIA (Meeting Industry Association) cites that 79% organisations found they had the same or greater conversions compared to the previous year, following a recent survey in June.

This is a great achievement, as with a drive to increase activity across the Centre there is the inevitable “race for space” internally. To combat this, we are trying to encourage our

clients to expand their typical Tuesday – Thursday pattern to increase the 5-day usage of the spaces. Barbican users of the spaces also fall into the same pattern making it increasingly difficult to accommodate all requests. With this and the challenges around staff resources for operational departments, we find ourselves in discussions around priority.

Of the total amount of visits to the Centre in 22/23, 167,000 were business event visitors representing just over 9% of all visits to the Centre.

So far in 23/24 we have seen a small decrease in the number of attendees at events compared to the same 3 months last year (65,973 versus 70,837 in 2022) however, this represents 16% of overall visits year to date and whilst lower than this same time last year (STLY), can be attributed in part to the additional capacity required by Universities to catch up on graduation ceremonies not held during the Covid period.

And despite lower than STLY attendees, we have been able to grow our venue hire income by 2% YOY. This is partly due to more clients wanting to host their events in a hybrid format allowing attendees to join offsite.

We have seen recovery and growth in our income since the Covid years and we are now ahead of our pre covid figures from 19/20 where we achieved £2,993,759 with last year 22/23 resulting in an outcome of £3,845,166.

Following Level 4 investment, Business Events have seen an increase of 29% in the total number of events year on year (from 145 to 187), which is attributed to the trend of smaller, last minute meetings as businesses reassess business needs post Covid (see below). A resurgence in larger events is being seen for Q3 and Q4 '23 and 24/25.

Key strategic opportunities to explore:

- Lead times: Create a short lead offering to package together most aspects of the event but suitable for minimal planning time. This includes package AV and Chef's selection menu options.
- Creative thinking: the increasing importance of collaboration and innovation during events. Ways in which organisers can create a different experience for their delegates through incorporating different aspects to an event. Expand on barbican tours, including architecture and back-stage and gallery tours.
- CSR: the Mayor of London's target for net zero carbon by 2030 (the City equivalent is 2040) has seen many organisations increasing their focus on sustainable event management processes. We have already updated our SOP (standard operating procedures) focussing on sustainable event sales and management practices. We are also in the final stages of developing a Sustainable Event Management guide and a sustainability event planners guide highlighting our sustainable practices during the event organisers journey from initial enquiry through to post-event. Not only is this a good showcase for sharing best practice, but it also allows us to be accountable of our own pledges and processes.
- Consideration of changing the use of the Level 2 Restaurant to an event space (see more below)
- Working with the City of London Corporation to share our expertise in this area as well as creating a pipeline for sharing event leads where we cannot accommodate them at the Centre.

Brief update of YTD

Successes

Since 2019, the Business Events team have been focusing on growing our wedding portfolio and have at our disposal a unique selling point and significant asset for growth in the popularity of the Conservatory.

Year	Number of Weddings Delivered	Venue Hire Income (total)	Average VH Revenue (per event)	Catering Revenue (total)	Average Catering Revenue (per event)
2019/20	12	£39,855	£3,321	£134,177	£11,177
2020/21	3*	£6,000	£2,000	£1,444	£481
2021/22	17	£77,490	£4,558	£139,347	£8,196
2022/23	23	£137,607	£5,982	£331,184	£14,399
2023/24	32	£199,300	£6,228	£380,814*	£11,900**

* Covid restrictions resulted in wedding cancellations or postponement.

** Current income figures based on contracted minimum spend beyond September 2023, the current figure will increase as scheduled events take place throughout the remainder of the year.

This focussed approach has delivered significant growth in the number of Weddings and revenue to the Barbican and Searcys far beyond the period when postponed weddings had been rescheduled.

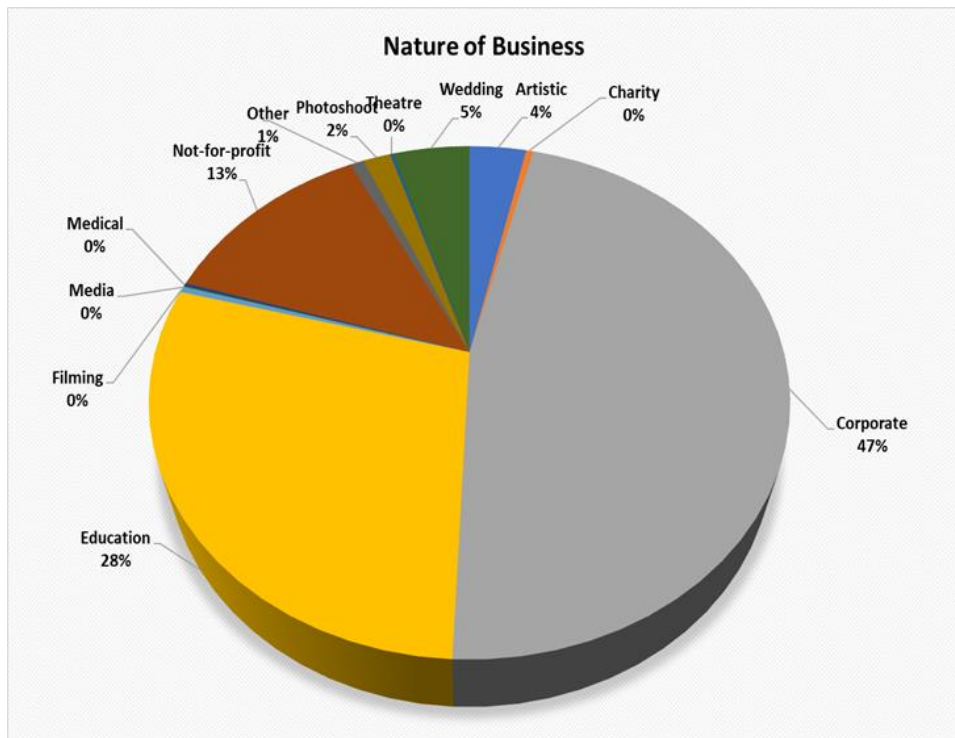
We continue to see a high number of enquiry levels. Since the pandemic, the source of enquiries has changed slightly, with many of the larger event agencies downsizing and some choosing to go freelance but managing large corporate accounts with high booking value. This has led to the team needing to build stronger connections with individuals as well as new employees at agencies which we do through trade fairs and agent engagement events.

Since April '23 we generated £2.3m worth of enquiries for 2023 – 2027 and so far, have converted £222k worth of revenue.

Another route to market, is through industry associations and building connects in these forums. We have a member of the team assigned to the following associations, which vary in their industry type and purpose. These include MIA (Meetings Industry Association), Beam (Business events, accommodation and meetings), AEV (Association of Exhibition Venues) and ABPCO (Association of British Professional Conference Organisers) and ICCA (international Congress and Convention Association).

The association market for us continues to grow and we see an increase in enquiries year on year. In 2023, we have seen a 70% increase on 2022 with 10% of these enquiries coming from ABPCO. We recently hosted Ecocity World Summit which took place during London Festival of Architecture and Barbican has very recently been confirmed as the venue to host the next London conference for Council on Tall Buildings and Urban Habitats, due to be announce w/c 18th October. Both of these were with the support of London & Partners (London's business growth and destination agency) of which we are members and join when exhibiting at international trade fairs such as IMEX and IBTM.

Outline of industry types



The strategic approach to our business mix is to establish a good coverage of sectors which ensure we are never over reliant on one type. This allows us to react and adapt strategy dependent on trading conditions. We monitor the types of business we attract through our CRM (customer relationship management) system and focus attention on relevant industry types.

£327K was delivered from our relatively new income stream of filming and photography in 2022/23 and we continue to build upon this area with £135K contracted so far in 23/24

Key Clients

In 22/23 63% of our business came from repeat clients. This was somewhat higher than previous years based on the large number of graduations in the period as a result of universities catching up with their ceremonies post Covid along with businesses taking time to recover hence a lower than normal new business ratio.

Our key and repeat business is based on strong relationships, especially those booking the Barbican Hall which includes our academic clients where there is a correlation between the Barbican's values as a not-for-profit as well and as an inspiring venue, feeds into the ethos of the university institutions.

A relationship that has also grown since their first event with us in 2018, has been Fane Productions. Fane Productions work with publishers and authors to put in 'in conversation with...' style of events during book promotion from certain artists and authors. These have included Stanley Tucci, Fran Lebowitz and Dame Judi Dench' upcoming show in the Autumn. Many of these shows fill the Barbican Hall, bring in new audiences as well as driving good spend per head.

Feedback and Recognition

The Business Events team had several successes with Award recognitions in 2022/23. These include:

- London Venue Awards – Bronze - The Sustainability Award
- London Venue Awards - Bronze - Best Event Venues over 750 attendees
- Conference & Event Awards – Bronze - Sustainable Venue Award
- Searcy's Team Awards – Team Spirit Award, Support Manager Award & Exceptional Support Person Award

AIM Gold

In November 2022, we once again secured the MIA (Meeting Industry Association) AIM GOLD accreditation again. This is the highest level of venue accreditation in the meeting and events industry and is only held by a minority of UK venues.

The accreditation process audits and reviews all areas of the business operations including interviews with members of the wider Barbican team. These areas are all independently examined through onsite assessment and interrogates business planning, customer needs, customer environment, booking information and procedures, service delivery, customer service standards, business recovery and steps to continuous improvement.

Aim Gold accredited venues provide first class facilities with the very highest level of services, exceptional catering and consistent results.

This achievement is the fourth consecutive time the Barbican has been recognised as a Gold Standard venue, spanning a 12-year period and is testament to the team's tireless work on establishing strong working practices, SOP's (Standard Operational Procedures) and delivering seamless customer service to our clients.

The examiner feedback is included in Appendix 1. The venue was deemed to be 'Outstanding.' The main areas of focus and recommendation were around maintenance and event flow for people, during works, something that will need to be carefully considered during Barbican Renewal.

Additional customer and industry recognition is included at Appendix 2 and 6.

Event Wins

In June 2023, the Barbican hosted the Ecocity World Summit 2023. With a sales to planning process of 3 years, (beginning in 2020), the summit was won by the Barbican in a joint bid with London & Partners, the City of London, the NLA and MCI (a professional organising company). With the event in London for the first time in its 32-year history, its aim was to unite people through new ways of living on the planet that provides the best possible cities while enhancing, not destroying the biosphere. The conference scheduled over 3-day period brought together speakers and delegates from all over the globe, including keynote sessions from Sir Norman Foster and Yasmeen Lari.

The Higher Education sector continues to be a growth market for the Business Events team, with new Graduation ceremonies for Northeastern University London, The Courtauld Institute of Art and Coventry University holding recent events.

We have also seen an increase in the number of clients, especially repeat clients since the upgrade of our facilities on Frobisher Crescent Level 4, particularly from the financial services sector.

April – July Activity Levels	No. of Business Events	No. of Business Event Days	No. of Searcys Receptions Concert Hospitality Events	Total No. of Events
2022	115	150	30	145
2023	167 – 45% increase	193 – 28% increase	20 – (-) 33% decrease	187 – 29% increase

Looking forward, we are also delighted to have secured an event for the ‘Council on Tall Buildings and Urban Habitat’ for September 2024.

The event promises to join global thought leaders in high-density living to engage in premier conversations on best practices in tall buildings and sustainable cities and address the most pressing challenges that urban areas face, such as equity, climate change, and the demand for better social, economic, and environmental outcomes.

We are also looking at events as far ahead of 2027 such are the lead times for events in many of the markets in which we operate.

Space and Venue Investment

In recent months, some significant refurbishments and improvement projects have taken place and we have invested in various areas to improve our venues and our product offerings:

- **Frobisher Rooms Recarpeting** - We have invested in replacing the Level 4 carpets in all of the Frobisher Rooms, Frobisher Boardroom, and the connecting circulation spaces. This work has really lifted the spaces visually and acoustically. This has been done sympathetically and also sustainably as the materials used for the project have all been sourced including using a Milliken carpet product, which is carbon neutral and made from recycled yarns and materials. In addition to its sustainable credentials, the new carpet will also greatly improve acoustics throughout.
- **Heating, Cooling and Environmental Controls** - To improve the visitor experience, comfort and as a result adding significantly to the Barbican’s sustainability credentials are upgrades to the heating system throughout the Frobisher Level 4 spaces. In particular, the introduction of the Barbican Centre’s first air source heat pumps have replaced the inefficient and life expired electric fan and storage heaters. The changes will provide year-round comfort for delegates and will also vastly improve the environmental impact and efficiency in these areas of our operations.
- **AV Installations** - All of the Frobisher Rooms have seen significant investment in Audio Visual equipment. This includes installing new HD projectors in the spaces and replacing the cabling from the control panels with higher grade cabling, which will provide greater image clarity with vivid brightness and clear contrast. The new projectors also benefit from ultra-low noise operation, whilst being more sustainable through low power consumption and eco filters.
- **Garden Room** - The Garden Room PA system has been replaced, removing the sound dead spots in the area from the previous sound system. The blown glazing to the vista over the Lakeside Terrace has also been replaced with double glazing and a revolutionary hammer glass for additional security and clear views out to the City skyline.

Team Resilience

The entire team has enjoyed much success this past year from the sales journey to the delivery. They have done so despite the circumstances that have been evident through the building infrastructure challenges that have at times threatened our capabilities for event conversion and delivery.

On one of the busiest days of the Business Events calendar, the team delivered event catering for over 2000 people without the use of two key goods lifts, one of which was our catering goods lift used to transfer food to the many event spaces in the Barbican. This meant our Searcys colleagues had to be resourceful and transfer food and equipment over many levels on foot. This was an incredible achievement, considering several other challenging situations that were conspiring against them at the time.

Barbican Renewal

The announcement of Barbican renewal and recent investment has provided us with much positive press coverage and interest from our clients. With the competition growing in London and as we compete on an international level for larger congresses, this has been a welcome interest at a time of much development within the Events Industry. So far this year, we have seen a growth in interest from the international event markets in our communications versus national. This is the first time in since April 2021 the gap between the two has started to close, for the better.

As we progress through the development of Barbican Renewal, the logistical impact will become greater. With international and national events needing to contract 4-7 years in advance, the impact Renewal will have on our income generation, our business model and ability to forward plan, will become more prevalent.

During this period, it will be vital to have open and in regular communication with our clients on our ability to deliver their events within the timeframe, venue and level they need. Detailed scenario planning will commence with the Renewal Team early in October (when we will have more detail from the site surveys on which work packages need to commence first).

Sustainability and climate change

Business Events continue to secure event wins on the back of our sustainability principles, as highlighted in the Event Wins section with the Ecocity World Summit event.

Client demand for venues that demonstrate and deliver on their sustainable promises continues to be a frequently asked question for venues within the Meetings and Events Industry and is a key focus for decision makers. We continue to secure business because of our Environmental Strategy and the targets that have been set around Net Zero compliance for Scope 1 and 2 emissions by 2027. The Business Events team have three representatives on the Barbican and Guildhall Sustainability Steering Group, as well as representation on the BEAM (Business Events, Accommodation & Meetings) action group for Sustainability. BEAM is built on best practice in business, and supported by the four pillars of Resilience, Innovation, Ethics and Quality.

Working with Searcys, it is evident they share our values on sustainability. They have completely eliminated all single use plastics from their Barbican operations and their current focus is on Progressive Partnerships through their supply chain. Searcys aim to continue to raise the bar on sourcing standards. This will run across all elements of the business, from **reducing the emission impact of dishes by 30% by 2026** and ensuring **plant-based dishes make up at least 25%** of their menus, to using **100% cotton uniforms from certified sustainable sources**, and exclusively using FSC-certified wood and paper products by end of 2025. See Appendices 3 and 4.

Some recent examples of events held at the Barbican with a pure sustainability focus include:

- Astrid & Miyu utilising the Conservatory for a conference and awards event, aligning with their sustainability journey.
- The Bureau Veritas sustainability conference.
- WRAP (Waste and Resources Action Programme) Summer conference.
- Meaningful Business held a sustainability event bringing together a collective of sustainability champions within their own fields to share best practice.
- One of the world's largest retailers also held a sustainability accelerator demonstration day where a high number of eco products were demonstrated.

With Net Zero targets and commitments around scope 1 & 2 emissions quickly approaching, the sustainability trend continues to gain traction and further opportunities and progress is needed in this area, therefore we are exploring the opportunities for environmental standards, including ISO 14001 and more specifically ISO 20121. This standard is more aligned with Business Events and is the standard of choice for event planners, providing a framework of guidance and best practice to help manage events and control social, economic, and environmental impacts.

Equity, diversity, and inclusion

As with sustainability, ED&I is a focus for the full team. As customer facing representatives of the Barbican, we align ourselves with the audience strategy when working with Business Event clients to ensure that we monitor progress in this area against targets.

The Event industry's shift to virtual events during the pandemic highlighted the importance of improving inclusivity of events in online settings and as a diverse range of speakers, audiences and subjects have emerged from the Covid period, attention is being paid more than ever to the consideration of equality, diversity and inclusion within the live Events industry and is a subject now firmly on organisers and venues agendas.

Challenges and Opportunities

Challenges

Terrorism (Protection of Premises) Draft Bill Publication (Martyn's Law) – There will undoubtedly be an impact on the Barbican operations going forward with publication of the draft bill for the legislation presented to Parliament in May 2023. We are yet to understand the full force of this and what it will mean for our clients and our internal teams going forward. We will be working through this in detail in the next period to determine what our actions are, and these will be communicated to our teams and clients in due course. Although we are already focussed and well versed in establishing potential events that could cause a risk to our reputation, and have security protocols, proactive measures and reactive plans in place, there will be a greater focus on ensuring our premises and event security and operations are fit for purpose given our status of an 'Enhanced Duty Premises'.

Building Infrastructure – Challenges with the building infrastructure continue to have an impact on some events. An acceleration and delivery of some current and future pipeline projects will improve the current situation and will provide comfort for the teams delivering events and services across the Barbican venues.

Recruitment – Although the current Barbican Business Events team appears settled and focussed on delivering on our income and service targets, the market for recruitment within the sector is heavily challenged. There are plans to further strengthen the team, however, recent recruitment drives for sales and events roles within the Searcys team have proved very difficult to convert, due to the number of vacant roles and shortage of

suitable applicants available. There is a pay gap within the public and private sectors which is also adding to the challenges.

Opportunities

Flexible Working - The ability for our team to work from home has created opportunities for flexible working which helps with staff motivation and retention, although a balance has to be achieved within a team that is operationally focussed.

Venue Management System Review/Replacement

In the Autumn we will conduct a department wide review into the current working practices of the team to understand where efficiencies can be made in our administration and workflow processes as we look to replace our current Venue Management System (VMS), which is currently Artifax.

Recommendations from the review will identify areas where there is unnecessary administration, duplication and lack of standardisation and will help inform the Standard Operating Procedures (SOP's) for the team going forward. This is in line with our organisational goal of investing in our own people and culture, while finding sustainability in our workload and work patterns.

Retail

Our retail operation covers our Foyer Shop, The Gallery Shop and an online shop. From time to time we also add Pop ups into the mix.

Relative revenues are shown below:

	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Income	1,203	998	2,560	1,268	1,365	298	1,104	2,488	2,427
Expenditure	(714)	(579)	(1,433)	(753)	(764)	(190)	(706)	(1,694)	(1,545)
Salaries	(263)	(308)	(411)	(409)	(433)	(294)	(390)	(476)	(570)
Retail	226	111	716	106	168	(186)	8	318	312

Foyer Shop -

The Foyer Shop is performing well year to date (up to July 30th at time of writing), sales are currently 20% ahead of our YtD budget. Our net ATV (Average Transaction Value) in the Foyer Shop is tracking at £15.15, 4.5% ahead of our ATV target. Conversion in store, shop footfall vs. transactions, is also tracking ahead of our target at 18.31%, target is 14%. This has been positively impacted by Theatre merchandise sales from the pop-up which trades as part of the Foyer Shop location.

Compared to the same time last year, we are trading slightly ahead with cumulative sales 5% ahead of 22/23 actuals.

Gallery Shop – Carrie Mae Weems

Our conversion in store has been very positive, with visitors vs. transactions currently averaging 24%. The budget conversion for this show was 18% with a target ATV of £13.00. for this show to date, the ATV is tracking just ahead of budget at £13.23.

However, due to lower than anticipated visitor numbers this means we are behind budget for the show despite the positive metrics. Catalogue conversion has been very positive, with an average of 7% vs. a budget of 6%. There is some risk however, as that is

conversion of a much lower visitor number than expected, meaning we are likely to have catalogue stock remaining.

Gallery Shop – Alice Neel

Alice Neel exceeded our budget expectations, with an excellent conversion average over the exhibition run of 31.5%, vs. a budget of 30% and an ATV of £11.72, vs. a budget of £11.50. Catalogue conversion for the duration of the exhibition was 9.8%, customers were encouraged to purchase by the attractive price point, £15.00, and small and easy to carry format. Over 5,500 copies were sold during the exhibition run and we continue to sell post show. Excess stock of catalogues poses a low risk as we can return additional copies that were purchased direct from distributor for credit.

Online Shop

The online shop is tracking 6% behind budget year to date, falling behind in June and July. Additional lines are being added to the online offer regularly, with regular seasonal 'edits' promoting programme relevant products.

Work is almost complete on our new print on demand offer, in collaboration with our main print supplier King & McGaw. We hope to soft launch the online offer in late August with a selection of archive prints that can be ordered to size, with a choice of framing options and delivered direct to your door.

Totoro lines will return to the shop in August as we begin to receive stock ahead of its return in November. This may help to boost sales ahead of the Christmas peak.

Pop-Up's

The A Strange Loop pop-up, selling the production's own merchandise and programme, has not performed as well as we would have hoped for. We take a commission on these sales, so there is no risk to us in stock holding. It is worth noting that we do have to staff the unit, and taking this into account, this show will deliver a smaller than anticipated return. However, the uplift in the Foyer Shop in general retail sales has been very positive and offset any commission sales we have not been making.

And finally, we invited Moorgate Flowers back to the centre to trade at the bottom of the Silk St ramp during graduations this summer. Again, we work on a commission basis and take 15% of net sales and so have no risk in holding stock or wastage, nor do we have to face 4am trips to the flower market, or run the flower stall whilst it is in situ, this is all managed by Bob, the owner of Moorgate Flowers. Over a period of 3 weeks we were able to earn commission of just over £2k from the sales made by Bob. It is great to be able to support a longstanding local business and it is a welcome sight at the entrance when all the blooms are on display.

Future Operating Outlook

A varied programme ahead, as always, means that we have some interesting opportunities to refresh our retail offer over the coming months, work on new product development and continue to offer our customers a joyful and inspiring shopping experience.

The next key period for the Barbican Shop is the winter gifting season, starting in November and running through into the new year. This uplift in trade used to traditionally begin around October but in recent years we have seen the impact of Christmas start to

hit much later, although with customers watching their budgets we may see purchasing begin earlier.

We have an optimistic outlook for this winter, with Totoro returning to the Theatre late in November, running through to the end of March. This had an incredible impact to our sales figures last year which we hope to replicate again this year with a new approach to the RSC merchandise sales. We need to achieve approximately 75% of our overall budget in the Foyer Shop for 23/24 in the final 6 months of this financial year, over £1.4m turnover.

We know that the increased footfall from Theatre attendance has the potential to be hugely beneficial to the Foyer Shop, an uplift that we do not often see during other programming.

Coupled with a strong retail offer for Christmas, whilst also catering to the Totoro fans with licensed products and publications (which we do not pay commission on), and the draw of the RSC's merchandise (which we do pay commission on) we hope to convert more customers with additional merchandise sales points and improve the shopping experience instore and on the Foyers.

There is a risk associated with the reliance on this audience to help drive sales over this period, however. We are relying on similar levels of ticket sales as last year. Merchandise fatigue, with potentially repeat audiences coming to see Totoro again, there is also a risk that they may not buy in the same quantities as before, already having purchased previously. The RSC and their merchandise partner, Playbill, are working on new lines to encourage those visiting again to buy something new.

The other potential risk to our trading over this Theatre run, compared to the previous run of Totoro, is the bulk of the shows are post Christmas. The first performance is the 21 November, which is quite late into our Christmas season. Last year Totoro opened in October, boosting our seasonal trading period early on. With the majority of shows in the new year, when spending is traditionally slower after the seasonal peak, we are hoping to buck the trend.

We still have room to grow our Online Shop audience, this would need to happen with the relevant Marketing support for us to reach beyond our visiting audiences and help to build a new retail audience.

The Barbican Shop as a destination for shopping in the City is a real possibility, again with help from Marketing to promote and grow our reach, using strategic social media and marketing to engage with a destination shopper, who may not be an audience member or ticket holder.

Product development & range planning

The Retail Buying Manager is currently working on several future buying and product development projects. The '*RE/SISTERS*' range is underway, and we have begun range planning for 'Unravel' in order to have products sourced and developed ready for the opening in February 2024.

We allow approximately six months to plan a Gallery Shop range, this includes development of our own 'exhibition products' such as prints, postcards, magnets, tote bags and other items that carry the Barbican branding and exhibition imagery alongside sourcing 'off the shelf' lines that are relevant to any exhibition.

The tight time-line of six months allows for design and product concepts to be agreed between curators, estates and retail; allows for the design process to happen in house, artwork and credit approvals; research into products to be sourced direct from suppliers; and finally allows for production lead times which can be as long as 12 weeks for some lines.

This work happens alongside continual product development, sourcing and range refreshes for the Foyer Shop. Seasonal planning, for example Christmas, began in April to secure products for our peak trading period. Developing new ranges for the Foyer Shop or adapting and refreshing current ranges takes place throughout the year. These changes and additions will be driven by sales analysis as well as responding to wider Barbican events such as Theatre or Music programming.

Whilst it is worth noting that it is not always possible to create a viable supporting commercial offer; responding to and supporting the programming with a relevant retail offer becomes easier the longer the time frame we must work within. There are occasions when, given more time, we can be bolder and more daring and connect the retail offer in a more meaningful way, but this does take some planning.

Christmas and the return of *My Neighbour Totoro* in the Theatre 23/24 are already being planned for in store. This year, as part of our winter range planning, we have 'reserved' bulk stocks and are placing bigger orders following learnings on lines where we sold products in large volumes or where we struggled to keep consistent supply due to high customer demand and suppliers running out of stock last year. This way, we will ensure we have good and constant stock availability on the shop floor throughout Christmas and during *My Neighbour Totoro*, as well as reducing the administration and operational time involved in placing and then receipting multiple smaller orders during a very busy trading period.

All the stock orders have been forecast based on sales analysis from last year's Christmas/MNT period. Where possible, we have stock on 'reserve' and will start to receive initial quantities in August and September, ready for the gifting season.

In the autumn we will begin to look ahead to next year's programming, outside of the planned Gallery exhibitions, to look at opportunities or themes that could translate into a commercial retail offer.

With a new Retail Book Buyer in post, we are also now forward planning our book offer presented in our reading area on the mezzanine of the Foyer Shop and across the whole offer. The reading area allows us to support events and activity in the centre, as well as highlighting broader social/global issues that are relevant to our audiences through a curated offer of publications.

Operations

The return of *My Neighbour Totoro* has required us to look ahead to our wider retail operation over the winter period. Following the success of last years show, we want to improve the retail offer and the accessibility of the RSC merchandise. We are expanding our pop-up footprint and a change of location, putting retail at the start, middle and end of the customer journey, we are confident that we can offer an improved customer experience whilst capturing more sales, generating more commission.

This year we are recruiting for a dedicated team of Theatre Merchandise staff, a mix of fix term contracts and casuals, to run the operation, giving consistent supervisory cover and helping us to manage our workloads sustainably during an extremely busy time of year. It

is also offers a development opportunity for Barbican staff to step up and gain new skills and experience.

A new pop-up unit is being prepared for a new location at Silk Street, with merchandise available at a secondary pop-up on level G and available in the Foyer Shop.

The commercial and operational feasibility of a semi-permanent retail presence in the Barbican Conservatory is being considered and worked through, with an aim to have a retail presence in the space by the end of Summer in time for the Gallery installation. This requires us to balance operational costs with limited opening times and the need for this to be a fully flexible and mobile point of sale. The conservatory is a popular theme in store, with prints and conservatory related products performing well throughout the year. The chance to add value to the visitors journey with a opportunity to purchase whilst in the space will no doubt help to increase our average spend.

Archive opportunities

With our Print on Demand offer almost ready to launch online, we can begin to explore further opportunities within the archive, to increase our 'on demand' selection and give our customers a much broader choice of images online than would be possible in store.

There is also the opportunity to offer image for use under licence, which is underway and will allow us to test the demand for image licensing and begin to catch up with our cultural and creative peers by having a licensing offer for the first time.

RETAIL TRENDS

Cost increases

Over the past 6 to 12 months there have been significant increases to the cost of goods, predominantly on the production of our own branded/developed goods.

This means that we have either had to accept a decrease in margin or, where we can, we have increased the retail price and passed this on to our customer.

As an example, we have seen the cost of two of our best selling own brand lines jump, narrowing our margins:

- Barbican tote bags, a perennial best seller for the Barbican Shop, at the start of the year were £1.20 per unit, but the cost of a one colour/one sided print has risen to £1.75 in the last few months. A 31% increase. We have been able to retain the £5 selling price but are considering an increase in the new year as we expect costs to continue to inch up as the supplier passes on their own increased costs to us.
- Brutal T-Shirts were previously £5.53 per unit. These would be ordered in bulk to obtain the best price, but for a repeat order using the same specs we were quoted £9.87 per unit this year. That is a 78% increase in 12 months. We have switched suppliers to obtain a more competitive price, but at £8.75 per unit this is still a 60% increase. This item has retained the selling price but any further considerable increases would mean we need to re-consider this item. The customers price expectation of T-Shirts is normally £20 to £25 and we are already at the top end of

this, any further increases to the retail price would likely damage sales giving the price perception that we are expensive.

- The increase to costs has been exacerbated since the Brexit changes to imports and compounded by fragile supply chains, as well as increased transportation and energy costs. We have seen this especially with fabric goods, 'blanks' on which UK suppliers print were regularly imported from Portugal or Turkey. As the cost of doing this has become prohibitive, many UK suppliers are switching to UK sources. This is great from a sustainability point of view, but UK production is generally much more expensive.
- Our own developed/branded products have always been margin leaders for us, historically achieving margins over 60%. We are now seeing this margin decrease and are more frequently seeing margins of 50% to 55% if we want to retain acceptable retail prices.
- 'Off the shelf' products, these are all the non branded items that we do not design or produce, have also seen price increases. Typically we could expect to achieve 52% to 55% on the RRP, but this has dropped to 50% to 52% on average.
- Ultimately, this is going to lead to us to consider the feasibility of lines if costs continue to rise, price increases where we think we have the capacity to pass on the cost increase to the customer and the likelihood that we will be working to narrower margins overall.

Cost of living – impact to purchasing?

Following on from the increase costs to buy and produce goods, our customers are being squeezed elsewhere in their lives as the cost-of-living crisis remains with us and impacting individual purchasing decisions across the board.

One risk of passing on price increases, is we begin to damage our average transaction values, with customers choosing to 'shop smaller and stricter', buying lower priced and/or less in order to manage their own budgets; or choosing not to shop at all, making a choice between maybe a food and beverage purchase over a souvenir or gift.

Anecdotally, the audience for *A Strange Loop* has not been as open to spending, both in the shop or at the bars. Although the impact of the Theatre being open has helped to boost sales, the propensity for this audience to buy Theatre merchandise has been low. This is a young, diverse audience far more likely to be impacted by the cost-of-living crisis.

This adaptation of behaviour by customer, putting value at the centre of their decision making, means that the overall perception of value has been reshaped. Key 'recessionary' behaviours include: trading down to cheaper alternatives; delaying large purchases; focusing on essentials, and discount hunting.

Sustainable retail

The focus on repair, recycling, reuse, and thrifting has grown. Customers are actively trying to buy less and are becoming more invested in product life cycles. Investing in pre-owned or pre-loved fashion pieces is a growing market. The Vestiaire Collective will showcase their pre-loved clothing platform during the *RE/SISTERS* exhibition, having a space in the Gallery Shop and a Foyer Shop window, promoting the benefits of pre-loved clothing and promoting a more sustainable way of shopping in the future.

We actively look for products that have been produced sustainably or have a sustainable story, where possible choosing to stock items with sustainable credits over less eco-friendly (but maybe cheaper) alternatives. Whilst we have a long way to go in having a

fully sustainable retail offer, we can continue to seek ways in which we can shift towards offering more and more sustainable options.

There may also be opportunities to facilitate 'swap shops' for fashion lovers looking to update their wardrobe, as well as the potential to deliver up-cycling workshops and other creative ways of renewing items of clothing or homewares. These types of activity may not deliver a huge profit, but creating a space and connecting groups who are leading the field in these areas with our customers is an important part of our journey to becoming more sustainable.

DECISIONS FOR 2023/2024

Shop revitalisation

- With increasing footfall, the shop has sustained some heavy usage over the past 6.5 years and units are starting to suffer from obvious wear and tear. But beyond expected wear and tear, the fixtures that were designed back in 2015 no longer fit the purpose they were built for. Our product offer has developed and changed and so have our display needs, as have the expectations of our customers.
- Work has been done, and is ongoing, to improve how we display products as well as fix units that have been damaged or are in disrepair. Some units have been retro-fitted to offer more dynamic display options for the new and varied merchandise we have. However, the current fixtures are not that easily adaptable without serious intervention, and this means they are restrictive in terms of display, offering a very flat and 2D merchandising space.
- With the prospect of Barbican Renewal still some years away, we now have an ageing shop fit that needs to be refreshed and revitalised in order to give us at least another 5 years of service, allowing us to reach our full potential in terms of creating the best product displays; showcasing our ranges, maximising sales through innovative merchandising and offering an enjoyable customer experience.
- What do we want to achieve?
 - Extend the life of the current shop for a further 5 years (or more)
 - Create new display opportunities for dynamic merchandising, ultimately improving sales opportunities
 - Lighting - improvements and additions

We have now engaged a London based design firm [STAMP](#) to start exploring a light refresh.

Commercial Development

The Commercial Development team currently look after Car Parks, and Bars, Restaurants and cafes – some of which are run under operating contracts with third party operators.

Current Status

Bars and car parks bounced back relatively quickly after Covid, however, the restaurants and cafes took longer to recover. The industry as a whole has taken a big hit and is still not fully recovered, with challenges in recruitment, cost of goods and utilities impacting their ability to operate efficiently and profitably.

Our catering partners have done remarkably well and in most areas are exceeding financial expectations, whilst also pushing ahead with initiatives and improvements in all their operations around the Barbican. Following a successful refresh of the Level 2 restaurant in latter part of 2022 from Osteria to Barbican Brasserie, revenue has increased by 49% year on year and the venue is being used by a wider audience. In the 3rd quarter the Level 1

restaurant (currently Bonfire) is getting a similar refresh and will become the Barbican Bar & Grill. Still aimed at our younger audience and visitors, but with a clearer identity that is more easily recognised and a refreshed interior, we expect a wider audience to be attracted to it.

In April of this year, we took the Cinema Cafes in-house from Benugo. The initial phase to resolve service issues has been a success and it is clear that the customer and cinema audience experience has significantly improved. We have plans in the short term to increase sales and improve the food and drink offer when we have a permanent Café Manager recruited, which is in progress. To date marketing the café has been minimal however, with the appointment of a new commercially and hospitality minded Head of Marketing, we are hopeful that a greater focus will attract new customers to the café.

Trends

The “cost of living crisis” has certainly had an impact on hospitality as a whole and at the Barbican, although surprisingly not necessarily in terms of reduced revenues, which have remained buoyant when compared with like-for-like audience profiles. The most significant impact on businesses is the squeeze of margins as prices increase exponentially without this being fully passed on to the consumer.

Small businesses are putting up prices, but not at the rate needed due to fear of being outpriced by the bigger corporations with deeper pockets and long-term purchasing deals. This has benefited the Barbican in recent months as Benugo and Searcys have been able to keep prices well below similar venues and in many cases the high street.

Business Outlook

Our F&B offer needs to adapt in line with our desire to grow and diversify our audiences and improve our audience offer. This is influencing our thoughts on both short-term improvements (for instance the refresh of the Level 1 restaurant) and longer-term strategy and planning.

In late summer 2024 the catering contracts are due for re-tender. We have extended them twice, so this is now a procurement requirement. However, we would like to explore ways that the tendering process can be done differently this time, to achieve our objectives for this interim period in preparation for the more radical opportunities that will be provided by Barbican Renewal.

Objectives:

- Create a diverse food and drink offer for our audience, visitors and neighbourhood for the next 5 years.
- Review the sustainability and financial viability of operating 2 restaurants and the opportunities this creates to repurpose one of these spaces
- Maximise income from the profitable areas of the business (Barbican Kitchen and Hospitality), to enable us to be more experimental with the foyer cafes and restaurant spaces on Levels 1 and 2.
- Seek out SME businesses and/or partnership to operate our restaurant/s
- Focus on sustainability, quality and equity

- Ensure that there is a balance between innovation and financial security in the mix of offers
- Mindful that the building disruption during Renewal will be an unknown factor that tenderers will be concerned over and will want to protect themselves through their financial offer

Key strategic decisions to be made

Restaurants & Cafes

	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast
Income	847	789	915	915	899	31	276	720	778
Expenditure	(86)	(52)	(138)	(68)	(69)	(14)	(43)	(74)	(67)
Salaries	0	0	0	0	0	0	0	0	0
Total	761	737	777	848	830	17	233	646	711

- The most significant decision to be made is to reconsider the use of the Level 1 & 2 restaurants. The reality is that for the last 35 years these restaurants have never been successful. They are hard to locate within the building and despite many incarnations have never been distinct enough to become destinations. As a result, they lose money for the operators and only exist as they have been subsidised by the events and hospitality contracts that they are linked to. The income we make from both these spaces is minimal and entirely offset by the maintenance costs of keeping the failing kitchen equipment and infrastructure going. If we tender in the same way as we have always done, this will continue as no business will take on the restaurants on their own.
- The solution, whilst dramatic, is to focus our efforts and resources on creating one lively and accessible bar and restaurant on Level 1, which will be more attractive to SME operators and provide us the opportunity to do something truly exciting in this space. This also then enables us to repurpose the Level 2 restaurant. Different options for that space are being explored, with the most profitable in terms of income, is as a multi-purpose events space, which can be shared with other departments such as Development, that we have modelled and could have the potential to bring in around £400k incremental contribution to the Barbican.
- This has been proposed to the board in previous papers prior to Covid but was shelved when Barbican Renewal was announced. However, this was based on creating a 200-cover restaurant by building on the Level 1 terrace overlooking the lakeside. This was very controversial and an expensive exercise that was by no means assured, so we are no longer proposing this and believe that the existing footprint on Level 1 can still work for the following reasons;
 - One restaurant is enough to service our needs – when combined with the café and bars.
 - Our audiences are changing - the demand for the audience that currently uses the Brasserie has altered. During A Strange Loop and Totoro it is clear these audiences are being drawn to the Barbican Kitchen and Bonfire. The trend here is that there will be increased demand for more accessible dining options with less emphasis on 'fine dining'.

Barbican Bars

	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24
Bars	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast
Income	636	957	1,237	1,252	1,587	20	1,076	1,868	2,022
Expenditure	(246)	(337)	(442)	(398)	(621)	(7)	(353)	(560)	(677)
Salaries	(219)	(370)	(430)	(428)	(517)	(212)	(511)	(704)	(740)
Total	171	250	366	426	449	(200)	212	604	605

- The Martini Bar has been described as ‘the best bar in the worst location’ and this is something we wish to address. The Martini Bar has evolved over the years and long since outgrown the space it is in now. The options are to relocate the bar to another space, or do something with the space it is in. The current mezzanine is not conducive to an intimate cocktail bar, but it could be with some investment in furniture and lighting. The furniture in use is all reclaimed from parts of the foyer and leftovers from restaurant refurbishments. It is shabby, uncoordinated and to be frank, embarrassing!
- However, by reducing the overhead lighting and creating a dedicated fixed seating plan of intimate booths and sofas with feature lamps, will give it a real cocktail bar look and feel, transforming the space.
- The investment to do this will not be insignificant but would enable the Martini Bar to truly flourish and turn around an otherwise wasted, unattractive and underutilised area of the foyers.

Members Lounge

- Since taking this area in-house, we have turned around an underutilised and unappreciated loss-making operation into a profitable one. However, we are now the victim of our own success as the infrastructure is unable to support the demands of a busier operation. Like the Martini Bar, when originally installed did not include running water and waste. The facility needs to be upgraded to meet requirements.
- To ensure the ongoing sustainable operation of this venue, investment in the region of £30k is required to install water, update the electrical supply and extend the bar to include a glass washer and ice machine.

Car Parks

	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24
Car Parks	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Season Tickets	204	238	338	185	256	224	225	225	216
Ticket Sales	406	353	462	483	348	92	253	408	416
Income	610	591	801	668	604	316	478	633	632
Expenditure	(272)	(276)	(282)	(302)	(273)	(313)	(288)	(339)	(342)
Total	338	315	519	366	331	3	190	294	290

- The car parks contribute around £300k a year to the Barbican, so they are a valuable asset. However, their use has been declining over the last 10 years and will continue to do so over the coming years due to the general reduction in car use in London. There is enough capacity to consider alternative uses and this is something that we are actively pursuing.
- Meanwhile, we are working with the CoL to increase the number of electric charging points. This will be financed by replacing the existing units with chargeable ones, which will increase revenue in that area.

Successes

Restaurants & Cafes

- The refresh of Osteria to the Barbican Brasserie in Q4 of 2022-23 has been well received by everyone. The dining room now looks fresher, less stuffy and the plants enliven and soften the space. Changing the name has also had the benefit of widening the menu options and attracting a more diverse age group who identify with the familiarity of a 'brasserie'. A lesson we have learned and the reason for the change from Bonfire to Barbican Bar & Grill by the end of September.
- The takeover of Cinema Café & Bar on Beech Street by the in-house bars team has given a new lease of life to a tired space. Since the return from Covid and the reduction in footfall from the local offices, the venue has struggled to work as a café outside of the cinema audience. Since we took over in April this year the daytime business has started to return, and the cinema audience is better catered for with a more responsive management presence.

Barbican Bars

- In Q4 of 2022-23 we took over running of the Members Lounge from Searcys. With dedicated management from the Martini Bar team, we turned around a loss-making contractual liability for Searcys to a Barbican asset. It is very performance reliant, but generally now provides a small contribution to the Barbican.
- For the run of A Strange Loop, we introduced the Piano Bar/Late Lounge after the Members Lounge closes at 9.30pm, providing a late ticketed venue open till midnight with live background music on Friday and Saturday evenings. It was a successful trial with a clear demand, especially from the contemporary music audiences, with tickets often selling out. We are looking at ways to make it more financially and operationally sustainable to operate the Late Lounge in the future.

Car Parks

- The CoL car park re-tender enabled us to replace and upgrade the barriers and ticket machines in our car parks, with ticketless operation and enhanced numberplate recognition. The handover was delayed but smoothly done with minimal disruption to visitors.
- New EV charging points have been installed in some of the City car parks and after a trial we will be working with Qwello (the EV operator) to bring to the Barbican. The plan is to replace the existing charging points in Car Park 3 with ones that we can charge for us and the expectation is to increase the number of points into Car Park 4 in due course.

Cinema Café progress

- We proposed a 3-phase approach to the take-over of the Cinema Café and bars (1 and 2/3);
 - Phase 1 – refresh the space, develop a food and drink offer in keeping with the audience and limited facilities, engage with Cinema to create a more seamless experience.
 - Phase 2 – recruit a permanent Café Manager and focus on developing the evening bar and food offer.
 - Phase 3 – develop and business case to invest in new furniture, lighting, counters and electrical infrastructure to enable us to rival the competition in this sphere (Everyman, Curson etc who have really invested in their F&B offer), creating a destination venue.

- We are in the beginning of Phase 2, now in the final stages of appointing a permanent Café Manager.
- We have struggled with marketing of the café and look forward to working with the new Interim Head of Marketing to help us drive income generation.

Implications of Renewal programme (short and long term)

- All our forward planning is considered around the Renewal programme, which whilst unknown at this stage will have implications for all the secondary income generation departments. However, in reality we expect the biggest impacts will come in the latter half of the timeline and so will not have significant impact over the next 3-5 years.

Corporate and Strategic implications

The future plans of Commercial team support the delivery of the City's Corporate Plan by:

- Contributing to a flourishing society. All aspects of the Commercial team's work feeds into a growing and prosperous community. Our aim for our restaurants and bars is to become integral to the local area by bringing communities and individual together to share experiences. at central meeting points and at the same time be strong enough to appeal to draw customers from beyond that community. We want our shop to be unique yet accessible. And through our Business Events programme we want to build upon weekend public events which will animate the building and draw the local population to the building whilst at the same time providing a solid base of potential customers for our commercial offerings.

Relevant Corporate Plan Outcomes

- People enjoy good health and wellbeing.
- People have equal opportunities to enrich their lives and reach their full potential
- Support a thriving economy. Through Business Events we will continue to drive income to the Barbican and environs by driving events into the Centre and the City which in turn will support local businesses. As a hub for connecting commerce at the Barbican through business event attendance from national and international audiences, we will continue to cement our positioning as one of the key locations in the City and in London, in which to do business.

Relevant Corporate Plan Outcomes

- We are a global hub for innovation in financial and professional services, commerce and culture
- Businesses are trusted and socially and environmentally responsible
- To shape outstanding environments. Our building will be governed by our sustainability commitments from our event spaces to our public spaces including our restaurants and bars and retails outlets. We will ensure that our contractors observe our pledges. We will work alongside the City's environmental stewardship and advocacy to create harmonious environments where all who meet are inspired.

Financial Implications

Income growth potential may require some initial investment to generate future return (“pump priming”)

Resource implications

Refer to Team structures - Appendix 7

Legal implications

None

Risk implications

As we saw with the pandemic, or national or worldwide events such as recession, wars, ash-clouds etc, the risk of a b2b or b2c face to face business always carries a degree of risk which can unexpectedly skew visitor numbers. That can be mitigated by risk proofing by diversification of some of the business areas.

There is risk in delivery due to our aging building infrastructure as alluded to earlier in the document and in the conclusion notes.

Equalities implications

As outlined.

Climate implications

As outlined.

Security implications

As outlined.

Conclusion: a note from Jackie Boughton – Acting Director, Commercial

Despite the challenges of the past few years, since Covid, the Commercial Team have remained business focused which is demonstrated by the fact that in 22/23, the income generated by these areas accounted for 36% of the Centres revenues.

The changes in our leadership and subsequent key positions around the building has ensured that there is a greater emphasis on supporting the component parts of the Commercial business model and with the Strategic Framework in place there is a clear commitment to supporting secondary and incremental income across the Centre.

We are committed to finding ways to work with our arts and education teams to ensure that we leverage all commercial aspect of shows, be it music, theatre or galleries, and that these areas are considered as part of the programming voyage from the outset.

Barbican Renewal is a beacon of hope as we journey through the next few years. In the interim, we need to address ways of ensuring that the building remains fit for purpose throughout the intervening years, as the impact an aging building has on delivery and our teams could be loss of business and loss of resource.

- In the case of retail, restaurant and bars; audience levels; intervals and demographics for the hall and theatre influence customer spend. This has been addressed through the creation of projects such as the Late lounge Piano Bar during A Strange Loop and, during the next run of Totoro – a pop up shop strategically placed in the Silk Street entrance.
- The balance of the artistic offer, education needs and commercial business event use of spaces around the building continues to present a ‘race for space’ scenario where each area jostles to take over areas. Despite this, Business Events is

outperforming its compset with consecutive growth since the pandemic and have already overtaken 2019/2020 figures which was the best year on record.

- The building. An aging building is creating numerous operational challenges which cannot be underestimated when it comes to delivery of all aspects of the commercial offer. Without investment there are limitations on growth and delivery across all areas as teams struggle to deal with the numerous failures across the site which are daily in some cases. In many areas teams are working with areas which were never designed for the purpose they are now, and whilst Barbican Renewal will address this in the long term, there needs to be consideration given to investment in areas which will provide a bridge to enable interim financial sustainability.

Jackie Boughton - Acting Director Commercial, Barbican Centre
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Appendix 1 – AIM Assessment Feedback

Appendix 2 – BDRC Event planner feedback July 2023

Appendix 3 – Searcys Sustainability pledges 2023

Appendix 4 – Searcys Second Nature 2023

Appendix 5 – 2023 Board Report Buying Slides

Appendix 6 – Business Events Customer Feedback examples

Appendix 7 – Commercial Team Structures