

## SERVICE UPDATE

<b><u>Name of Function:</u></b>	City Growth
<b><u>Date:</u></b>	25/07/2023
<b><u>Title of Update:</u></b>	Belmont Cinema Update
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### **UPDATE:**

At the Meeting of Finance and Resources on 17<sup>th</sup> May 2023 the committee instructed the Chief Officer of City Growth in consultation with the Head of Commercial and Procurement Services to proceed with issuing a Prior Information Notice (PIN) through Public Contracts Scotland with a Request for Information (RFI), to market test for a prospective operator according to the financial modelling and recommendations in the Feasibility Report and to report back to committee through a service update.

### **Background**

In the mid-nineties, The Council expended £3.4 million converting a former cinema in Belmont Street to a state-of-the-art media centre facility acting as a regional hub for the delivery of cultural cinema programming and related educational services. The funding included £935k from funding partners including the National Lottery (via Scottish Arts Council), Scottish Film Council, Grampian Enterprise Limited and the British Film Institute. The Centre opened its doors for business in late 2000.

The Centre, which is owned by The Council, is situated on Belmont Street, the property comprises a three screen cinema, with seating for 272, 146 and 67 persons, café/bar with catering facilities, kiosk shop, offices and seminar rooms.

Until 2014 the venue was operated by City Screen, a subsidiary of Picturehouse, a change of operator was required due to Competition Commission ruling on Cineworld's purchase of Picturehouse in 2012 and the risk of monopolisation. A tender for operations was held in 2013 with the Centre For Moving Image (CMI) being appointed in 2014, forming the charitable subsidiary Belmont Filmhouse to manage the cinema. Following a 'perfect storm' of conditions CMI entered administration on Thursday 6th October 2022 leading to all venues closed with immediate effect and 102 staff unfortunately being made redundant, including 20 at the Belmont Filmhouse.

The Belmont Cinema has remained closed while the administration process for CMI remains ongoing with the current lease due to end March 2024 or until such time the Council appoints a new operator. In response to the situation the Council commissioned cinema consultants Mustard Studio to produce a Feasibility Study to determine a sustainable model for cinema operations at the venue.

## **Current Position**

The PIN inviting prospective operators to outline their proposals for the Belmont Cinema was published on 19<sup>th</sup> May this year, through this exercise the Council sought to gauge the market for prospective operators of the Belmont Cinema and Media Centre to ensure the long-term viability of the business. Interested parties were asked to complete a template outlining their vision for the cinema, relevant experience for development and delivery, evidence of capability and capacity for operating and strategies for fundraising and sustainable operations. The opportunity was widely promoted through moving image industry networks,

In total seven notes of interest were registered with two prospective suppliers proceeding to complete the Response for Information form. Initial review and analysis of the responses identifies a need for further detail and clarification to determine next steps in procurement. The two parties are being invited to meet officers from Corporate Landlord, Commercial and Procurement and Culture services, to gather further information on their proposals in respect to competency, capacity, timescales, strategy, financial planning as well as long-term sustainability.

Subject to the outcome of these meetings in early August and any further clarifications on revenue implications, officers will put forward a report to Finance and Resources this autumn to set out recommendations as well as associated terms, conditions and timescales for the venue to be reopened under a new operator.