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## **A Feasibility Study for the Black Box**

November 2011

**A report prepared for The Black Box Trust**



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## Executive Summary

### Background

The Black Box Trust was formed in 2004 as a voluntary organisation with the aim of creating a dynamic and flexible performance space in Belfast City's Cathedral Quarter to build audiences in the area until the arrival of the proposed Metropolitan Arts Centre (MAC).

The Black Box opened in April 2006, operating from rented premises on Hill Street, at the heart of the Cathedral Quarter. Since then, the venue has provided space for a diverse range of artistic programming, including live music, theatre, literature, comedy, film, visual art, live art, circus and cabaret, attracting over 30,000 people each year.

Oxford Economics were commissioned by the Black Box Trust in September 2011 to undertake a feasibility study into the future operation of the venue as a cultural and artistic events space in co-existence with the opening of the MAC.

### Strategic context

The future operation of the Black Box is set within the context of the current public sector funding environment, published strategies of key stakeholders and other relevant arts, culture and regeneration policies.

The operation of the Black Box as an arts and culture performance space has contributed to many of the key objectives of the strategies its funders - ACNI, BCC and DSD. It has improved recognition of the benefits arising from artistic events and performance spaces; it has contributed to the existing arts infrastructure in the Cathedral Quarter; expanded the range of opportunities for people to enjoy and participate in the arts; played a role in tourism in the City; and improved social cohesion during regeneration of the Northside of the City.

### Assessment of need and demand

For the purposes of the feasibility report, the assessment of need and demand has been considered under the following headings:

- Audience performance
- Audience diversity
- Links with local business
- Engagement with Festivals and Promoters
- The Metropolitan Arts Centre (The MAC)

Winning the Fate Award for 'Best Newcomer' in 2007, the Black Box has attracted almost 193,000 people to the variety of events and activities it offers throughout each year since it opened its doors.

The venue's audience numbers have increased steadily between 2007 and 2010, rising from 31,150 to 43,000. This 38 percent growth in audiences over this period was not only remarkable for the Black Box as a new performance venue but also for the period of recession in which it operated.

There have been almost 1,800 events held in the Black Box between April 2006 and July 2011, 55 percent of which fall within the music event category. The proportion of music events to total events has grown from 47% in 2006 to 63% in 2011.

Growing demand to watch and listen to local artists in an intimate setting has defined small music events as the Black Box's speciality. Approximately 59 percent of the Black Box's total audience over the last five years have attended the venue specifically for this type of experience.

The mosaic analysis undertaken by Audiences NI provided a typology of the Black Box audience. They are a mix of young, affluent, mature and artistic type people, falling within the 'Cultural Avant Garde', 'Business Leadership', 'Terraced Melting Pot' and 'Local and Commercial' categories making up four of the top five types of household booker attending the venue. Although it should be noted that the results are based on the names and addresses of all the accounts within the Black Box's Worldpay booking system and did not include any mailing list data, door sales or through other ticket sellers.

Evidence gathered during consultations with local businesses indicates that the Black Box has played a key role as an arts and culture performance space and as a member of the local business community in the Cathedral Quarter. It has attracted people to the area, creating a spillover effect in terms of increased trade for local proprietors, and the fact that its presence would be missed if the venue was to close, suggests that there is a need for its future operation locally, in complementing existing infrastructure and resources.

All feedback gathered from the Festivals and Promoters, shows that the Black Box has provided a key performance space for arts and cultural events that is flexible, accessible, versatile, affordable and optimally sized, with the only downside not being fully licensed. Whilst the majority recognise the benefits of the MAC as a major addition to the arts and cultural offering in the area when it opens next year, they see the need for the Black Box to continue to operate as it complements what the MAC will be offering.

From evidence gathered from consultation, it is clear that the MAC will inevitably be in competition with many providers, both arts venues and commercial venues, given the broad range of programmes and activities that they will be offering. However, the Black Box tends to host one-off music and other events that are less mainstream, supporting indigenous artists, whereas the MAC, aspiring to be a 'world-class state-of-the-art venue' may showcase longer runs of artists that are better known to audiences. It is our view that the each will provide a different offer of performances and events in two very different venues, giving audiences a greater choice.

## **Financial analysis**

The Black Box has done well to grow its turnover and income over the four years of its existence, although the current economic recession has seen this growth stall. This has been achieved with a reduced level of grant assistance from the public sector and the company had achieved a position of over 80% self generated income by 2009/10. In that year, trading

activities contributed to £293,000 out of total turnover of £358,000 with the balance of £65,000 coming from grant assistance from ACNI, Belfast City Council and DSD.

However, the company has not made profits in the first four years of its existence and an exceptional loss in 2008/09 has left the company with a large bank overdraft but it continues to operate as a going concern with the support of its major creditors. Whatever the way forward for the organisation, the bank overdraft created by this loss needs to be addressed as it constrains the future development of the company.

The company faces a number of financial challenges looking forward including the continuing economic recession which is impacting on the business. In these circumstances it will be important for the company to strengthen its financial management and reporting systems as it seeks to maximise revenues and control its costs.

## **Options for the way forward**

In considering the way forward for the Black Box, we identified the opportunities and constraints facing the venue.

The specific opportunities include:

- The continuing growth of Cathedral Quarter as a cultural quarter of the city and the potential implementation of the Cathedral Quarter 5 Year Vision & Development Plan provide an important context for the Black Box;
- Having established itself over the last 5 years as a key element of the Cathedral Quarter scene with strong support and growing audiences, there is an opportunity to consider how to consolidate and enhance its position over the next 5 years;
- The events in Northern Ireland associated with 2012 and the associated projected growth in tourism visitors to Belfast next year and beyond represent an important opportunity for the Black Box;
- In our view, the opening of the MAC represents an opportunity rather than a threat, not just for the Black Box but for the whole Cathedral Quarter with increased numbers of visitors and footfall in the area; and
- The growing reputation of Belfast as a music city suggests that there will be increased demand for music venues across the city.

The constraints facing the Black Box's future operation include issues of public funding, temporary set-up, lease and usage of the building, venue and location.

- Public spending cuts have significantly curtailed organisational and departmental budgets. Therefore it is unlikely the building of the Black Box would be purchased by any public sector organisation and the level of funds previously provided maintained;
- With the Black Box not making any profits during the first four years of its existence and creating a substantial bank overdraft, it is unlikely that the Black Box would succeed in securing private sector investment or any debt finance from the bank until its overdraft is cleared or seen to being reduced;

- While the Black Box was set up as a temporary venue, it has created its own unique presence and has become accepted as a key element of the Cathedral Quarter, there is still a perception that it is threatened by the opening of the MAC.
- The current terms of leasing the Black Box building could not be renegotiated to lower the level of rent. Furthermore, the only permitted use of the building is a mixed performance venue for live music, comedy and other events.
- There are no suitable venues that capture the essence of the 'black box' feature and no alternative locations within the Cathedral Quarter or other parts of Belfast.

We considered a long list of options when considering the future operation of the Black Box. These options were then subjected to a short-listing process of which the majority fell under broader descriptions. These options were identified in context of the key objectives of the venue's continued existence.

Option 1: Status Quo

Option 2: Closure of the Black Box

Option 3: Becoming an independent/commercial venue

Option 4: Broadening the venue's funding base

Considering the advantages and disadvantages of each option, we identified Option 4 as the preferred option for the future operation of the Black Box. The advantages and disadvantages associated with Option 4 are presented in Table 1 below.

**Table 1: Advantages and disadvantages of Option 4**

Advantages	Disadvantages
Attract new monies and investment from relevant organisations such as the Paul Hamlyn Foundation, Heritage Lottery Fund, NITB	Additional time and resource required to prepare applications on top of existing applications to traditional providers
Increase the probability of attaining funding	May not meet some of previous funders' new criteria and the criteria of potential funders
Become less dependent on traditional sources of funding	Competition for funding is high and available monies are limited
Help to increase the job security of existing venue staff and equipment suppliers	Potential delay in delivery of funding
Increase opportunities for staff development, as specific grants for training can be obtained	



Advantages cont...	Disadvantages cont...
Increase opportunities to move towards becoming more sustainable, generating additional income	
Additional resource to programme more performances and events	

In our view, applying to additional sources of public sector funding and other relevant sources is the preferred option for the continued existence of the Black Box. It will also help to mitigate against the risk of not receiving funding.

The preferred option to 'continue with public sector and other support' will have a number of associated risks and uncertainties that potentially will affect successful implementation. These were considered in terms of the following:

- Lack of public funding
- Restricted lending
- Criteria of other funding sources
- Competition for funding
- Lack of business case

## **Conclusions and actions**

The overall evidence gathered and analysis provided has shown that the Black Box has established its own unique identity and audience and that there is a need and demand for the future operation of the venue, in terms of the meeting the strategic objectives set out by key stakeholders, attracting a growing audience, adding to the arts and culture offering, contribution to local business and creating its own identity and audience type.

It is our view that the Black Box brings a niche product to the arts and culture sector and offers performances and events that will not be in direct competition with the offering provided by existing or planned infrastructure, such as the MAC as a result of its unique nature.

The Black Box has operated on a minimum amount of public sector funding and has become 82% self-generating since opening in 2006. However, its ongoing net deficit needs to be addressed for it to continue to exist and move towards greater sustainability.

A number of steps will need to put in place to address these issues going forward and to make the preferred option to continue with public sector funding and attract other support viable.

The first step the Black Box will need to take is to prepare a robust business plan for its future operation. A summary action plan is included in Table 2 below:

**Table 2: Action plan and timeframe for implementation**

Actions	Timeframe for implementation
Business plan setting out the venue's vision over the next 3 to 5 years, providing strategic plans in relation to its marketing and sales, staff, customers and operations going forward. It must also include a financial analysis, setting out goals to meet for the venue to move towards sustainability, in line with its aspiration to be 100% self-generating, and the level of support it will need to meet these targets.	Within the next 6 months
Introduce an in-house system to record the number of events by type, the audience they attract and the revenue they generate through ticket sales, rental of space and bar sales. This will enable the Black Box to monitor their performance and know which events benefit the business most. It will also build a baseline for projecting future audiences.	Within the next 3 months on an ongoing basis
Carry out market research of those attending events and performances at the venue to develop a deeper understanding of the customer base. This will identify any gaps in the characteristics of those who typically attend specific events and enable the Black Box to broaden their marketing strategy.	Within the next 3 months on an ongoing basis
Complete a skills audit of board members to ensure all the expertise required to run the Black Box effectively are in place and identify any gaps. The Board has already identified a need to strengthen its financial management and strategic planning.	Within the next 2-3 months and annually thereafter
Consider making greater use of volunteers to work in the Black Box to reduce the wage bill of the venue.	Within the next 6 months
Engage with the MAC and other arts providers in the Cathedral Quarter, including Oh Yeah! and the University on programming and pricing issues, if necessary facilitated by the Arts Council.	January 2012 onwards (aligned to the MAC's programming and pricing becoming publicly available)

We understand that the Black Box plans to apply for funding from the ACNI, BCC and DSD for financial year 2012/13. This funding is intended for continuing the operation of the venue. To mitigate against the risk of not receiving the required level of funding from these organisations, the Black Box have already investigated some of the other funds that may be available for them to apply for, one being the Paul Hamlyn Foundation. We have identified other potential streams, such as the Heritage Lottery Fund, and others, of which details are included in Annex A.

# 1 Introduction

## 1.1 Background

The Black Box Trust was formed in 2004 as a voluntary organisation with the aim of creating a dynamic and flexible performance space in Belfast City's Cathedral Quarter to build audiences in the area until the arrival of the proposed Metropolitan Arts Centre (MAC). The organisation was incorporated as a Company limited by guarantee.

The new Company was established at virtually no cost to the ratepayer, using a range of grant aid sources from the Arts Council for Northern Ireland (ACNI), Belfast City Council (BCC) and the Department for Social Development (DSD), with the initial set up costs funded by the Laganside Corporation, the Department for Culture, Arts and Leisure (DCAL), BCC and the Millennium Commission amounting to £275,000. The Millennium Commission provided the most significant proportion of the initial set up costs at £195,000. This fund was made available to cities, such as Belfast, that lost out on the bid to become the European City of Culture.

The objectives of the Black Box were clearly set out in the Business Plan prepared in 2005:

- To meet an urgent need in the local arts infrastructure, specifically in the Cathedral Quarter, with the opening of a temporary venue by 2006;
- To contribute to the regeneration of Belfast's north city centre through the arts and cultural sectors;
- To assist in the promotion of Belfast as an attractive cultural tourist destination, with 180 events during a twelve month period;
- To provide a showcase for the best local talent;
- To highlight the social, celebratory and enjoyable aspects of engagement with the arts;
- To appeal to less mainstream, less traditional and younger audiences; and
- To create employment for eight people.

The Black Box opened in April 2006, operating from rented premises on Hill Street, at the heart of the Cathedral Quarter. Since then, the venue has provided space for a diverse range of artistic programming, including live music, theatre, literature, comedy, film, visual art, live art, circus and cabaret, attracting over 30,000 people each year.

Despite its perceived success, its temporary nature and the imminent arrival of the MAC mean the future of the Black Box is uncertain. The Trust currently receives the minimum amounts of funding to keep the venue running from the Arts Council (£25,000), Belfast City Council (£25,000) and DSD (£11,000), each of which faces demands on their limited budgets from a range of organisations in the area including the MAC.

Oxford Economics were commissioned by the Black Box Trust in September 2011 to undertake a feasibility study into the future operation of the venue as a cultural and artistic events space in co-existence with the opening of the MAC.

The mission statement of the Black Box Trust is as follows:

***“The Black Box is a vibrant arts space in the heart of Belfast's cultural Cathedral Quarter. Affordability, accessibility and quality are key to the work and events we present. We believe in removing barriers to audiences and improving the ability of all to experience, enjoy and engage with the arts. We present work across the sectors including music, literature, theatre, film, comedy, live art and cabaret; and provide a high performance incubation space for emerging artists, curators and promoters to experiment and present their art form to audiences. As a not-for-profit arts venue, the Black Box has strong links with both community initiatives as well as Belfast's highest profile festivals. We aim to continue to encourage the growth of Belfast's creative talent, play a role in the city's arts offer to all of its audiences and be a valued employer throughout the sector.”***

## 1.2 Objectives of this study

The overarching objective of this study is to identify and evaluate the potential future options for the Black Box. The research has the following aims:

- Establish the strategic context for the Black Box, considering key stakeholder policy objectives and strategies at a local, national and international level;
- Assess the ‘need’ and ‘demand’ of the Black Box in relation to current infrastructure and resources, its location and audience performance;
- Evaluate the co-existence of the Black Box and the new Belfast Metropolitan Arts Centre (MAC) and the impact of long term stand alone sustainability of the venue;
- Identify and describe the options for development including requirements of scale and form of development;
- Identify potential income generating streams including consideration of private sources, trusts, foundations, gifting, corporate sponsorship, joint ventures and earned income;
- Consider governance and capacity building implications including mechanisms for the future operation of such a development;
- Establish a set of a set of clear recommendations including the preferred option showing outline costs, benefits and associated risk assessments with each option allowing for the development of a full economic appraisal; and
- Identify the possible implications of the closure of the Black Box with specific emphasis on arts provision and economic impact to the Cathedral Quarter and Belfast.

### 1.3 Report structure

The remainder of this report is structured as follows:

- Strategic Context:
- Assessment of Need and Demand
- Financial Analysis
- Governance
- Options for the way forward
- Conclusions and actions

## 2 Strategic Context

In assessing the strategic context for the Black Box, it is important to reflect on the ‘fit’ of the venue with strategies relevant to the development of the local arts and culture infrastructure in Belfast and Northern Ireland. In order to ensure these strategies were fully understood, Oxford Economics consulted with a number of local government departments and other key stakeholders. Table 2.1 below summarises the organisations consulted and the relevant strategy/policy documents reviewed.

**Table 2.1: Key stakeholders and relevant documentation**

Stakeholders/Consultees	Strategy/Policy documents reviewed
Arts Council for Northern Ireland (ACNI)	Creative Connections Five year strategy 2007 – 2012  Funding for the Arts 2011 – 2015
Belfast City Council	Cultural Tourism Strategy  Integrated Cultural Strategic for Belfast Tourism
Department for Social Development (OSD)	Urban Regeneration Policies  North East Quarter Master plan  North West Quarter Master plan  Budget 2011-15 Savings Delivery Plan
Cathedral Quarter Steering Group	Cathedral Quarter Five Year Strategic Vision and Development Plan 2011 - 2015
	<b>Additional Documents</b>
	Programme for Government (PfG)
	Regional Development Strategy 2011 – 2015
	Programme for Cohesion, Sharing and Integration (CSI)
	<b>Additional Consultees</b>
Local Business Owners	Detailed further in Section 4 – Assessment of Need and Demand
Festival and Promoters	Detailed further in Section 4 – Assessment of Need and Demand
The Metropolitan Arts Centre (MAC)	Detailed further in Section 4 – Assessment of Need and Demand
Similar art and culture performance spaces	Detailed further in Section 5 – Governance

In addition, we consulted with key business owners located in the Cathedral Quarter area. The purpose of this consultation was to develop a deeper understanding of the role of the Black Box in the Cathedral Quarter and its interaction with other local businesses in order to assess the ‘need’ for the continued operation of the venue alongside the arrival of the MAC. A questionnaire was also distributed to the Festivals and Promoters who use the Black Box to

gain their perspective on the role of the venue as a culture, arts and events space and understand its demand going forward in relation to the opening of the new MAC. This anecdotal evidence is detailed in section 3 (Assessment of Need and Demand).

We also consulted with another similar performance space, The Bongo Club in Edinburgh. The focus of these discussions was on the funding, organising and operating structure of these venues to compare and contrast with that of the Black Box. This case study information is included in section 5 (Governance).

## 2.1 Policy review

### 2.1.1 NI Executive

It is important to consider the future operation of the Black Box in light of a period of significant public sector cuts. The Northern Ireland Executive's four year budget (2011-2015) represents the most challenging spending review to face the government for over a generation.

The Department for Culture, Arts and Leisure was one of the hardest hit in the initial draft budget, with a 17.7% current expenditure reduction in real terms over four years. Although there was a slight increase in funding identified in the final budget, DCAL will encounter a 16.7% reduction in current expenditure in real terms over 4 years.

ACNI have a capital budget of £3.83 million in financial year 2011/12 which will reduce to £0.56m in financial year 2012/13 and will be further reduced in financial year 2013/14 to £0.45m.

The Department for Social Development was also affected by the plans to reduce overall public expenditure of £4 billion over the next four years. Starting with the Department's 2010/2011 baseline of £521.1 million, there will be an 18.2 percent increase in the additional cumulative revenue allocations between 2011 and 2015, as well as a 17.8 percent decrease in the proposed budget cuts over the four year period. This will result in a net income of 4 percent equating to £2.3 million. The Department's budget increase over the following four years is only 0.4 percent.

The impact of the final budget has increased competition for limited departmental and organisational budgets at a time when existing or planned capital projects will be looked after first. The budgetary constraints will also eliminate the potential for any new capital investments over the next four years.

### 2.1.2 NI Programme for Government

The Northern Ireland Programme for Government (PfG) sets the strategic context for annual budgets and the Investment Strategy for Northern Ireland (ISNI). The last PfG covered the period 2008-2011, detailing its vision prior to the current economic downturn. This being the case, it is unlikely that the commitments outlined with the programme will be delivered given the current budgetary constraints facing the public sector.

The new Executive is currently in the process of agreeing a new PfG; therefore we have considered the operation of the Black Box in light of the existing programme for Government given it is the most recently available statement of intent by the Executive.

The PfG aims to support business and to create conditions in which an enterprise can flourish. By ensuring greater levels of investment in arts and culture, the Government wishes to boost tourism numbers and ultimately improve the quality of life in Belfast. Through promoting access to arts and culture, the Government aims to meet educational, health and economic goals - enhancing Northern Ireland's attractiveness to locals and visitors. The overarching aim is to enable as many people, local or tourist, to access culture and arts in the area.

The Black Box is consistent with PSA 5 'Tourism' and PSA 9 'Promoting access to culture, arts and leisure'.

#### **PSA 5 – Tourism**

***Aim: To develop our tourism sector and promote Northern Ireland as a must-visit destination to facilitate growth in business and leisure visitors***

Two objectives outlined in PSA 5 are to:

- *Enhance Northern Ireland's tourism infrastructure; and*
- *Promote the growth of the tourism sector.*

#### **PSA 9 - Promoting access to culture, arts and leisure:**

***Aim: Contribute to Northern Ireland's economic, health and educational goals by increasing participation and access to Culture, Arts and Leisure Activities***

The most relevant objective set out in PSA 9:

- *Enable as many people as possible to improve their quality of life by experiencing, participating and accessing the excellence of our cultural assets.*

The success of the Cathedral Quarter in Belfast is testament to the fact that investment in culture and arts can be a catalyst for regeneration within city areas, transforming them into visitor destinations.

The regeneration of the listed bank building into The Merchant Hotel helped to increase the momentum of the Cathedral Quarter, coincidentally opening, along with its trendy bar/restaurant the Cloth Ear, at the same time as the Black Box, in April 2006. This added capacity for visitors and tourists to stay and participate in the cultural and artistic events on offer in the area. Since then, there have been numerous hotel openings in the Cathedral Quarter, including a Premier Inn and a Ramada Encore, adding to the tourism infrastructure of Belfast's 'Cultural Hub'.

The development of new venues, events and festivals is critical in changing the international perception of Belfast and attracting tourists from Great Britain and Europe. The Black Box has played a key role in organising a variety of events and festivals within the Cathedral Quarter and has been successful in attracting different audiences to the area, contributing to the objectives set out in PSA 5 and PSA 9. Furthermore, the presence of numerous hotels in the Cathedral Quarter automatically makes it an area of interest to visitors.

#### **2.1.3 Regional Development Strategy**

The Regional Development Strategy (RDS) provides a planning framework for the future development of Northern Ireland to 2025. Although the main focus of the RDS is not the culture and arts sector of Northern Ireland, it is identified as one of the key drivers to attracting public and private investment, particularly for business and regeneration initiatives.



The strategy recognises the arts and culture sector to be a key player in the enhancement of the environment and also for attracting tourism to key urban areas. The RDS aims **“to create a thriving Metropolitan Area centred on a revitalised City of Belfast to ensure that it can compete internationally as a place to locate business, work and visit. This will mean building a critical mass to ensure that it has higher order services, a range of facilities and cultural amenities”**.

The Black Box has been a popular cultural venue in the Cathedral Quarter since its opening in 2006. It has been a part of the revitalisation of the Cathedral Quarter area and has contributed to the diverse range of cultural and artistic attractions available in Belfast, attracting locals and visitors to its musical, artistic and creative events. The presence of the venue contributes to the Regional Development Strategy's aim to establish Belfast as a multifunctional centre and the continued operation of the venue would help to achieve critical mass of cultural amenities when the Metropolitan Arts Centre (MAC) opens in April 2012.

#### 2.1.4 Programme for Cohesion, Sharing and Integration (CSI)

In July 2010, OFMDFM launched a new strategy, the Programme for Cohesion, Sharing and Integration (CSI), replacing the ‘Shared Future’ strategy implemented by the direct rule administration. CSI aims to ‘bring about real changes for people and places across our society’ and ‘to build a strong community where everyone, regardless of race, colour, religious or political opinion, age, gender, disability or sexual orientation can live, work and socialise in a context of fairness, equality, rights, responsibilities and respect’. Public consultation took place in the second half of 2010 and a report on the responses was published earlier this year.

The Black Box contributes to a number of the themes in the CSI, including the creation of shared space, respecting cultural diversity and supporting local communities.

#### 2.1.5 North East Quarter Masterplan

In 2005, the Department for Social Development (DSD) published its North East Quarter regeneration Masterplan. The North East Quarter of the city, defined by the department comprises the Cathedral Quarter area, within which the Black Box is centrally located.

The Masterplan refers to **‘the need to increase the mix and quality of uses in the North East Quarter (NEQ)’** and emphasises the importance of **injecting other uses such as restaurants, bars, sports and arts facilities to enhance the day-long life of the area.**

The presence of the Black Box as an artistic and cultural performance space in the Cathedral Quarter has built upon the mix of uses the area has to offer. Located at the heart of the Cathedral Quarter, the venue is surrounded by a cluster of restaurants and bars, the numbers of which have grown since the advent of the Black Box in April 2006.

In consultation with DSD, the ‘Out to Lunch Arts Festival’ was cited as one of the most successful events organised by the Black Box as it brought people into the area during the day, where they could enjoy a show whilst having lunch. The department stated that with **“year on year events using it, it has added to the cultural offering of the area.”**

#### 2.1.6 Cathedral Quarter Belfast Five Year Strategic Vision and Development Plan 2011-2015

Given the Black Box's central location within the Cathedral Quarter, it is important to consider how its operation 'fits' with the area's vision and plan for going forward.

The Cathedral Quarter Steering Group (CQSG) was formed in 2008 to analyse issues and opportunities and create a plan for the development of the Cathedral Quarter. The group's mission is **"to develop the Cathedral Quarter as the thriving hub of Belfast's cultural life"**.

The Cathedral Quarter Five Year Strategic Vision and Development Plan sets out four key priorities, each with their own set of objectives and targets. The priorities are:

1. To support the Cathedral Quarter as a centre for the arts and creative industries
2. To support the growth of the mixed-use economy in the Cathedral Quarter
3. To generate high levels of public participation
4. To build and maintain a supportive infrastructure

Within the first priority **"to support the Cathedral Quarter as a centre for the arts and creative industries"** there is an objective to **"stimulate public and private investment for venues"**, specifically identifying one of its key targets to include **"sustained operation of the Black Box as a crucial cultural venue."**

One of the big challenges the plan has identified over the next five years will be sustaining vital cultural resources such as the Black Box, in the context of fully supporting the MAC as it establishes itself. It also highlights the need for accessible and affordable space to develop its characteristic variety of cultural activity and offerings for everyone.

In consultation with a member of the Cathedral Quarter Steering Group (CQSG), it was evident that the presence of the Black Box was important to the area, stating that **"while the Black Box was set up originally as a temporary venue, it has created its own distinct identity. Both its nature, in terms of the events it hosts, and its location, in Hill Street at the heart of the Cathedral Quarter, are both very important"**.

The CQSG member also highlighted the need for a mix of art and cultural offerings in the area and that the opening of the new MAC would not affect the operation of the Black Box, stating **"the Cathedral Quarter needs a variety of venues, not just the MAC... The Black Box is clearly not a state of the art venue but it is very affordable which makes it very attractive to many events...It is the opposite of the MAC – its small, flexible and is suitable for edgy type performers."**

Overall the Black Box, in addition to the other local arts and culture offerings, and the upcoming opening of the new MAC, which will not only provide a monolithic landmark for the arts in the Cathedral Quarter, it will all help to firmly stamp the area as the arts, culture and creative hub of Belfast.

#### 2.1.7 Strategies of the funders – Arts Council Northern Ireland

The Black Box has received funding from the ACNI, on an annual basis over financial years 2008-2011.

In light of the Executive's decision to re-instate a significant proportion of the organisation's budget, the ACNI's Annual Support for Organisations Programme (ASOP), which is open to all

art venues and groups, will be highly competitive. Therefore aligning the strategy and vision of the organisation is relevant to the future success of the Black Box and for gaining funding for financial year 2012.

The ACNI's current five year strategy, Creative Connections 2007-2012, focuses on four key themes, including:

- Art at the heart: promoting the value of the arts
- Strengthening the arts
- Growing audiences and increasing participation
- Improving our performance

The core to these themes is recognition of the contribution artists and arts organisations make to society and the need for support and development of the arts sector offering going forward.

The strategy states that art organisations are **'important cultural assets'** that form part of the basic infrastructure of the arts. It also highlights how regeneration of urban areas has benefitted arts and culture, resulting in audiences enjoying more opportunities to experience arts in a wider range of spaces and places.

In consultation with the ACNI, it recognised the role the Black Box has played in the arts and cultural offering of the Cathedral Quarter, stating **"it has provided a hub to the night time economy and they have a year round programme"**.

The ACNI also acknowledged that **"there are no other venues like the Black Box in Northern Ireland"** and **"it has attracted an audience that didn't exist before – quirky, young, experimental"**.

However, the ACNI reiterated the point that the Black Box was set up as a temporary venue and that funding by the Council was provided on that basis as it was not part of a regular funding programme. The Annual Support for Organisations Programme (ASOP) was identified as a funding option for the Black Box going forward, highlighting that the application process would be very competitive for limited pots of money and that capital projects would be prioritised. The alternative for the Black Box would be to apply for project funding under the Lottery funded programme which will be launched next spring.

The ACNI also suggested that if the Black Box wishes to move from its current temporary funding status to ongoing funding as an arts organisation, it would need to articulate as clearly as possible its artistic vision. This would assist funders to understand its ethos and the basis for the programme of activity that it offers. .

Overall the operation of the Black Box as an arts and culture performance space has advanced through the majority of key objectives set out by the ACNI's strategy. In particular it has improved recognition of the benefits arising from artists and performance spaces; it has contributed to the existing art infrastructure in the Cathedral Quarter; and expanded the range of opportunities for people to enjoy and participate in the arts.

#### 2.1.8 Strategies of the funders – Belfast City Council

Similar to the ACNI, Belfast City Council has contributed annually to the funding of the Black Box over financial years 2008-2011 through its City Development fund. This fund was made

available at the discretion of the Council's director and committee members. It is typically used for 'one-off' or 'innovative' projects, however was made available to the Black Box on the basis of its nature as a 'temporary' arts and culture performance space until the arrival of the new MAC.

Given the Black Box will have to compete alongside other arts and culture organisations for funding for financial year 2012, provided through the Tourism, Culture and Arts Unit of Belfast City Council, it is important to consider how the operation of the Black Box complements the Council's new 'Integrated Cultural Strategy for Belfast' and its 'Integrated Strategic Framework for Belfast Tourism'.

Although the new 'Integrated Cultural Strategy is not yet in place, it will have an impact on future funding applications, in terms of criteria, and will be intrinsically linked to the decision process of the Council in awarding funding to organisations.

Building upon the Culture and Arts Plan in 2003, Belfast City Council has been working with the Department of Culture, Arts and Leisure and the Arts Council for Northern Ireland to develop and Integrated Cultural Strategy for Belfast.

The shared vision of the 'Integrated Cultural Strategy for Belfast' is:

*"To create a vibrant, cultural capital where arts and culture are placed firmly at the centre of economic, social and environmental regeneration in a way which inspires, empowers and elevates those who live, work and visit the city"*

The operation of the Black Box and its continuation as an arts and culture performance space complement the majority of objectives set out in the strategy, particularly in:

- The development of new and existing cultural products with particular focus on summer, evening and outdoor programming;
- Development of creative talent;
- The development of cultural quarters such as the Cathedral Quarter;
- Making culture more accessible and growing audiences;
- Showcasing talent and good practice;
- Enhancing and promoting cultural use of public spaces;
- Widening access and removing barriers to arts and heritage participation; and
- Diversifying audiences for the arts.

The Black Box has established itself as part of the arts and culture fabric of the Cathedral Quarter in Belfast. It attracts a range of events from small poetry readings to theatrical and musical performances and festivals. The venue appeals to a varied audience with attendance growing year on year. It was recently involved 'Culture Night', when the entire Cathedral Quarter area was cordoned off and pedestrianised for the evening, encouraging people to walk through the area and visit each of the venues hosting local performances.

In consultation with the Council, they recognised that ***"the Black Box has become a critical space...most events sell out - it has a very distinctive programme and a huge following"***. They also identified the Black Box as ***"the anchor venue of the Cathedral Quarter, the one to bring all the festivals in the city together."***

The Council also cited music as one of the key genres of their tourism strategy going forward with the MTV Europe Music Awards coming to Belfast. The Council aim to develop, support and grow music as a key offer that brings visitors to the city. Although the Black Box is a small venue hosting live music by mainly indigenous artists, the Council recognised its potential to contribute towards tourism in Belfast ***“through the number of visitors that use it and locals, it has a huge following”***.

This would complement the Council’s ‘Integrated Strategic Framework for Belfast Tourism 2010-2014’ under the banner of the Belfast Tourism: Gateway To The Future. This is the new framework to help Belfast and its tourism industry to benefit from continued growth in tourism, despite the economic downturn. It identifies ‘music’ tourism as well as ‘creative’ tourism as two of its key priority areas.

Although the council recognised the benefits of the Black Box has brought to Belfast in terms of culture and visitors, they raised the fact that they may not be in a position to sustain the level of funding (£25,000) they already provide to the venue.

The Council currently fund a significant number of organisations at £3,000 up to £150,000 and are aiming to bring their £3,000 threshold up to £10,000. This will mean shedding the small funding packages in an attempt to increase the amount the Council can fund overall.

The Council plan to extend their current funding to the multi-annual and annual clients for one year to be in line with their Culture Strategy:

***“There will be a further fund that we will set up that is going to committee. We haven’t got a time for that fund yet, we are hoping for the next month and a half. The Black Box can apply for this and that will just be for one year, after that our multi annual funding will be open right across the sector, so this is just an interim year”***.

According to the Council, the Black Box are well positioned to apply for this funding in terms of their audience numbers and their ability to deliver, assuming these are the criteria for the new funding which have not yet been set..

Although it is important to note that the Council’s ‘flagship’ projects will take up a significant proportion of the limited funds available for application.

#### 2.1.9 Strategies of the funders – Department for Social Development

The Laganside Corporation provided the initial funds for the Black Box with the aim of regenerating the Cathedral Quarter area and the River Lagan. In 2007, DSD took over the Laganside Corporation’s functions and continued providing similar types of funding to the venue.

DSD fund the Black Box directly through the ‘Laganside Events Grants’ and indirectly through funding for events, such as festivals that are held within the Cathedral Quarter area.

The Department provided funding of £50,000 in the financial year of 2008 alongside equally matched amounts of funding from the ACNI and Belfast City Council for the Black Box to invest in a pizza oven and refurbishment of its Green Room to make it public facing and help generate a steady stream of income with the aim of making the venue more sustainable.

The main objective of the Department is to enhance the quality of life and well being for the residents of Northern Ireland by:

***“Promoting strong sustainable communities where people want to live, work and socialise”***

The Cathedral Quarter has undergone major investment in recent years in terms of improved public realm and increased business activity, making the area attractive to work in and visit. The Black Box is at the heart of the Cathedral Quarter and provides opportunities for a variety of audience types to socialise and enjoy the cultural activities on offer. The Department recognises that ***“anecdotally there is a lot of encouragement for the Black Box; people love it – the intimate nature and the type of acts that come to it”***.

Although the Department recognises the strengths of the Black Box in terms of bringing people together to socialise within the Cathedral Quarter, it is aware that the venue has relied heavily on the public funds provided over the course of its operation. In a period of public austerity and the imminent arrival of the MAC, the Department recognises that it is a ‘last chance saloon’ situation for the future continuation of the venue with added emphasis placed on the need for it to review its governance and provide evidence on its future sustainability.

#### 2.1.10 Conclusion

Cuts in public spending have ushered in a new era, whereby the public sector in Northern Ireland is no longer in a position to provide the same level of support to the private and voluntary sectors as it did in the decade before the recession in terms of programme funding and capital investment. It is within this environment of public austerity that the Black Box currently sits and will be competing against other arts and culture organisations’ applying for future funding.

The concerns of the public sector funders of the Black Box surrounding the future operation and sustainability of the venue in the light of budgetary constraints and the arrival of the new MAC have been noted in previous sections, although it is worth addressing these in response to the success of the Black Box to date.

In early 2008 the ACNI, BCC and DSD agreed to fund the Black Box a total of £150,000 (£50,000 each) over three years. The DSD agreed to provide funding for improvement to the front space (Green Room) by way of improvements to its kitchen facilities (including a pizza oven) to the total of £12,000 and two months core funding for the year 2007/8 which totalled £38,000. The ACNI and BCC provided £25,000 each over the following two years.

A report was prepared by the Black Box in September 2011, providing evidence to DSD on the impact of their investment in the Green Room. It shows that there has been a return on the Department’s investment, with total income figures for the space increasing by just over 205% Q2 2007 on Q2 2011, which reflect pre and post works periods. It is recognised that the investment by DSD ‘directly increased sales’ but also catalysed further investment from the private sector, with Heineken funding improvement of the bar/service area to the amount of £1,000 in late 2010.

It should be noted that total income from the Green Room includes the revenue generated from hiring out the room and bar sales, in addition to the income provided by selling pizzas. Therefore, despite the closure of daytime trading as a café in early 2010, only opening Thursday to Saturday 5pm to 11pm, the investment in the overall refurbishment of the Green Room has not been a wasted opportunity as it has contributed to the success of it becoming a public facing space, generating additional income.

The Black Box has operated with the support of public funds since its inception. Taking into account, overheads such as the cost of renting the building amounting to approximately £70,000 per annum, it has managed to increase the level of income it generates year on year, from 51% in 2006/07 up to 82% in 2010/11. It is the aspiration of the Black Box to become 100% self-generating, however the challenging economic environment has impacted upon the business.

The Black Box venue operates with a proper governance structure in place, comprising Management Committee of Board Members, details of which are provided in Section 5 – Governance.

## 2.2 Policy summary

By way of summary, table 2.2 provides an overview of the policy and strategy documents reviewed and illustrates the links between each of their objectives.

**Table 2.2: Summary of relationships between key policy/strategy objectives**

The Black Box Strategy Analysis		Key objectives from selected strategies							
		Increase participation and access to Culture, Arts and Leisure activities	Enhance Northern Ireland's tourism infrastructure (through the arts)	Improve quality of life by experiencing, participating and accessing the excellence of our cultural assets	Establish the role of multi-functional urban centres	Keep pace with the artistic and cultural expectations of a modern society	Stimulate public and private investment for venues	Sustain operation of the Black Box as a crucial cultural venue	Improve people's experience of working, visiting and living in the Cathedral Quarter
Key Publications	Programme for Government Regional Development Strategy 2025	✓	✓	✓			✓		
	North East Quarter Masterplan				✓				✓
	Cathedral Quarter Belfast - Five-Year Strategic Vision and Development Plan 2011-2015	✓	✓	✓		✓	✓	✓	✓
	Arts Council Creative Connections - a 5 year plan for developing the arts 2007-2012	✓	✓			✓	✓		✓
	Belfast City Council 'Integrated Cultural Strategy for Belfast'	✓		✓					✓
	Belfast City Council 'Integrated Strategic Framework for Belfast Tourism'	✓	✓			✓			✓
	Department of Social Development Urban Regeneration				✓				✓

## 3 Assessment of Need and Demand

This section assesses the demand for the Black Box and its future operation, taking into account, current infrastructure and resources, audience figures and the arrival of the new MAC.

The activities of the Black Box and its performance, in terms of attracting audiences and events as well as its relationship with existing infrastructure and resources are examined under the following headings:

- Audience performance
- Audience diversity
- Links with local business
- Engagement with Festivals and Promoters
- The Metropolitan Arts Centre (The MAC)

In addition to the performance of the Black Box, we also address, in overview, the economic environment in Northern Ireland and Belfast and outline some challenges that the venue may face in the future.

### 3.1 Setting the scene

The year 2012 is cited as one of the biggest opportunities for tourism in Northern Ireland, with a range of events, celebrations, commemorations and projects coming on stream. The most relevant project in the context of this study is the completion of The MAC in April 2012. Other highlights include the opening of Titanic Belfast, the Giant's Causeway Visitor Centre, the Olympic & Paralympic Games 2012 Torch Relay, the Centenary of Titanic's Maiden Voyage, the arrival of the Clipper Round the World Yacht Race to Derry~Londonderry and the 50<sup>th</sup> Belfast Festival at Queens, all of which are envisaged to place Northern Ireland firmly on the global tourism map.

The Northern Ireland Tourist Board (NITB) '*ni 2012: our time our place*' emphasises the need to capitalise on these opportunities in order to 'drive visitor numbers' and 'generate economic impact'. NITB expect the '7 Big Events' of 2012 to contribute to the targets of the Draft Tourism Strategy 2010-2020 set out by the Department of Enterprise, Trade and Investment (DETI) to:

***"Increase tourism spend to £1 billion by 2020" and "Increase visitor numbers to 4.5 million by 2020"***

NITB's estimates of the benefits potentially accrued, as a result of the 7 Big Events in 2012 over the period to 2015, would account for approximately 14% and 18.5% of DETI's targets to increase tourism spend and visitor numbers by 2020 respectively.

The Draft Tourism Strategy 2010-2020 is accompanied by a detailed action plan that includes timescales for achievement. The action plan covers the period to 2013/14 and sets out key areas of focus, one being 'targeted marketing' which identifies immediate future priority market segments including:

- City Breaks – especially event led short breaks;



- Culture/experience seekers; and
- Activity/special interest breaks especially music, golf, angling, walking, gardens, cruising and cycling.

Following years of investment and planning, it appears that the developments in 2012 are intended to provide a platform for attracting new visitors and creating opportunities to market Northern Ireland to new audiences.

The opening of The MAC in St. Anne's Square will play a significant role in attracting tourists into the Cathedral Quarter in 2012. The cluster of hotels, restaurants, bars and existing arts and culture performance spaces such as the Black Box, Oh Yeah Music Centre and the Crescent Arts Centre located in the area, will add to the overall 2012 offering and will also help in attracting the market priority market segments identified in the Draft Tourism Strategy's action plan.

## 3.2 The Black Box

The Black Box venue comprises a 'black box' room to house a range of artistic programming including live music, theatre, literature, comedy, film, visual art, live art, circus and cabaret, with the capacity to hold up to 240 guests. It also contains a 'Green Room' which has the capacity to hold up to 60 guests. This space is used for small events and meetings such as poetry readings and community group gatherings, but also acts as a 'night time' café serving pizza slices and drinks from Thursday to Saturday.

Aims and objectives of the Black Box:

***“Increased access and participation is at the very centre of the Black Box Trust’s work. We aim to take the theatre out of theatres, for example, to remove the intimidation people feel, and place the arts experiences in a space which is social and relaxed.***

***By presenting arts in a less formal way, we believe we can greatly increase access to the arts and build audiences for the future.”***

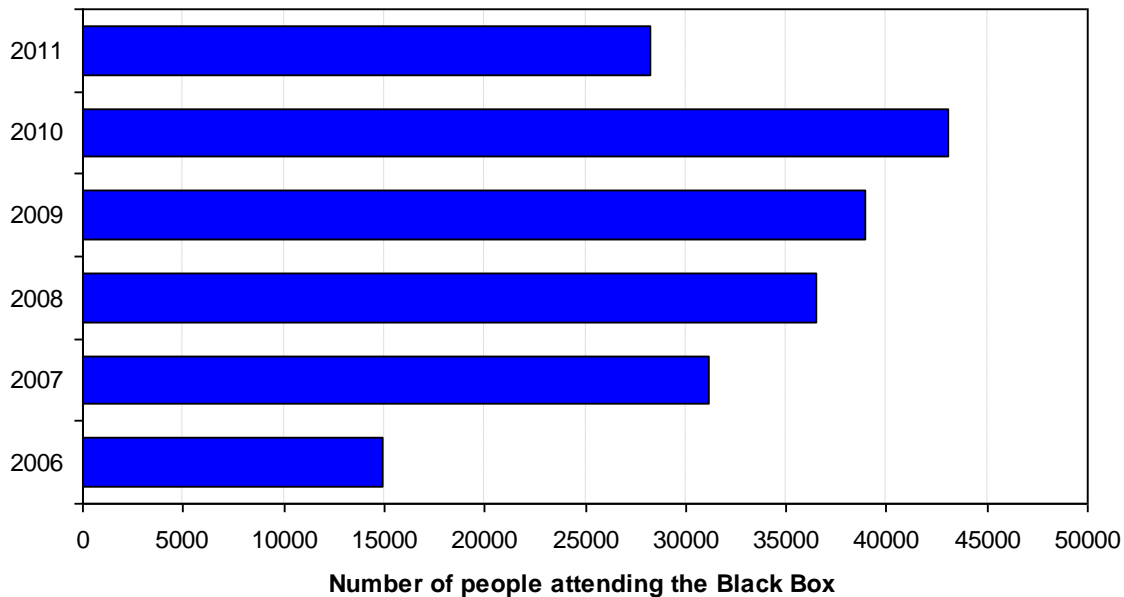
## 3.3 Audience performance

The Black Box opened in April 2006, operating as a temporary performance space, to address the major gap in the physical, artistic and cultural infrastructure pending the completion of the MAC. This was on the basis that on opening, the MAC development would fulfil the cultural and infrastructural needs of the Cathedral Quarter. However, the Black Box has become a very popular venue for visitors and tourists and has provided a mid-scale home for festivals and events in the city centre.

### 3.3.1 A growing audience

Winning the Fate Award for 'Best Newcomer' in 2007, the Black Box has attracted almost 193,000 people to the variety of events and activities it offers throughout each year since it opened its doors. Figure 3.1 below shows the number of people who have attended the venue each year.

Figure 3.1: Black Box annual audiences, April 2006-July 2011



Source: *The Black Box*

Note: Figures include people attending performances in and usage of the café in the Green Room

Note: 2006 figures represent audiences from April to December and 2011 figures represent audiences from January to July

Taking full years of operation of the venue, as the venue only ran for nine months in 2006, audience numbers have increased steadily between 2007 and 2010, rising from 31,150 to 43,000. This 38 percent growth in audiences over this period was not only remarkable for the Black Box as a new performance venue but also for the period of recession it operated in.

The contagion of effects as a result of the recession was felt by the majority of households in Northern Ireland. The housing market crash in late 2007/early 2008, where prices plummeted by almost 50 percent, coupled with rising unemployment and increasing fears over job security, had a detrimental affect on consumer confidence and spend.

In uncertain economic times, consumers tend to rein back their spending on 'luxury' items or leisure activities, such as theatre tickets and concert seats as they are seen as an 'indulgence', and to save a greater proportion of their disposable income.

There was overall consensus from the consultations that the Black Box was **“good value for money”**. As a **“niche and cheap”** venue it has managed to attract a growing audience. Perhaps, this is part of the Black Box's charm, offering quality entertainment on a budget has stimulated demand for the venue with **“tickets for most events selling out”**.

This is likely to be the trend going forward, given the mass of pay freezes within the public and private sectors, the escalating rate of inflation and lack of job opportunities. These are all factors putting downward pressure on household incomes.

It appears that the Black Box has created its own demand for the events it hosts as it provides visitors and tourists the opportunity to enjoy the arts and cultural activities at relatively low prices. Furthermore, in the current economic environment we are living in, where increasingly people are demanding more ‘value for money’, has dictated the ‘need’ for an affordable performance space such as the Black Box.

***“The size of it (The Black Box) is what makes it work and the price – its not expensive, very seldom are you talking £20 in there, more likely £10-£12, sometimes £5-£6, which is a very cheap night out these days. The venue adds enormously to the area.”*** Nick Price of Nick’s Warehouse restaurant, Cathedral Quarter Belfast.

### 3.3.2 A range of events

The Black Box programmes and is involved in the organisation of different artistic performances and cultural events throughout the year. Located at the heart of the Cathedral Quarter it benefits from the wide range of festivals held in the area, such as Culture Night, Outburst Queer Arts Festival, Out to Lunch, Belfast Film Festival and Open House Festival. Table 3.1 below provides an overview of the events by type for each year since the Black Box opened.

**Table 3.1: Events at the Black Box, April 2006-July2011**

<b>Event type:</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>Total</b>
Comedy	5	15	17	12	21	21	91
Literature	8	30	29	22	7	1	97
Theatre	17	23	23	18	24	9	114
Charity & Family	7	21	14	13	14	8	77
Music	77	133	181	186	234	172	983
Other	25	29	25	44	28	16	167
Film	10	23	31	12	8	18	102
Visual & Performance Art	11	2	8	3	8	4	36
Dance	1	0	3	9	18	15	46
Circus & Cabaret	1	3	10	7	6	0	27
Words & Ideas	0	3	0	3	19	9	34
<b>Total</b>	<b>162</b>	<b>282</b>	<b>341</b>	<b>329</b>	<b>387</b>	<b>273</b>	<b>1774</b>

Source: *The Black Box*

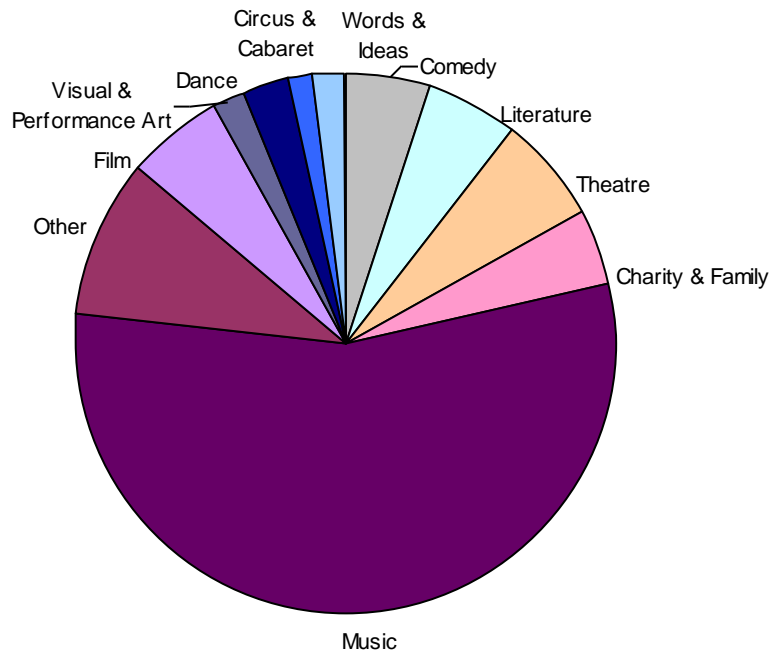
There have been almost 1,800 events held in the Black Box between April 2006 and July 2011, 55 percent of which fall within the music event category. Over the years, the Black Box has built up its reputation as a popular music venue, giving indigenous artists the opportunity to perform. Music has been the most successful art form for the Black Box in terms of meeting its overall objectives as a temporary venue. It has showcased the best local talent such as ‘Cara Dillon’ and has attracted less mainstream, less traditional and younger audiences by putting on performances from rock and punk bands such as ‘Black Sunday’. The proportion of music events to total events has grown from 47% in 2006 to 63% in 2011.

Since April 2006, the Black Box has successfully programmed approximately 22 percent of the total events it hosts, approximately 69% of which have been music related. The Black Box’s curation of music events has grown steadily from 62% (of total curated events) in 2006 to almost 71% in 2011, an increase of 9%.

The majority of consultees indicated that the Black Box fulfilled the 'need' for a small music venue, stating that **“every town should have some type of small venue that is not specifically a pub, but like a small performing arts centre, the Black Box works really well as a music venue, it is intimate”**. Nick Price of Nick’s Warehouse restaurant, Cathedral Quarter Belfast.

As well as becoming popular for music events, the Black Box is home to many Festivals , which encompass a variety of activities, including music, but also film, theatre, comedy and other activities, which collectively account for just over 26 percent of the events organised by the Black Box over the last five years. Figure 3.2 below illustrates the proportion of total events by type.

Figure 3.2: Proportion of total events by type, April 2006-July 2011



Source: *The Black Box*

Growing demand to watch and listen to local artists in an intimate setting has defined small music events as the Black Box’s speciality, catering for all tastes from punk rock to country and western styles. Approximately 59 percent of the total audience over the last five years have attended the venue specifically for this type of experience. The relaxed nature and character of the venue, coupled with its location on Hill Street, which was identified as Google’s fourth trendiest street in 2011, make it appealing to audiences who enjoy socialising and eating out in the cluster of restaurants in close proximity.

### 3.4 Audience diversity

It has been widely commented throughout consultation with key stakeholders that the Black Box has ***“created its own identity”, “its own type of audience”, “it appeals to most people - the audience is bohemian, eclectic and quirky”***. DSD, ACNI, Audiences NI, CQSG

To determine whether these perceptions provided a true reflection of the type of audience the Black Box attracts, we requested a mosaic analysis from Audiences NI to profile the characteristics of those who had attended the venue between August 2008 and October 2011.

The mosaic information was provided based on the names and addresses of all the accounts within the Black Box’s Worldpay booking system. It did not include any mailing list data, door sales or through other ticket sellers. It is worth noting that a significant proportion of tickets are likely to be sold at the door of the venue, therefore the actual size of attending audiences will be greater and may boost the details of characteristics within certain groups.

The dataset was de-duped and then compared against Mosaic Northern Ireland for demographic profiling. Further details of the analysis provided by Audiences NI, is provided in Annex B.

#### 3.4.1 What sort of people booked at the Black Box in Belfast?

At least 0.6 percent of the households, who booked their tickets for events in advance online, in Northern Ireland, attended the Black Box between August 2008 and October 2011. Approximately 70 percent of these households fall within four main Mosaic NI Groups, namely ‘Wealth and Wisdom’, ‘Better Off Families’, ‘Ageing Suburbanites’ and ‘Students and Singles’. Table 3.2 below provides an overview of the nine main groups representing the types of audience attending the Black Box.

Table 3.2: Mosaic NI Groups attending the Black Box, Aug 2008-Oct 2011

Mosaic NI Group	Number of Household bookers since August 2008	% of household bookers since August 2008	Overall NI Households	NI Household Penetration
<b>A Wealth and Wisdom</b>	918	22.7%	50,222	1.8%
<b>B Better Off Families</b>	499	12.3%	64,586	0.8%
<b>C Ageing Suburbanites</b>	745	18.4%	120,127	0.6%
<b>D Younger Nestmakers</b>	256	6.3%	67,847	0.4%
<b>E Small Town Renters</b>	202	5.0%	79,421	0.3%
<b>F Students and Singles</b>	688	17.0%	42,453	1.6%
<b>G Poor Seniors and Solos</b>	230	5.7%	68,186	0.3%
<b>H Housing Exec Tenants</b>	252	6.2%	111,215	0.2%
<b>I Farming Communities</b>	259	6.4%	108,715	0.2%
<b>Total</b>	<b>4,049</b>	<b>100%</b>	<b>712,772</b>	<b>0.6%</b>

Source: Audiences NI

**'Wealth and Wisdom'** groups generally live desirable locations around Belfast such as North Down, East Antrim and South and East Belfast, which experience little deprivation. Typically they are married couples, aged 46 years and above, with older or grown up children. They are generally educated to a degree level with strong professional and technical skills and earn high incomes. Most of their homes are semi-detached or detached and owned outright. Generally they are interested in antiques/fine art, golf, wine and listening to classical music.

**'Better Off Families'** are predominantly aged between 45 and 64 years with children. They are highly focussed on home and family and tend to live modern housing they own with a mortgage, in areas around Lisburn such as Strangford and Lagan Valley. Stereotypically, the breadwinner of the family is a high grade professional working in the service sector, earning an annual salary of £50,000 upwards. Their general interests consist of bird-watching, golf and country pursuits.

Groups of **'Ageing Suburbanites'** tend to live in semi-detached housing in locations surrounding Bangor. Typically they are aged between 45 and 64 years, working in intermediate roles within the public sector and earning an annual salary between £25,000 and £49,999. Most are married couples with children who either no longer live at home or are still living at home, contributing to the household income. Their leisure activities generally include cycling and eating out.

**'Students and Singles'** are generally undergraduates or graduates who are well educated but have low incomes, earning on average £7,500 to £13,499. They are usually aged between 18 and 24 years, are single or co-habiting in a variety of house types in and around the main arteries leading to Belfast. Stereotypically, the group are socially and politically aware but

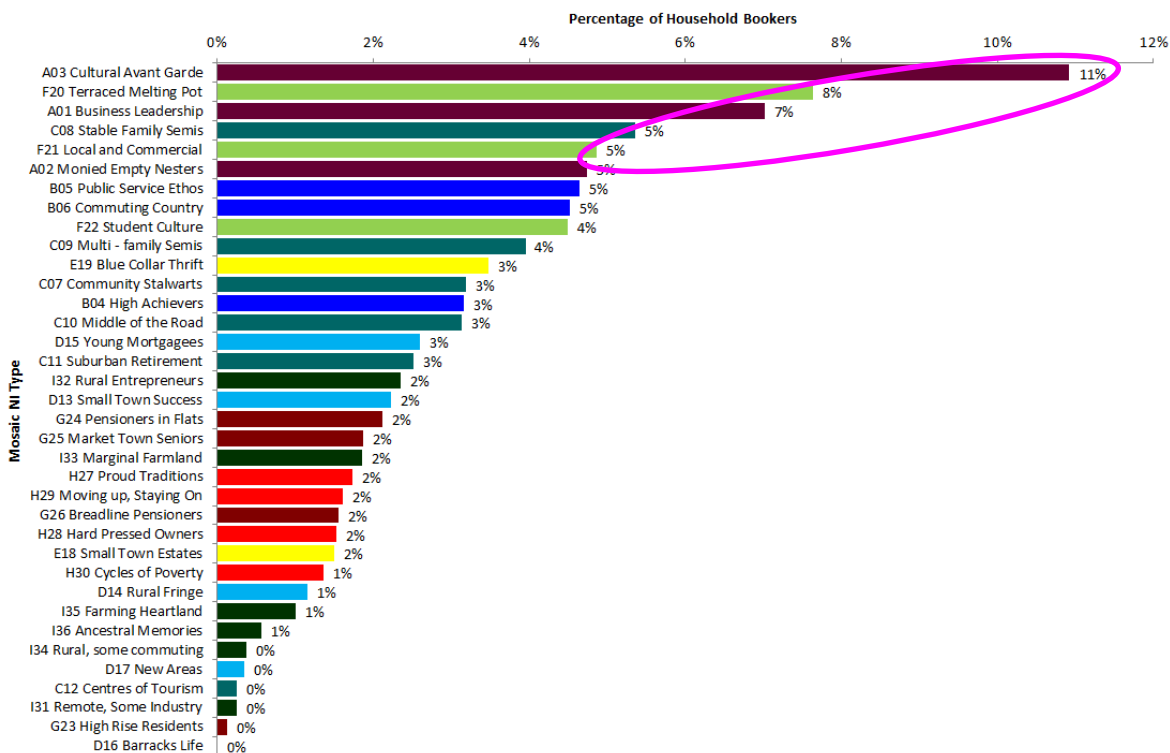
financially carefree, with above average levels of unemployment. They tend to frequent cafes and bars and enjoy cinema/films and rock music.

Over the last three years, the Black Box has attracted an above average level of **‘Wealth and Wisdom’** and **‘Students and Singles’** groups compared to other Belfast arts venues, bringing 23 percent of household bookers compared to 14 percent, and 17 percent compared to 7 percent respectively. This Comparison is based on an analysis of twelve Belfast based arts organisations connected to Audiences NI’s Vital Statistics data analysis software across a three year period.

### 3.4.2 Audience ‘Typology’

Whilst the Mosaic NI Groups provide a more general top level view of audience characteristics, looking more closely at the Mosaic NI Types provides a clearer indication of specific audience traits. Figure 3.3 below details the different ‘type’ of audiences who have visited the Black Box. Each of the thirty-six types are alphabetically and colour coded according to the nine ‘parent groups’, previously illustrated in table 3.2.

Figure 3.3: Mosaic NI Type of audience attending the Black Box, Aug 2008-Oct 2011



Source: Audiences NI

The 'Cultural Avant Garde', 'Business Leadership' (both part of the 'Wealth and Wisdom' Group) and the 'Terraced Melting Pot' and 'Local and Commercial' (both part of the 'Students and Singles' Group) make up four of the top five types of household booker attending the Black Box, defining the characteristics of the audience the venue attracts. Box 3.1 below details the typology of the Black Box audience.

### Box 3.1: The Black Box audience typology

**The Cultural Avant Garde** are well educated people working in 'newer' professions such as information technology, arts and entertainment, leisure services, advertising and marketing and the caring professions, earning an annual salary of £50,000 upwards. The city is an exciting focus for these people for leisure activities as well as employment, with most living close by, South and East of Belfast. This young middle-class are typically aged 25-44 years, married or co-habiting with children slightly younger than those living in the more peripheral upmarket suburbs. People in Cultural Avant Garde tend to be busy, and foreign travel and eating out consume a higher than average proportion of household income. Many participate in sports and visit fitness centres and are more likely to visit the cinema where they watch avant garde films opposed to mainstream blockbusters.

**Business Leadership** contains people who have benefited from degree level education, likely to be supplemented by higher educational or professional qualifications. They have led highly successful careers, earning upwards of £50,000 per annum and tend to live in the most exclusive and expensive neighbourhoods in Northern Ireland. Typically, they are aged between 45 and 64 years and married, with teenage or grown up children either at university or advancing their own professional careers. Approaching retirement age much, of their discretionary time is spent on charitable and community activities and engaging in and supporting the arts.

**The Terraced Melting Pot** contains a cosmopolitan mix of young professionals and students, living in privately rented, post-industrial Belfast terraced housing, ideally located in close proximity to universities and new professional jobs. The peak age group for living in these neighbourhoods is 25-29 years, having largely completed formal education but are not ready to start lifelong relationships. Generally these people are interested in spending their money on experiences such as the arts, eating out or holidays and many will practice a performing art themselves.

**The Local and Commercial** contains many single people, both young and old, who live in small apartments in large old Victorian houses, or above shops, often located in the city centre or along important radial arteries. There are disproportionate numbers of single people and childless couples, including students and other young singles, but also lifelong singles, co-habitees and significant numbers of people who have come out of long term relationships. The peak age group is 25 – 29 and occupations are usually within sales and customer services and hotels and catering, with annual earnings under £7,499.



The mosaic analysis confirms the type of audience perceived to attend the Black Box - they are a mix of young, affluent, mature and artistic type people. In describing the range and diversity of the audience, one consultee stated that ***“the venue attracts the young guy with a fiver in his pocket and then you get the sophisticated type, who is most likely a millionaire, through the door.”*** Willy Jack of the Duke of York, Cathedral Quarter Belfast

### 3.5 Links with local business

To gain a deeper understanding of the role of the Black Box in the Cathedral Quarter and its interaction with other local businesses, we consulted with local business owners to qualify the ‘need’ for the continued operation of the venue and to establish what impact they expect the MAC to have on the Black Box and the local area.

We consulted with restaurateur Nick Price of Nick’s Warehouse and publicans Willy Jack of the Duke of York and Gerry White of the John Hewitt, all of which have been running their businesses within the Cathedral Quarter for the last ten to twenty-five years.

Since they set up their businesses, they have witnessed massive changes in the Cathedral Quarter area, particularly over the last decade as it has been transformed by regeneration and has benefitted from increasing business activity, becoming one of the most popular places to visit and socialise in Belfast.

***“The Cathedral Quarter was a rundown, scary place and now it is a vibrant and exciting area”*** Willy Jack of the Duke of York, Cathedral Quarter Belfast

The opening of the Black Box has played a significant role alongside the other local businesses in changing the perceptions of the Cathedral Quarter area, attracting people in to attend its year round programme of arts and cultural events, which has encouraged people to eat and drink in nearby restaurants and pubs and stay in the range of hotels situated in the area.

***“The impact of the Black Box’s existence has been huge – it plays a large role in all the festivals”*** Gerry White of the John Hewitt, Cathedral Quarter Belfast

***“It has helped to increase the number of visitors and tourists to the area and has encouraged residents from across the boarder to stay long weekends”*** Gerry White of the John Hewitt, Cathedral Quarter Belfast

It was also evident from the consultations that the Black Box has not only added to the cultural offering of the Cathedral Quarter but has also become a valued member of the business community. The festivals the venue is involved in and the events it hosts bring benefits to all the local businesses. They are considered to be well organised and attract the “right type” of people to the area, maintaining it as a safe place to socialise, as well as providing additional revenue through chance/passing trade.

***“Culture Night was amazing, fantastic; closing off the Cathedral Quarter area made a huge difference and made it better than the year previous. The area was totally bunged but there was no trouble, the place was safe”*** Gerry White of the John Hewitt, Cathedral Quarter Belfast

***“The Black Box has benefitted our business by approximately 5%”*** Willy Jack of the Duke of York, Cathedral Quarter Belfast

***“The Black Box has certainly benefitted our business. It has brought people into the area, particularly in January when they have the ‘Out to Lunch’ Festival, the only January festival in Europe which is brilliantly organised and draws people in pre and post events for drinks”*** Gerry White of the John Hewitt, Cathedral Quarter Belfast

***“...they bring a huge element of ‘chance’ custom; we may only have 20 people booked and actually do 80.”*** Nick Price of Nick’s Warehouse, Cathedral Quarter Belfast.

***“The Black Box events and festivals bring approximately 10 to 15 percent additional business”*** Gerry White of the John Hewitt, Cathedral Quarter Belfast

There was overall consensus that the Black Box had created its own audience based on the types of events it hosts. It was recognised as becoming an increasingly popular music venue, offering performances from country and western style artists to rock bands attracting a mix of audience characteristics – young, mature, quirky, sophisticated.

The Black Box was also described as being ‘relaxed and intimate’ with all types of performers ‘getting the chance’ to perform.

***“The Black Box is experimental and hosts all kinds of events and performances from people from all backgrounds, giving once marginalised groups the opportunity to perform”*** Willy Jack of the Duke of York, Cathedral Quarter Belfast

The upcoming arrival of the MAC to the Cathedral Quarter was welcomed by the consultees, agreeing that ***“anything that adds to this area as a cultural hub for the city and keeps that aura of quality about it is good”*** Nick Price of Nick’s Warehouse, Cathedral Quarter Belfast.

The MAC was also expected to have a positive effect on the local area ***“The MAC will have a brilliant effect on the Cathedral Quarter, top-notch exhibition galleries, everyone in the area should benefit from its location”*** Gerry White of the John Hewitt, Cathedral Quarter Belfast.

Consultees all agreed that there was a place for the Black Box to exist alongside the MAC as the two venues would provide different offerings to different audience types and would not be in direct competition with one another.

***“The Black Box and the MAC can co-exist if they keep it focussed on their specialities. The MAC has always been about drama and performance art, whereas the Black Box to me has always been about music, of which the offering is fantastic”*** Nick Price of Nick’s Warehouse, Cathedral Quarter Belfast.

***“The Black Box and the MAC wouldn’t run in competition – each will provide a different offering. The MAC will have more well-known shows and performances, whereas the Black Box brings in up and coming bands that no one has heard of but are class. Both could definitely work independently and complement one another”*** Gerry White of the John Hewitt, Cathedral Quarter Belfast.

However, it was highlighted that if it was decided that the two venues could not co-exist and the Black Box was to close ***“it would decrease turnover and the impact on the area would be dramatic”*** Willy Jack of the Duke of York, Cathedral Quarter Belfast.

It was agreed across all of the consultations that the Black Box had complemented the existing infrastructure and resources of the Cathedral Quarter area and that the Black Box would be missed if it was to close.

***“We want to keep the area (Cathedral Quarter) unique and the Black Box adds to this and if we lose it, that’s something that makes up what has now become Belfast’s most popular venue”*** Nick Price of Nick’s Warehouse, Cathedral Quarter Belfast.

Based on the evidence gathered during the consultations with local businesses, it appears that the Black Box has played a key role as an arts and culture performance space and as a member of the local business community in the Cathedral Quarter. It has attracted people to the area, creating a spillover effect in terms of increased trade for local proprietors, and the fact that its presence would be missed if the venue was to close, suggests that there is a need for its future operation locally, in complementing existing infrastructure and resources.

While the MAC is expected to have a positive effect on the Cathedral Quarter, it is also considered to be very different from the Black Box in terms of the type of events it will host and the audiences it will attract, suggesting that the two venues could co-exist.

### 3.6 Engagement with Festivals and Promoters

To better understand the role of the Black Box as an arts, culture and events space, we distributed a questionnaire to a selection of Festivals and Promoters who use the Black Box to showcase their acts/performances. We also wanted to identify the Black Box’s strengths and weaknesses, as well as gauge the need for the venue and what impact the arrival of the MAC would have on its future operation.

The Festivals and Promoters who provided feedback to the questionnaire use the Black Box for events, acts and activities of all genres throughout the year.

The flexibility of the venue, its location, size, versatility and affordable prices were identified as key strengths of the Black Box.

***“The Black Box has many strengths and attractions to a festival organisation like ours. There is no other Belfast venue that is so flexible in terms of concert seating/standing arrangements. It has a fantastic location on Hill Street which is right in the heart of the Cathedral Quarter and in terms of size, it allows us to programme small and mid-scale – and therefore affordable - festival events. The Black Box is crucial to our festival needs and unique in its informal atmosphere which is paramount to any music or arts event”***  
Kieran Gilmore, Director of Open House Festival.

***“It (the Black Box) is the most welcoming and accessible venue in Belfast, with down to earth and friendly staff... The staging area is very versatile and it’s great having flexibility with seating arrangements and styles. The location is excellent, right in the heart of the city but with a lovely hidden-away gem feel to it. The price is always reasonable as well”***  
Ruth McCarthy, OUTBURST Queer Arts Festival

Since its opening the Black Box has become well known within the arts and culture sector and given its growing audience base and the lack of similar venues in Northern Ireland, Festivals and Promoters are keen to showcase their events and acts at the venue throughout each year. In some instances, it is the only venue that Festivals and Promoters will consider.

***“The Black Box has a feel and an atmosphere that both artists and audience love. It is always the first venue I consider when booking an artist to play in Belfast. It has become***

***a centrepiece for the arts in the city with a wide ranging programme of events all year round***” Darren Smyth, Independent Promoter, Strange Victory

***“The Black Box has been a real asset to the performing arts community and its audience since it opened”*** Brian Carson, Promoter, Moving on Music

***“There are no other alternatives in the vibrant arts and cultural flavoured Cathedral Quarter, which is the new heart and soul of a resurgent Belfast city centre”*** Kieran Gilmore, Director of Open House Festival.

The only weakness of the Black Box pinpointed, was that it did not have a full licence which was considered to be restrictive in terms of the time that could potentially be spent socialising in the venue following performances but also in terms of generating income which could be used to move towards greater sustainability.

***“The lack of a full (and late) alcohol license represents its only weakness. It is a busy arts venue but it is also a very important and strategic meeting place and any such restrictions such as limited serving times put it at a disadvantage with other venues in Belfast”*** Kieran Gilmore, Director of Open House Festival.

***“The licensing issue is of course the Black Box’s biggest weakness...the amount of revenue they could generate is severely curtailed. With a full licence I feel The Black Box would go some way to becoming more self sufficient in terms of not having to rely so much on outside funding. I can understand the reservations from local publicans over granting a full licence to The Black Box but I would actually say that footfall and overall spend has increased in the Cathedral Quarter since the venue opened in 2006”*** Darren Smyth, Independent Promoter, Strange Victory

Based on the feedback from the questionnaires, it is evident that the Black Box has increasingly become a key arts and culture space in the Cathedral Quarter, particularly to Festivals.

***“Open House Festival was the first festival to take place in the Cathedral Quarter, long before the Black Box opened in 2006 but since then it has established itself as the single most important venue to our festival”*** Kieran Gilmore, Director of Open House Festival.

***“It is almost the optimum size for a venue, its location is great, sightlines and acoustics and excellent, it is extremely versatile, it is affordable to hire and the staff are extremely welcoming and accommodating. I could do with 3 Black Boxes during the Festival period”*** Sean Kelly, Director of Cathedral Quarter Arts Festival and Out to Lunch Festival.

The Festivals and Promoters share similar views to the local businesses consulted, regarding the upcoming arrival of the MAC to the Cathedral Quarter and the impact it will have on the Black Box. While there was overall consensus that the MAC would bring benefits to the arts and culture sector, it was evident that the Festivals and Promoters did not want its arrival to result in the closure of the Black Box; instead, they would prefer the two venues to both exist with some suggesting they would consider using the MAC for some the events they run.

***“I would like to see both venues (the Black Box and the MAC) co-existing and co-operating together which would be a positive thing in terms of audience choice and spotlighting Belfast as a real city of culture”*** Darren Smyth, Independent Promoter, Strange Victory.

***“I think the only effect will be a positive one for both organisations in that it will create a critical mass of people in the area who are drawn to the arts and entertainment. Both***

***spaces can complement each other***” Sean Kelly, Director of Cathedral Quarter Arts Festival and Out to Lunch Festival.

All parties agreed the Black Box would be different to the MAC in terms of its current involvement in Festivals and acting as a platform for upcoming talent, roles that are not envisaged to be fulfilled by the MAC.

***“I don’t honestly see the MAC as being a space that is about nurturing talent and new ideas, and that’s fine, it can be something else. Black Box is about risk taking and going with the flow of what’s interesting in the world”*** Ruth McCarthy, OUTBURST Queer Arts Festival

***“We cannot envisage a future without the Black Box and a theatre venue such as the MAC will not fulfil the same crucial role, if in fact it fulfils any role within our festival”*** Kieran Gilmore, Director of Open House Festival.

Based on the all the feedback gathered from the Festivals and Promoters, it is evident that the Black Box has played a key role in providing a key performance space for arts and culture events that is flexible, accessible, versatile, affordable and optimally sized, with the only downside not being fully licensed. Whilst the majority recognise the benefits of the MAC as an addition to the arts and culture offering in the area, they see the need for the two venues to exist going forward.

### 3.7 The Metropolitan Arts Centre (MAC)

To determine the artistic programming for the MAC and whether it would be in competition with the Black Box, we consulted with its Chief Executive and Director of Programmes.

The MAC is in the process of finalising all aspects of its programme in advance of its sales launch in January and its opening in April next year. They were able to confirm that they would be hosting a range of events under broad categories such as visual art, theatre, dance, comedy and live music.

The team behind the MAC originate from the Old Museum Arts Centre (OMAC) and are working collaboratively with other similar venues such as the Grand Opera House in Belfast, where they have agreed a joint marketing strategy. In addition, they have collaborative working practices with the National Theatre of Scotland and Theatre Wales, Tate, all NI festivals and almost all local producers across the artforms.

The MAC view themselves as a totally different entity to the Black Box. The case for the creation of and funding (capital and revenue) for The MAC has been framed in the context of developing a world-class state-of-the-art venue that will drive significant footfall into the city centre. They were reluctant to link the opening of The MAC with the closure of any arts organisation, including the Black Box, but noted that by establishing the argument for its initial funding as a temporary venue in advance of the arrival of The MAC, the Black Box had defined itself in relation to The MAC in terms that have proven unhelpful for both parties.

The MAC has specific targets, such as attracting 177,000 visitors each year, and will be operating in a competitive rental market. They reiterated the importance of focussing on their own business development and engaging a new audience, as they are establishing an entirely new business in a difficult economic environment. This will automatically place them in competition with all arts venues and leisure facilities in Belfast and Northern Ireland overall.

***“Everyone is competition – Island Arts Centre in Lisburn, the Black Box, Nick’s Warehouse”***

Plans for the upcoming opening of the MAC were not revealed in detail as the information was commercially sensitive and it is common practice not to share such information in advance of the sales launch in January. However, it was evident that the venue would be competing for similar events currently hosted by the Black Box stating ***“we will have a customer focussed music programme”***. Focussing on targets for delivery, the MAC will negotiate their costs for specific events it really wants to host.

Although for commercial reasons the MAC’s programming and pricing information was not available at the time of consultation in order for us to gauge the degree to which it will be ‘competing’ with the Black Box, it is clear that the MAC will inevitably be in competition with many providers, both arts venues and commercial venues, given the broad range of programmes and activities that they will be offering.

In any case, the offering of the two venues is likely to be quite different. The Black Box tends to host one-off music and other events that are less mainstream, supporting indigenous artists, whereas the MAC, aspiring to be a ‘world-class state-of-the-art venue’ may showcase longer runs of artists that are better known to audiences. It is our view that the each will provide a different offer of performances and events in two very different venues, giving audiences a greater choice. It is important therefore for the Black Box to articulate clearly its artistic vision so that it is clear to potential funders what it is about and where it fits in the spectrum of provision.

It might be argued that the Black Box is more in competition with other licensed pubs and bars that offer live entertainment, such as the Limelight and others. However, on the basis of the evidence we have gathered, it is our view that the Black Box is not in direct competition with other pubs/bars, in that it is an arts and culture performance space first and foremost, only facilitating the selling of alcohol, as a complementary feature to generate additional income.

Furthermore, the licensing of the venue restricts the serving of alcohol to only when performances are put on and only between the hours of 5pm to 11pm. In addition, the building is only permitted to be used as a ***‘mixed performance venue for live music, comedy and other events’*** under the Use of Planning (Use Classes) Order (NI) 2004. Therefore it does not operate as a bar that hosts music events, which are typically occasional; it is an arts and culture space that serves alcohol when acts perform.

Anecdotal evidence suggests that there are no comparable venues in Belfast or Northern Ireland and that the Black Box is unique in its size, flexibility, versatility and location. The latter being of particular importance given that it is based centrally within the Cathedral Quarter, renowned for being ‘Belfast’s Cultural Hub’. Also, the consultations with local businesses supported the fact that the Black Box was not in competition with them and were unable to suggest who might be, with one stating the ***“Black Box complements other local businesses. They hold events that we could not facilitate and are adaptable to all types of events”*** Gerry White of the John Hewitt, Cathedral Quarter Belfast.

The following section concludes the key findings from the consultation phase and provides an overall assessment of the need and demand for the venue going forward.

### 3.8 Conclusion

Based on the results of the audience analysis, showing year on year growth in the numbers attending the Black Box for various performances and events, and the information gathered through consultations with local businesses and Festival and Promoters, there is clear evidence of demand for the venue going forward.

The location of the Black Box is one of the key factors in its success, nestled amongst popular places to socialise and eat out. In addition, its flexibility and versatility as a performance space and its affordable prices were all cited as strengths of the venue.

Since its inception, the Black Box has been a platform for indigenous artists and performers and grown in popularity based on the types of events it hosts. The venue has created its own audience, a mix of young, affluent, mature and artistic type people, who will not simply transfer to the MAC once it opens.

***It is important to have something unique like the Black Box – yes, we are getting the MAC but at this stage it is an unknown quantity***” Nick Price of Nick’s Warehouse, Cathedral Quarter Belfast.

***“The Black Box has created its own audience; those people would not transfer to the MAC if the Black Box was to close”*** Gerry White of the John Hewitt, Cathedral Quarter Belfast.

While it was originally established as a temporary venue to exist until the MAC opened, the Black Box has successfully created its own niche with its own very supportive audience. Although, the MAC will be running its own live music programme which will potentially provide some of the same product as the Black Box and draw on the some of the same audiences, the level of crossover between them is likely to be low. According to the latest annual Audience Review by Audiences NI, the majority of arts organisations have a low level of crossover between them, at 38% in Northern Ireland.

It is worth pointing out that the MAC is a completely different type and scale of venue and will be competing with a whole range of other venues for all the types of activities on offer, which will widen the choice of audiences. It is our view that the two venues (the MAC and the Black Box) are not directly comparable, although they are intended as arts and culture performance spaces; they are completely different in terms of scale, output and customer experience.

## 4 Financial Analysis

### 4.1 Overview

The accounts of the Black Box show that turnover at the venue has more than doubled since it opened in 2006 from just over £160,000 to around £360,000 in the year ended March 2010, an increase of over 120% (see Table 4.1 below). (Audited accounts are not yet available for the financial year 2010/11.) All of the growth has been in the contribution of trading activities which is over 3.5 times greater than in the first year of operation. As a result, the company has reduced its grant dependency and almost 82% of income was self generated in 2009/10.

**Table 4.1: Income & Expenditure Account for Black Box, 2006/07 to 2009/10**

	2006/07	2007/08	2008/09	2009/10
Incoming resources:				
Grants	80,000	88,100	81,545	65,000
Contribution from trading activities	81,690	153,619	237,142	293,230
Total incoming resources	161,690	241,719	318,687	358,230
<i>Self generated income</i>	<i>50.5%</i>	<i>63.6%</i>	<i>74.4%</i>	<i>81.8%</i>
Resources expended:				
Charitable activities	158,589	237,495	360,971	356,634
Governance costs	3,007	5,368	3,232	3,300
Total resources expended	161,596	242,863	364,203	359,934
Net income /(deficit) for year	94	(1,144)	(45,516)	(1,704)
Adjustment			6,072	
Total funds carried forward	94	(1,050)	(40,494)	(42,198)

Source: Annual Accounts



For the first four years of operation, the company did not make a profit on its operations (except for a very small surplus in the first year). However, losses were small with exception of a large deficit of over £40,000 incurred in 2008/09. This has been attributed to:

- an overspend on the renovations to the kitchen area,
- the new cafe taking a while to bed in resulting in wages increasing faster than income, and
- there were a couple of self promoted shows with large outlays which did not do as well as expected.

The company has continued to operate since then as a going concern with the support of the bank and its major creditors.

The 2010/11 accounts are not yet available but management accounts for the year show a profit of just over £2,300.

Table 4.1 also demonstrates that the company has steadily increased its self sufficiency from 50.5% of self generated income in the first year of operation to 81.8% by 2009/10, despite a reduced income from grants in the final year.

## 4.2 Grant income

There are currently three main sources of grant income (see Table 4.2 below) – Belfast City Council, Arts Council for Northern Ireland and the Department for Social Development (DSD). Initial funding for the establishment of the Black Box came from the Millennium Commission and amounted to £195,000

**Table 4.2: Sources of Grant Income, 2006/07 to 2009/10**

	2006/07	2007/08	2008/09	2009/10	% of total
Belfast City Council	10,000	15,700	25,300	25,000	38.5%
DCAL	50,000	0	0	0	
Arts Council NI	0	12,125	37,125	25,000	38.5%
Laganside	20,000	0	0	0	
DSD	0	60,275	19,120	15,000	23.1%
<b>Total grants</b>	<b>80,000</b>	<b>88,100</b>	<b>81,545</b>	<b>65,000</b>	<b>100.0%</b>

Source: Annual Accounts

We understand that total operational grant funding for the Black Box in the current year (2011/12) amounts to £61,000 and comes from the same three sources:

- **Belfast City Council** funding is provided under development funding from the Cultural Tourism department and is awarded annually. The Black Box was awarded **£25,000** for the current year. In future the Black Box would envisage applying for multi-annual funding;

- **Arts Council** funding is also awarded on annual basis on a one-off basis and is worth **£25,000** in the current year. The Arts Council has indicated that from next year, if the Black Box wishes to continue to receive funding, it will have to apply to one of the Council's regular grant programmes – the Annual Support for Organisations Programme (ASOP) or Project Funding;
- **DSD** funding is provided under the Laganside Events Programme and is worth **£11,000** in the current year.

### 4.3 Trading income

The Black Box has been particularly successful in growing its trading income over the four years of its existence, as illustrated in Table 4.3 below. Net trading income, after purchases and expenses, has increased from just over £80,000 in 2006/07 to almost £300,000 in 2009/10, an overall increase of 260%. There are three sources of this income – the bar, the café and hire of the venue. The bar contributes 44.1% of income, while the café and room hire contribute around 28% each. It is important to acknowledge that this excludes the costs of staff and other operating costs of the venue.

**Table 4.3: Contribution from trading activities, 2006/07 to 2009/10**

	2006/07	2007/08	2008/09	2009/10	% of total
Bar	70,540	95,499	113,329	129,227	44.1%
Café	4,121	20,268	48,645	82,319	28.1%
Room hire	7,029	37,852	75,168	81,684	27.9%
Total	81,690	153,619	237,142	293,230	100.0%

Source: Annual Accounts

The management accounts show that gross turnover from these activities fell from £444,424 in 2009/10 to £390,067 in 2010/11, or 12.2%) and that in the first 5 months of 2011/12 gross turnover was 4.2% below the level for the same period in the previous year. These falls in activity reflect the impact of the current economic recession.

### 4.4 Operating expenditure

Operating costs have also risen during the last four years, just over doubling to almost £385,000 by 2009/10. As Table 4.4 below shows, the largest increase has been in expenses associated with 'artistes & travel' which relates to the costs of productions presented by the Black Box itself rather than by independent promoters. The total expenditure on this item increased to just over £35,000 in 2009/10, although this represented a significant reduction on the previous year.

**Table 4.4: Operating expenditure for the Black Box, 2006/07 to 2009/10**

	2006/07	2007/08	2008/09	2009/10	% change
Wages, NI & training	54,144	95,566	155,547	180,264	233%
Licensing costs	8,682	1,699	2,575	1,824	-79%
Advertising	6,403	5,388	15,428	9,795	53%
Sound, lighting & equipment	2,043	5,024	12,990	12,168	496%
Performing rights	2,338	2,644	3,671	4,092	75%
Artistes & travel	615	24,444	52,704	35,550	5680%
Rent	52,498	69,996	69,996	69,996	33%
Repairs & cleaning	10,863	10,808	12,200	11,311	4%
Heat, light & power	8,060	3,544	13,336	11,387	41%
Insurances	5,310	5,366	5,092	4,520	-15%
Telephone & internet	1,115	1,270	2,708	1,652	48%
Stationery and postage	575	1,088	3,308	965	68%
Bank and other charges	964	2,268	2,852	6,567	581%
Accountancy & payroll	2,225	5,721	3,417	2,675	20%
Miscellaneous	1,462	1,277	1,367	214	-85%
Depreciation	26,481	26,581	30,745	30,619	16%
Total expenditure	183,778	262,684	387,936	383,599	109%
Amortisation of capital grants	-25,189	-25,189	-26,965	-26,965	
Total expenditure as per accounts	158,589	237,495	360,971	356,634	

Source: Annual Accounts

Other items that have increased significantly over the four years include 'sound, lighting & equipment' (up 496%), 'wages & national insurance' (up 233%) and 'bank & other charges' (up 581%). The increase in bank charges largely reflects the overdraft facility following the large deficit incurred in 2008/09.

In the current year (2011/12), management accounts show that operating costs are running at 12% below the level for the same period in the previous year, reflecting the lower level of activity at the venue referred to earlier.

The major items of expenditure at the Black Box are 'wages & NI' and 'rent' which together account for almost two thirds of total expenditure (see Table 4.5 below). The next largest item of expenditure is 'artistes & travel' which amounted to £35,550, or almost 10% of total spend in 2009/10.

**Table 4.5: Operating expenditure, 2009/10**

	<b>2009/10</b>	<b>% of total</b>
Wages, NI & training	180,264	47.0%
Licensing costs	1,824	0.5%
Advertising	9,795	2.6%
Sound, lighting & equipment	12,168	3.2%
Performing rights	4,092	1.1%
Artistes & travel	35,550	9.3%
Rent	69,996	18.2%
Repairs & cleaning	11,311	2.9%
Heat, light & power	11,387	3.0%
Insurances	4,520	1.2%
Telephone & internet	1,652	0.4%
Stationery and postage	965	0.3%
Bank and other charges	6,567	1.7%
Accountancy & payroll	2,675	0.7%
Miscellaneous	214	0.1%
Depreciation	30,619	8.0%
<b>Total expenditure</b>	<b>383,599</b>	<b>100.0%</b>

*Source: Annual Accounts*

The wages bill covers the employment of two full time staff – a Manager and Assistant Manager – and various part time or casual staff. The list of staff and their rates of pay are shown in Table 4.6 below.

**Table 4.6: Black Box staffing and rates of pay, October 2011**

Position	Wage
Manager	£22,061/yr
Assistant Manager	£9.05/hr
Book Keeper	£8.50/hr
Duty Manager	£8/hr
Admin Assistant	£8/hr
Green Room Supervisor	£7/hr
Bar Staff	£6.08/hr

*Source: The Black Box*

Total staffing costs in the first 6 months of the current year amounted to £63,241, compared with £72,234 in the same period last year, a reduction of 12.4%.

The other major item of expenditure for the Black Box is rent. The premises currently occupied by the Black Box are held on a 10 year lease which will expire in 2016 with an option to continue for another 5 years. The annual rental cost is £70,000.

We have not had the opportunity to examine the operating costs of the organisation in any detail to see if there are any opportunities to become even more efficient. However we consider that going forward the Board might wish to undertake a closer examination of its costs and how these are controlled on an ongoing basis.

## 4.5 Conclusion

The Black Box has done well to grow its turnover and income over the four years of its existence, although the current economic recession has seen this growth stall. This has been achieved with a reduced level of grant assistance from the public sector and the company had achieved a position of over 80% self generated income by 2009/10.

However, the company had not made profits in the first four years of its existence and an exceptional loss in 2008/09 has left the company with a large bank overdraft and operating as a going concern. Whatever the way forward for the organisation, the bank overdraft created by this loss needs to be addressed as it constrains the future development of the company.

The company faces a number of financial challenges looking forward including the continuing economic recession which is impacting on the business. In these circumstances it will be important for the company to strengthen its financial management and reporting systems as it seeks to maximise revenues and control its costs.

## 5 Governance

### 5.1 Organisational structure

The Black Box venue operates under a formal governance structure, comprising a Management Committee of board members including a Chairperson, Company Secretary, Director and two board members, each of which have a wealth of experience within the arts and culture sector. The details of each Management Committee member are provided below:

**Chairperson:**

Colette Norwood

*British Council Northern Ireland, Arts Manager*

**Company Secretary:**

Sean Kelly

*Cathedral Quarter Arts Festival & Out to Lunch Festival, Director*

**Director:**

Declan Hill

*Forum for Alternative Belfast, Director*

**Board Member:**

Stephen Hackett

*Belfast Film Festival, Programmer*

**Board Member:**

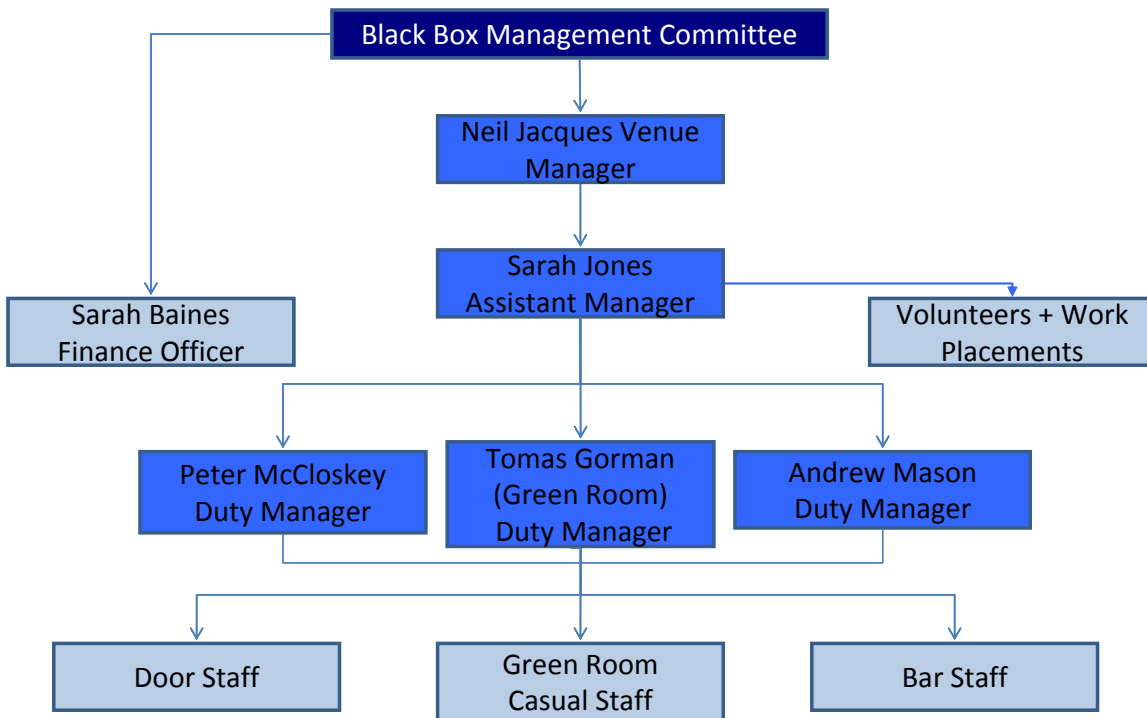
David Hyndman

*NVTV (Northern Visions), Director*

The Company Secretary is responsible for arranging board meetings which are attended by the rest of the Management Committee on a regular basis. The minutes of each are recorded and then summarised at the beginning of subsequent meetings with the aim of resolving any issues outstanding from previous meetings. The purpose of the board meetings is to review overall performance and make decisions regarding the operation of the venue.

The venue is run day-to-day by the Venue Manager and the Assistant Manager with additional support provided by three Duty Managers and a mix of bar staff, door staff, volunteers and work placements. The company accounts are managed by an appointed finance officer. The organisational structure of the Black Box is summarised in Figure 5.1 below.

Figure 5.1: Black Box organisational structure



The Management Committee recognise the need to review its board members to ensure that the venue is operating under a diverse profile of skills and expertise to make informed decisions for the organisation and to guide it in the right direction going forward.

The Committee have recently concluded that the Black Box would benefit from having board members with a background in finance and experience of helping organisations move towards greater sustainability. They have identified two appropriate candidates who fit with these criteria and have invited them accordingly to join as board members. New board members will be appointed in November/December 2011.

The proposed members, should they accept, will play a significant role in addressing the concerns highlighted by the venue's key stakeholders, regarding the current level of funding provided to the Black Box, and its future funding and sustainability.

In view of the great support that the Black Box enjoys from its audiences, the Board may also wish to consider how it might make greater use of volunteers in running and assisting in the operation of the venue. We appreciate the challenges of using volunteers and mixing volunteers and paid staff but would suggest that it might be considered as part of the way forward.

## 5.2 Case studies

In order to gain a deeper understanding of the funding, organisational and operational structure of the Black Box and the challenges it faces, we felt it would be beneficial to consult with other venues of a similar nature. We also wished to gain a perspective of 'best practice' in operating an arts and culture performance space.

We identified The Bongo Club in Edinburgh, The Arches in Glasgow and the Norwich Arts Centre as suitable comparators given there are no venues similar to the Black Box in Northern Ireland. However we were only able to secure an interview with one of these venues - The Bongo Club, despite our endeavours to engage with the other two venues within the tight timescale of this study

### 5.2.1 The Bongo Club, Edinburgh

The Bongo Club has been operating as an arts and culture performance space since 1996, running as a meeting and rehearsal space during the day and transforming into a multi-functional, multi-media venue for live music, theatre and clubs at night.

It moved from 'disintegrating' premises in 2003 to a building owned by Edinburgh University which was previously a student union. The venue specialises in 'art and music of the underground', supporting marginalised artists, both local and international, mixing live music, film, theatre and DJs.

The Bongo Club is not publicly or privately funded, although occasionally it would apply for funding for particular artistic projects. The venue is the trading arm of an arts and education charity. It is a commercial outlet that funnels money back into the central charity.

***"We are what Oxfam shops are to Oxfam"*** Venue Manager, The Bongo Club

Marketing of The Bongo Club is largely via hand flyers, posters, online marketing campaigns and word of mouth. It does not do a lot of high profile advertising but has a presence on both Twitter and Facebook.

The venue is similar to the Black Box in size, although it has slightly greater capacity and is spread over two floors. Generally the events The Bongo Club hosts are not fully seated due to their nature. The entire capacity is 500 over both floors, equating to 100 upstairs and 400 downstairs when standing and 50 upstairs and 200 downstairs when seated.

Unlike the Black Box, The Bongo Club is fully licensed to 3am. Previously in The Bongo Club's former premises they operated using occasional licences, however the full entertainment licence they have currently works well in generating income for the venue. Drink can be served with live entertainment, but that can be a DJ.

***"Effectively we run as a live music nightclub venue with some artistic programming that brings us closer to the Black Box in terms of programming, theatre, dance, film launches, etc. We have lots of things you wouldn't find in other nightclub venues, but the nightclub venue side of it is what funds us really, through bar sales"*** Venue Manager, The Bongo Club

The Bongo Club opened a café when it moved to its new premises in 2003, however have phased it out since then, apart from during the major festival held in Edinburgh, it is a venue within, over the month of August each year.

According to The Bongo Club's venue manager, there was a clash of space between running a night club to 3am and running a space to eat. It was possible, but the cleaning, turnover and maintenance of the space did not sit with running the night club and proved to be a financial drain. However, opening it during the Edinburgh Festival works as ***"we have stuff drawing people down during the day, to see shows. We are central but there is not a huge amount***



***of passing trade, people will come down if there is something to see, otherwise there is not enough passing trade to run the restaurant”.***

The Bongo Club rent their building from the Edinburgh University, which is provided on reasonable terms, for approximately £50,000 per annum, whereas the Black Box rent their premises from a private landlord for £70,000 each year. The Bongo Club’s building was previously a student union, part of a smaller college that was bought over by the University.

***“People know it is a venue, it works well because we have some students surrounding us, so this is inevitably part of the custom”*** Venue Manager, The Bongo Club

Similar to the Black Box, The Bongo Club attract a “quirky” and “bohemian” type audience depending on what is put on. Generally, the performances are less mainstream, ranging from very small local acts to very large international acts.

***“You’ll see your mate’s daughter one night and your others mate’s dad another night, our programming goes from jazz to heavy metal across the board”*** Venue Manager, The Bongo Club

The Bongo Club hire the venue to artists for them to put on events themselves; occasionally they will be involved, either through co-promotion or self promotion of a specific event. However largely, they rent the space and choose the most appropriate events. An early evening slot for live music, 7pm – 10pm would be charged at £200 to £250 depending on the day of the week. A late night slot is charged at the same rate, with the exception of weekends, which is charged at £600 – £650, Friday and Saturday nights up to 3am. The venue also charges £5 per hour for rehearsal space during the day. Furthermore, if the space is booked it is charged at £20 per hour, depending on what the artists hiring require i.e. no staff or technical requirements will lower the cost.

***“A film launch is having the 7-10pm slot for £75 due to an artistic program we are on and their staff requirements are low. Basically we hope to cover costs via venue hire and then seek to make money from the bar”*** Venue Manager, The Bongo Club

In total, The Bongo Club has approximately 25 employees which increases to 50 during the Festival period in August. There are 3 core staff that are employed full time, namely the venue manager, assistant manager and night time operations manager. There are also, 10 to 12 staff who are employed on an hourly basis, such as security personnel, bar staff, technical staff and PR staff.

The Bongo Club has competition from other commercial outlets with similar capacities, mainly other night club/live music venues.

***“Because of our success over the years some of them try to appear like an arts and culture type venue. On the arts and culture side we have a few competitors that get set up usually similarly to the way we started off as a sort of collective of people and being perhaps a little more ad hoc and slowly coalescing and coming together. They are typically smaller than us and don’t always have longevity whereas we have managed to strike a balance between the two and secure a long term lease. It has been a hard space to hold on to as it is a small city with a large amount of competition”*** Venue Manager, The Bongo Club

Where the initial set-up costs for the Black Box were provided by the Laganside Corporation, Millennium Commission, DCAL and BCC, The Bongo Club received no set-up costs for the

venue. It cost approximately £30,000, which the venue has been working its way through for the past 8 years. This was done through juggling creditors.

***“It wasn’t a relaxing process but we have sort of seen ourselves clear in the past couple of years. We are now more sustainable”*** Venue Manager, The Bongo Club

When asked ‘what actions did you put in place to become more sustainable?’ the venue manager responded:

***“My background is technical production, light and sound etc. I had to manage the whole product over all; I had to pull in a lot of advice. An example of some funding we got was peer advice through a local enterprise trust, basically advice from people in the industry (licensed trade) like how bars work, how to run things and how to keep on top of the financial dealings. I worked quite heavily on implementing the advice gained for a good few years and slowly it start to make a difference”*** Venue Manager, The Bongo Club

### 5.2.2 Real life lessons

While the Black Box and The Bongo Club appear to share numerous similarities such as the nature and size of the venues, how they are marketed, the audiences they attract, the types of events they host, and the number of full-time staff they employ, they have been successful as arts and culture performances space in their own right for different reasons.

The evidence gathered from the consultation with The Bongo Club has given an insight to the success of the venue, providing some examples of good practice that the Black Box might consider applying to its future operation. Taking into account the Black Box’s aspiration to become 100% self-generating it is useful to consider the actions The Bongo Club put in place to overcome its challenges and become more sustainable.

Prior to moving to new premises in 2003, The Bongo Club operated using an ‘occasional licence’ which catered for the sale of alcohol at the venue for a period of not more than fourteen consecutive days as it did not have a premises licence.

The Black Box operates in a similar nature to how The Bongo Club did previously, obtaining an occasional licence from the John Hewitt pub for special events throughout the year. The remainder of the year, it is operating under a theatre licence, which restricts the serving of alcohol to times only when performances are on and between 5pm and 11pm.

Since 2003, The Bongo Club has been licensed to sell alcohol to 3am which has been cited as the main driver in generating income for the venue, through its bar sales.

The restriction on serving alcohol has been pinpointed as the Black Box’s only weakness throughout our research and although applying for a full licence may raise concerns from key stakeholders and local publicans, in terms of the venue becoming more commercial and competitive, bar sales have funded The Bongo Club and helped it move towards becoming self-sustaining. It is possible that the Black Box would experience similar success if it was to obtain a full licence.

The Bongo Club closed its café as it was not financially viable and was a drain on resources. The café now only opens during the major festival period in Edinburgh in August, when footfall in the area is high.

The Black Box also closed its café for the same reasons as The Bongo Club, which was as a result of a lack in passing trade and local competition. Although, the closure of the café only applied to daytime trading hours, still operating each week Thursday to Saturday 5pm to 11pm. It is only open during the day over the twenty-five days of January for the Out to Lunch Festival, a similar basis to that of The Bongo Club during its busy festival time.

The decision by both venues to close their cafes and operate them only on temporary or periodical terms seems to have worked well for both parties. Some may argue that the Black Box's decision to close the café during the day is a wasted opportunity in generating additional income, however given the experience of The Bongo Club as a similar arts and culture venue and the lack of footfall in the Cathedral Quarter during the day, it makes sense for the Black Box to only open the café on a temporary basis or when there are particular performances or festivals on to draw people in.

The Bongo Club rent their building from Edinburgh University, which was previously the university's student union. The terms of the lease were provided at a reasonable rate of £50,000 per annum to The Bongo Club on the basis of its charitable aims as the trading arm of an arts and education charity. Whereas, the Black Box currently pays a rate of £70,000 per annum to a private landlord, which they recently tried to negotiate downwards, however no agreement to lower the rent could be reached.

Plans for the University of Ulster's Jordanstown campus to move to a new landmark building in the Cathedral Quarter are expected to make ***"a major contribution to the economic and cultural regeneration of the city's north side, including the Cathedral Quarter, injecting vitality and energy into this important part of the city. This plan will help transform the Cathedral Quarter and surrounding areas into a dynamic cultural, creative and educational destination"*** Professor Richard Barnett, Vice Chancellor, University of Ulster

As a popular venue for 'students and singles' and its involvement in the development of the city's north side as a place to socialise and enjoy the arts and culture, the Black Box could explore whether the university would be interested in supporting the venue's operation going forward, , connecting education to arts, culture and creativity.

The Bongo Club have a peak and off-peak pricing structure in place, whereby they charge higher prices for evenings and weekends. Although the rates it charges would not be applicable to the Black Box, as it is a slightly larger venue with a full licence, the Black Box Management Committee could review the current pricing structure and adopt The Bongo Club's concept of charging slightly higher prices for renting spaces. At weekends an uplift in charges could be introduced without diminishing one of its key strengths as being 'reasonable' and 'affordable'.

The Bongo Club sought funding for training and advice from industry experts. Its venue manager then applied the knowledge he had gained to the operation of the venue which has helped significantly in terms of becoming more sustainable.

Having the right skills set is the key to the success of any business. The Black Box has already taken steps to gain advice regarding finance and moving towards sustainability by inviting two new members with experience in both fields to the Management Committee of the venue. In addition the Board might wish to consider providing training for staff in financial management, ultimately moving towards developing a sustainable business plan.

Consulting with The Bongo Club regarding its funding, organisational structure and operation has deepened our understanding of the challenges that other arts and culture performance spaces,

similar to the Black Box, have faced and how they have overcome them. The evidence gathered has provided real life lessons for the Black Box to consider applying to its operations. It has also helped to inform our method of identifying viable options for the Black Box's continued existence in Section 6 – Identification of Options.

## 6 Options for the way forward

This section considers the strategic context and the need identified in the previous sections and provides an overview of the objectives, opportunities and constraints of the continued operation of the Black Box. It then examines the options for the way forward.

### 6.1 Key objectives

In light of the strategic context and the need identified, the primary objectives for the future operation of the Black Box are:

- To deliver increased access to and participation in artistic and cultural activities;
- To sustain and develop the current activities of the venue;
- To contribute and complement existing/planned infrastructure and resources;
- To move towards greater sustainability; and
- To help achieve the strategic objectives of the ACNI, BCC and DSD.

These achievements should result in a number of social, economic and cultural benefits for Belfast and its communities, such as:

- Increased complementary expenditure in the local area from visitors and tourists;
- Increased social cohesion through the provision of a neutral space;
- Less dependency on public funds going forward; and
- Increased recognition and popularity of the Cathedral Quarter area as the arts and cultural hub of the city.

### 6.2 Opportunities

In our view there are specific opportunities for the Black Box to consider going forward.

- The continuing growth of Cathedral Quarter as a cultural quarter of the city and the potential implementation of the Cathedral Quarter 5 Year Vision & Development Plan provide an important context for the Black Box;
- Having established itself over the last 5 years as a key element of the Cathedral Quarter scene with strong support and growing audiences, there is an opportunity to consider how to consolidate and enhance its position over the next 5 years;
- The events in Northern Ireland associated with 2012 and the associated projected growth in tourism visitors to Belfast next year and beyond represent an important opportunity for the Black Box;
- In our view, the opening of the MAC represents an opportunity rather than a threat, not just for the Black Box but for the whole Cathedral Quarter with increased numbers of visitors and footfall in the area; and

- The growing reputation of Belfast as a music city suggests that there will be increased demand for music venues across the city.

## 6.3 Constraints

The constraints facing the future operation of the Black Box include issues of public funding, temporary set-up, lease and usage of the building, venue and location.

### 6.3.1 Public funds

The sources of public funding that the Black Box has received to date are unlikely to be so readily available as before. During an era of public austerity, the Black Box must apply for funding through appropriate funding channels provided by the ACNI, BCC and DSD, as any other arts and culture organisation.

Public spending cuts have significantly curtailed organisational and departmental budgets, thus increasing the competition between artistic and cultural groups for limited pots of money as flagship projects are prioritised. Capital budgets have been particularly restricted and therefore, it is unlikely the building of the Black Box would be purchased by any public sector organisation. In addition, the level of funding previously provided by each key stakeholder may not be matched in the future provision of funds.

Furthermore, there is significant urgency on securing public funds for the continued operation of the venue as its current funding is based on it operating to the end of March 2012.

### 6.3.2 Private/bank funding

With the Black Box not making any profits during the first four years of its existence and a significant loss in 2008/09 of approximately £45,500, creating a substantial bank overdraft, it constrains its development and potential for investment.

For these reasons, it is unlikely that the Black Box would succeed in securing private sector investment or any debt finance from the bank until its overdraft is cleared or seen to being reduced.

### 6.3.3 Temporary set-up

The Black Box was set up as a temporary venue to address the critical lack of performance space in the Cathedral Quarter in April 2006, with the aim of building audiences in the area until the arrival of the planned MAC was operational. While it has created its own unique presence and has become accepted as a key element of the Cathedral Quarter, there is still a perception that it is threatened by the opening of the MAC. In our view this is not a real threat, as the MAC is a different scale and type of venue.

### 6.3.4 Lease and nature of building

The Black Box Management Committee met with the landlord of the building to review and negotiate the terms of lease of the building, currently equating to £70,000 per annum. Unfortunately there was no agreement reached in terms of lowering the cost of the rent.

Furthermore, the only permitted use of the building is a mixed performance venue for live music, comedy and other events. This would therefore impact upon any long term investment decision from the private sector.

### 6.3.5 Venue and location

The Black Box has built up its reputation over the years as a popular arts and culture performance space at the heart of the Cathedral Quarter. Its identity has been defined by the characteristics of the venue and its location.

There are no suitable venues that capture the essence of the 'black box' feature and no alternative locations within the Cathedral Quarter or other parts of Belfast. There is no option to move the Black Box.

## 6.4 Identification of options

We considered a long list of options when considering the future operation of the Black Box. These options were then subjected to a short-listing process of which the majority fell under broader descriptions. These options are identified below in context of the key objectives of the venue's continued existence.

Option 1: Status Quo

Option 2: Closure of the Black Box

Option 3: Becoming an independent/commercial venue

Option 4: Broadening the venue's funding base

Each of the options is described and an explanation is provided as to why a particular option has/has not been taken forward for further consideration in the 'Option advantages and disadvantages' section below.

## 6.5 Option advantages and disadvantages

### 6.5 .1 Option 1 – Status Quo

The Black Box has operated to date with annual funding provided by the ACNI, BCC and DSD up to an approximate value of £60,000 out of a total annual turnover of almost £400,000.

This option would involve the Black Box operating within its current state of affairs or existing arrangement, having already received the funding from the ACNI, BCC and DSD for financial year 2011/12. It is assumed that the Black Box will apply for new funding provided by these sources for financial year 2012/13. However there is no guarantee that renewed funding will be available on the same basis and we therefore consider that this option is not sustainable.

Although this option does not meet the objectives of the Black Box going forward and could eventually lead to its closure, it has been included as a baseline for comparison with other options in line with good practice.

### 6.5.2 Option 2 – Closure of the Black Box

This option would involve the Black Box continuing to operate based on the funding it has received up to the end of financial year 2011/1 and applying for future funding for financial year 2012/13 and beyond where relevant. It assumes the venue would be unsuccessful in acquiring the funds applied for, ceasing to exist beyond March 2012.

The advantages and disadvantages of this option are presented in Table 6.1 below.

**Table 6.1: Advantages and disadvantages of Option 2**

Advantages	Disadvantages
Public sector would no longer have to provide funding for the Black Box and could focus on the needs of other arts organisations and flagship projects	Black Box stakeholders would potentially have to pay back the venue's outstanding debts
	Staff employed by the Black Box would become unemployed
	Reduction in charitable contributions
	Potentially reduce footfall that would otherwise have been in the Cathedral Quarter area
	Potentially impact upon tourist visits, nights and spend in the area
	Potentially reduce complementary spending in local businesses, reducing turnover
	Loss of a flexible and affordable performance space
	No home for year on year Festivals and events currently hosted/facilitated by the Black Box
	Loss of a unique product and niche audience in the arts and culture sector
	Less support for indigenous artists
	Less suitable spaces for events used by Promoters



Although this option would not take up further funding from the public sector, its closure would potentially have significant implications for the local area and the overall arts and culture sector in Belfast, in terms of reduced visits and complementary spending in the Cathedral Quarter and the loss of a suitable space for regular events and Festivals facilitated year on year by the venue.

There are many disadvantages associated with this option compared to advantages, of which we have only been able to identify one, no further public investment in the venue.

The closure of the Black Box is a reality if it is not successful in acquiring funding to continue its operation, it cannot survive without support. This is not an option the Black Box wishes to consider; rather it is what will happen without funding, not through choice.

Given the success of the Black Box since its inception and the benefits attributed to its existence, we do not consider closing the venue as a viable option.

### 6.5.3 Option 3 – Becoming an independent/commercial venue

This option would involve the Black Box becoming independent of any public funding and operating as a purely commercial venue. It would assume either a continuation of the current lease agreement of the building, or a full or joint purchase with a partner of the Black Box building as well as the purchase of a premises licence.

The advantages and disadvantages of this option are presented in Table 6.2 below.

**Table 6.2: Advantages and disadvantages of Option 3**

Advantages	Disadvantages
Potentially own or part own an asset, paying interest only on a loan, reducing outlays	Additional costs/responsibilities of owning a commercial premises i.e. business rates, maintenance
Secure the venue's location and potentially its operation going forward	Additional pressure in meeting business targets/key performance indicators - sales, revenue, etc
Extend serving and opening times	Less charitable support if exclusively commercial
Generate more income through additional bar sales and higher prices of renting spaces to performers and events	Less support for indigenous artists/performances becoming more mainstream if purely commercial
	Become less affordable
	Become less flexible in terms of booking style, events planned well in advance

Advantages cont...	Disadvantages cont...
	Potentially objections from local businesses in becoming competition
	Lose financial backing and support of the public sector

Although this option would meet the majority of key objectives to the continued operation of the Black Box, unless a potential private partner is identified, it is unlikely that the venue would be capable of becoming an independent/commercial venue.

Its operation with an ongoing net deficit and reliance on public sector funding to date would also limit the opportunity to attract a private investor or obtain a loan from the bank to run as a stand alone business.

In addition, operating as an independent/commercial venue would conflict with the Black Box's mission statement as a not-for-profit arts venue. Applying for a premises licence, extending the hours it could serve alcohol to customers would also raise objections from the local business community.

Therefore, we do not consider this to be a viable option for the continued existence of the Black Box and will not be carrying it forward for consideration.

#### 6.5.4 Option 4 – Broaden support from public sector and other sources

This option would involve the Black Box continuing to operate with support through public sector and/or other funding. It assumes that the venue will apply for funding from a wider range of sources other than the providers to date i.e. in addition to its applications for funding to the ACNI, BCC and DSD, to broaden its funding base.

The advantages and disadvantages of this option are presented in Table 6.3 below.

**Table 6.2: Advantages and disadvantages of Option 4**

Advantages	Disadvantages
Attract new monies and investment from relevant organisations such as the Paul Hamlyn Foundation, Heritage Lottery Fund, NITB	Additional time and resource required to prepare applications on top of existing applications to traditional providers
Increase the probability of attaining funding	May not meet some of previous funders' new criteria and the criteria of potential funders
Become less dependent on traditional sources of funding	Competition for funding is high and available monies are limited

Advantages cont...	Disadvantages cont...
Help to increase the job security of existing venue staff and equipment suppliers	Potential delay in delivery of funding
Increase opportunities for staff development, as specific grants for training can be obtained	
Increase opportunities to move towards becoming more sustainable, generating additional income	
Additional resource to programme more performances and events	

This option agrees with the key objectives of the Black Box going forward as it involves funding/investment in its operation going forward. The advantages of this option outweigh the disadvantages and help to mitigate against the risk of not receiving funding.

In our view, applying to additional sources of public sector funding and other relevant sources is the preferred option for the continued existence of the Black Box.

## 6.6 Preferred option and assessment of risk

The preferred option to 'continue with public sector and other support' will have a number of associated risks and uncertainties that potentially will affect successful implementation. These have been considered against the following headings:

- Lack of public funding
- Restricted lending
- Criteria of other funding sources
- Competition for funding
- Lack of business case

### 6.6.1 Lack of public funding

The ACNI, BCC and DSD budgets have been cut significantly in light of the planned cuts in public spending over the next four years and may not be able to provide the same level of funding as provided to the Black Box in previous years.

This is a major risk to the future operation of the venue as it requires this level of funding going forward.

#### 6.6.2 Restricted lending

Banks' lending practices and provision of credit have been reinvented and restored to strict guidelines as a result of the credit crunch. Easy credit is no longer available and debt has become expensive as banks try to recoup losses in their balance sheets.

With the Black Box's current overdraft, carrying the venue's net deficit as a going concern, it is unlikely the bank would continue to support the Black Box going forward, without public sector or other financial backing, despite it being 82% self-generating.

#### 6.6.3 Other sources of funding

Identifying other sources of funding, as well as the type of funding the Black Box will apply for will be key to its future operation as it will have to meet the funders' criteria.

One risk is that the Black Box will not meet the criteria of other sources of funding and will be relying solely on existing applications. The second risk is that the potential sources will only agree to fund the venue on the basis that existing or other funders comply in matching funds. The final risk is that available funding will not be aligned to other agreed funds, incurring a shortfall in funds for the venue to remain open for business.

It is also, worth pointing out that the Black Box may have already missed opportunities to submit applications to other sources of funding and will have to wait until they are open for application the following year, or on whatever time period they are offered.

#### 6.6.4 Competition for funding

Competition for funding in the current period of public austerity will increase as organisations apply for limited pots of money and government departments try to do more with less, prioritising existing or planned flagship projects.

The risk to the Black Box will be it not being viewed as a priority case and the basis on which it was set-up as a temporary venue.

#### 6.6.5 Lack of a business case

The lack of a robust business case for the Black Box's continued operation will place the venue at a disadvantage when applying to funders.

Given the impetus to gain funding for financial year 2012/13 for the venue's continued operation, the risk is that applications for potential funds will be required sooner rather than later and the Black Box will not have a suitable business case prepared in time to append to its applications

## 7 Conclusions and actions

This section concludes the options for the way forward and provides actions for the Black Box to take to make the preferred option happen.

This study has provided evidence on the feasibility of the Black Box as an arts and culture performance space going forward.

The evidence gathered and analysis provided has shown that there is a need and demand for the future operation of the venue, in terms of the meeting the strategic objectives set out by key stakeholders, attracting a growing audience, adding to the arts and culture offering, contribution to local business and creating its own identity and audience type.

It is our view that the Black Box brings a niche product to the arts and culture sector and offers performances and events that will not be in direct competition with the offering provided by existing or planned infrastructure, such as the MAC as a result of its unique nature.

The Black Box has operated on a minimum amount of public sector funding and has become 82% self-generating since opening in 2006. However, its ongoing net deficit needs to be addressed for it to continue to exist and move towards greater sustainability.

A number of steps will need to put in place to address these issues going forward and to make the preferred option to continue with public sector funding and attract other support viable.

The first step the Black Box will need to take is to prepare a robust business plan for its future operation. The evidence provided in this study will form the basis of the plan in setting the strategic context, assessing the need and demand for the venue, reviewing governance and identifying relative strengths, weaknesses, opportunities and threats.

We have identified specific actions for the Black Box to undertake to overcome the issues identified and in preparation of a business case in Table 7.1 below:

**Table 7.1: Action plan and timeframe**

Actions	Timeframe for implementation
Business plan setting out the venue's vision over the next 3 to 5 years, providing strategic plans in relation to its marketing and sales, staff, customers and operations going forward. It must also include a financial analysis, setting out goals to meet for the venue to move towards sustainability, in line with its aspiration to be 100% self-generating, and the level of support it will need to meet these targets.	Within the next 6 months
Introduce an in-house system to record the number of events by type, the audience they attract and the revenue they generate through ticket sales, rental of space and bar sales. This will enable the Black Box to monitor their performance and know which events benefit the business most. It will also build a baseline for projecting future audiences.	Within the next 3 months on an ongoing basis

Actions cont...	Timeframe for implementation cont...
Carry out market research of those attending events and performances at the venue to develop a deeper understanding of the customer base. This will identify any gaps in the characteristics of those who typically attend specific events and enable the Black Box to broaden their marketing strategy.	Within the next 3 months on an ongoing basis
Complete a skills audit of board members to ensure all the expertise required to run the Black Box effectively are in place and identify any gaps. The Board has already identified a need to strengthen its financial management and strategic planning.	Within the next 2-3 months and annually thereafter
Consider making greater use of volunteers to work in the Black Box to reduce the wage bill of the venue.	Within the next 6 months
Engage with the MAC and other arts providers in the Cathedral Quarter, including Oh Yeah! and the University on programming and pricing issues, if necessary facilitated by the Arts Council.	January 2012 onwards (aligned to the MAC's programming and pricing becoming publicly available)

It will take time to put these actions in to place and it will require additional funding, separate to the funds required for the operation of the venue, to become effective. We would recommend the Black Box to apply for 'transitional' funding to support the action plan outlined above. This funding would:

- Provide additional resource to record and monitor venue data and information;
- Provide training for existing staff in financial management;
- Provide the opportunity to employ a financial director/senior manager; and
- Enable the Black Box to seek advice and guidance on the preparation of a business plan.

We understand that the Black Box plans to apply for funding from the ACNI, BCC and DSD for financial year 2012/13. This funding is intended for continuing the operation of the venue. To mitigate against the risk of not receiving the required level of funding from these organisations, the Black Box have already investigated some of the other funds that may be available for them to apply for, one being the Paul Hamlyn Foundation. We have identified other potential streams, such as the Heritage Lottery Fund, and others, of which details are included in Annex A.

## Annex A

**Table A: Other potential streams of funding**

Funding provider	What the funding can be used for	Eligibility	Applications due	When funding becomes effective	Funding available	Notes
Your Heritage - Heritage Lottery Fund	This fund supports projects that look after and enhance the UK's heritage, increase participation in heritage activities and improve access to and enjoyment of heritage.	Not for profit organisations	Rolling programme no deadlines for applications	Decisions on applications are made within 10 weeks from receipt	£3,000 - £50,000	Projects should conserve and enhance the UK's diverse heritage or encourage communities to identify, look after and celebrate their heritage and ensure that everyone can learn about, have access to, and enjoy their heritage
John Moores Foundation - Grants for Northern Ireland	This scheme provides grants to registered Northern Ireland charities to help them grow and develop. It will support:  start-up and running costs volunteer and programme costs education and training costs venue and travel costs one-off project costs equipment	Charity or not for profit organisations	Rolling programme- there are no deadlines for applications	-	Maximum amount is discretionary but aim to give small amounts to a large number of organisations	-
Community Relations Council - Community relations, Cultural diversity grant scheme	This funding is intended to help community/voluntary groups throughout Northern Ireland develop their capacity to engage in community relations work and to enhance the community relations potential of projects they undertake.	The scheme is aimed at locally based groups such as community development groups, cultural organisations, and other organisations and groups involved in community relations, reconciliation projects and <b>cultural engagement</b> .	-	8 - 12 weeks	Maximum amount: £10,000	There is no restriction on the number of applications any one group can make to the scheme. However, if a group has received funding in the past, it may need to demonstrate that new proposals will build upon earlier achievements.
Foyle Foundation	The foundation will support charities in the U.K. The dominant purpose of which is to benefit either the Arts or Learning.	Generally they make grants for specific projects/activities such as building projects. However they will consider applications for core funding, generally from small organisations.	Applications are accepted all year round	-	£10000 - £50000	Requires supporting evidence with application. Is not exclusive to Northern Ireland.
Esmée Faisbairn	Fund Charitable activities of organisations  Consider work which others may find hard to fund, perhaps because it breaks new ground, appears too risky, requires core funding, or needs a more unusual form of financial help such as a loan. Also takes initiatives where new thinking is required or where we believe there are important unexplored opportunities.  Commit £30 million annually towards a wide range of work.	Our primary interests are in the arts, education and learning, the environment and enabling disadvantaged people to participate fully in society.	Applications accepted all year round	-	Wide range of funds from this organisation	Have a Finance Fund for not-for-profit organisations such as the Black Box
Elephant Trust	Committed to helping artists and institutions that depart from the routine and signal new, distinct and imaginative sets of possibilities.  Priority is given to artists and small organisations and galleries who should submit well argued, imaginative proposals for making or producing new work or exhibitions.	-	16th January 2012	-	Not generally exceeding £2000	Appear to have funded quite a lot of small organisations like the Black Box, for example galleries.

## Annex B

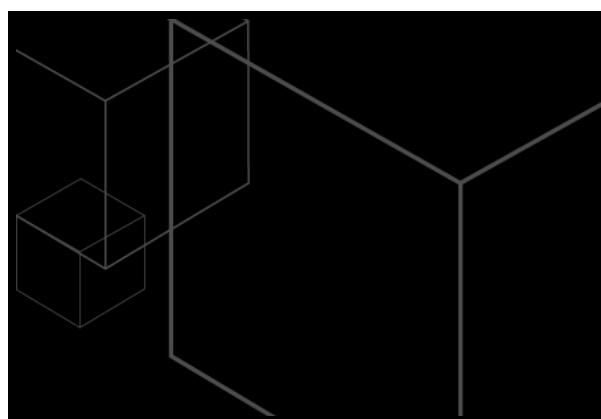
### Audiences NI Black Box Mosaic Analysis



# Mosaic NI Analysis

## Black Box

August  
2008 to  
October  
2011



# Mosaic Analysis

## Black Box, August 2008 to October 2011

**Brief:** To provide a demographic analysis of bookers for arts events at the Black Box Belfast in Belfast between August 2008 and October 2011, based on data for advance sales online.

**Methodology:** The Black Box downloaded the names and addresses of all the accounts within their Worldpay booking system that had booked tickets for at least one event between August 2008 and mid-October 2011. This dataset did not include any mailing list data, door sales or sales through other ticket sellers. The dataset was de-duped and then compared against Mosaic Northern Ireland for demographic profiling.

**The impact of data collection:** The dataset provided is representative of advance sales online only, and therefore potentially provides a partial picture of the audience.

- Tickets/events sold through other ticketing systems (e.g. Ticketmaster, Cathedral Quarter Arts Festival, Belfast Welcome Centre) are not represented within this dataset.
- Tickets sold on the door are not represented within this dataset.
- Events where no ticket was issued are not represented within this dataset.
- Use of facilities such as the café are not represented within this dataset.

### **Mosaic Northern Ireland:**

The population of Northern Ireland are segmented into 9 Mosaic NI Groups, and 36 Mosaic NI Types, and each of the Types has a parent Group. The segmentation is constructed by considering a diverse range of characteristics (based half on Census 2001 data and half on ongoing primary research). Post codes are classified into a particular Mosaic NI Type dependent on the shared characteristics of the majority of households in that post code. Mosaic NI Types are also grouped together into wider segments sharing some (but not all) similar characteristics called Mosaic NI Groups.

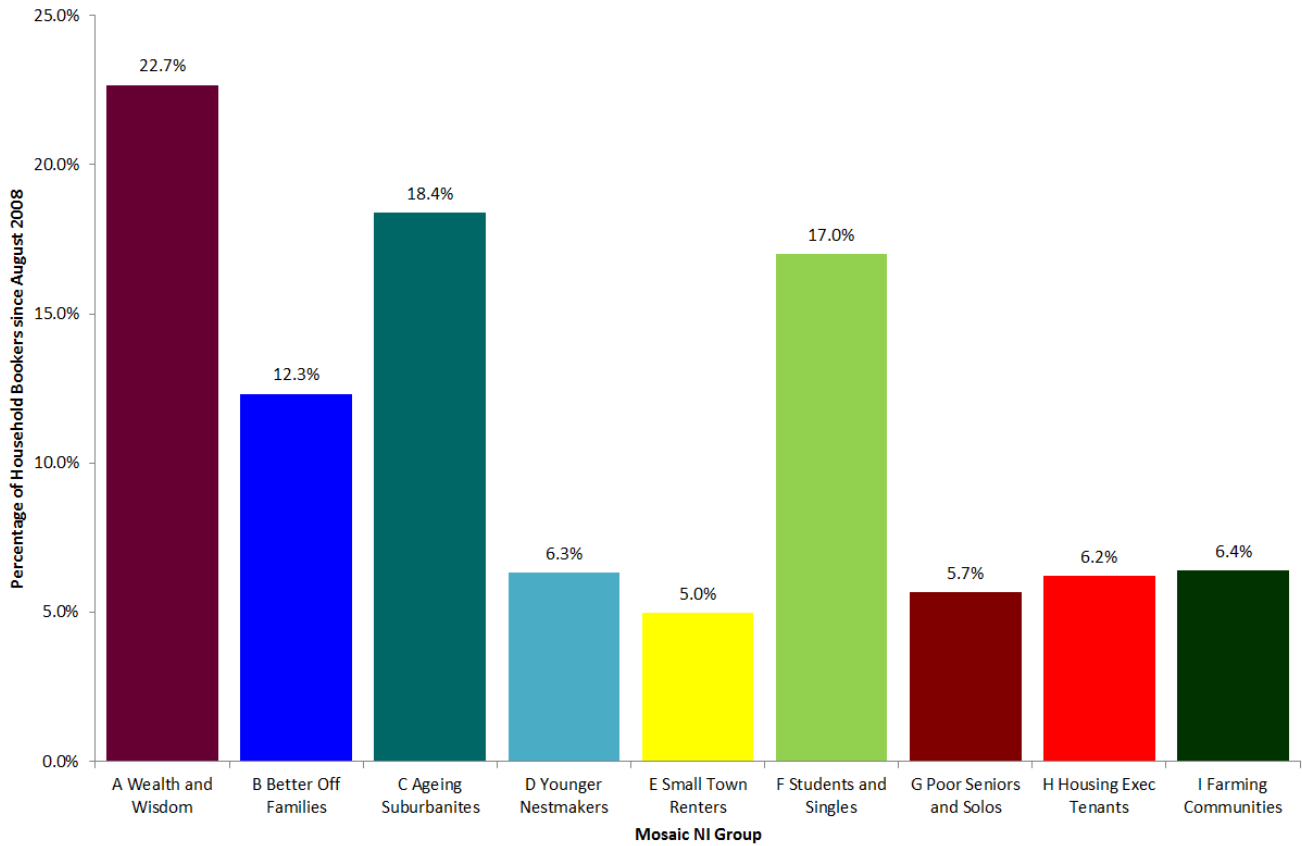
Mosaic NI Groups therefore provide a more general top level overview (where some detail is sacrificed), while Mosaic NI Types provide a more detailed analysis of demographic characteristics.

### **Interpreting Mosaic NI Group/Type characteristics:**

No postcode in Northern Ireland is completely homogenous, and all contain some level of variation across each variable used to construct the segmentation, both between and within households. Therefore, when you are considering any of the characteristics discussed here - such as age range - this must be interpreted within the various age ranges which are above average/average for that group rather than as a single stereotypical age range for that group.

These results indicate what is above average or average for each Mosaic NI Type, based on index scores against the population as a whole. As such, some groups are more above average than others. This information has not been included here, but can be assessed by consulting the Mosaic NI E-Handbook (available at [www.audiencesni.com/download/files/Mosaic\\_Northern\\_Ireland\\_E-handbook.pdf](http://www.audiencesni.com/download/files/Mosaic_Northern_Ireland_E-handbook.pdf)). This also provides numerous other variables which may support the analysis beyond those requested by the client.

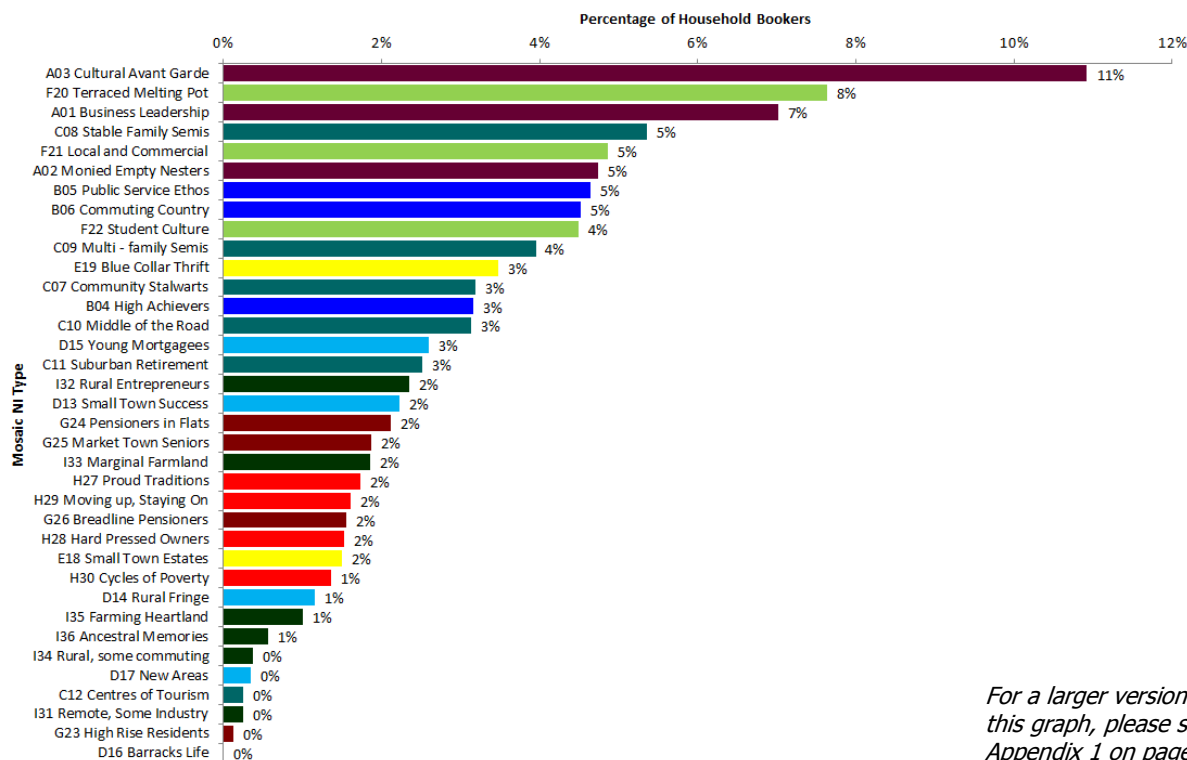
# What sort of people booked at the Black Box in Belfast?



Mosaic NI Group	Number Of Household bookers since August 2008	% of household bookers since August 2008	Overall NI Households	NI Household Penetration
<b>A Wealth and Wisdom</b>	918	22.7%	50,222	1.8%
<b>B Better Off Families</b>	499	12.3%	64,586	0.8%
<b>C Ageing Suburbanites</b>	745	18.4%	120,127	0.6%
<b>D Younger Nestmakers</b>	256	6.3%	67,847	0.4%
<b>E Small Town Renters</b>	202	5.0%	79,421	0.3%
<b>F Students and Singles</b>	688	17.0%	42,453	1.6%
<b>G Poor Seniors and Solos</b>	230	5.7%	68,186	0.3%
<b>H Housing Exec Tenants</b>	252	6.2%	111,215	0.2%
<b>I Farming Communities</b>	259	6.4%	108,715	0.2%
<b>Total</b>	4,049	100%	712,772	0.6%

# What sort of people booked at the Black Box in Belfast?

- At least 0.6% of the households in Northern Ireland have attended the Black Box between August 2008 and October 2011. This figure is representative solely of those who have booked tickets for events in advance online and should be treated as a minimum level, rather than an overall total.
- An analysis at Mosaic NI Group level (the 9 groups across Northern Ireland listed on the previous page) provides a general overview, by grouping the 36 Mosaic NI Types together into wider segments with some (but not all) similar characteristics.
- 70% of the households come from one of four Mosaic NI Groups – Wealth & Wisdom, Better Off Families, Ageing Suburbanites and Students & Singles. To help get a top level understanding of demographics, consult the short pen portraits of these four groups on Page 7
- Compared to audiences for Belfast arts venues generally, the Black Box Belfast is bringing in an above average level of Wealth & Wisdom (14% of bookers generally, 23% at the Black Box) and Students & Singles (7% of bookers generally, 17% of Students & Singles bookers).<sup>1</sup>
- However, a Type level analysis provides more specific details on the demographics of each constituent segment of the audience demographics – but in turn presents a more complex picture to interpret. The 36 types below are alphabetically coded (A-H) and colour coded according to their parent Group, and their characteristics are broken down in the tables from Pages 7 to 12.
- For full portraits of these Groups and Types please see the Mosaic NI E-Handbook (available at [www.audiencesni.com/download/files/Mosaic Northern Ireland E-handbook.pdf](http://www.audiencesni.com/download/files/Mosaic%20Northern%20Ireland%20E-handbook.pdf))



*For a larger version of this graph, please see Appendix 1 on page 13.*

<sup>1</sup> Comparison based on an analysis of 12 Belfast based arts organisations connected to Audiences NI's Vital Statistics data analysis software across a 3 year period.

# What sort of people booked at the Black Box in Belfast?

Mosaic NI Type	Number Of Household bookers since August 2008	% of household bookers since August 2008	Overall NI Households	NI Household Penetration
A03 Cultural Avant Garde	442	10.9%	15,971	2.8%
F20 Terraced Melting Pot	309	7.6%	10,370	3.0%
A01 Business Leadership	284	7.0%	15,424	1.8%
C08 Stable Family Semis	217	5.4%	26,453	0.8%
F21 Local and Commercial	197	4.9%	25,154	0.8%
A02 Monied Empty Nesters	192	4.7%	18,827	1.0%
B05 Public Service Ethos	188	4.6%	20,158	0.9%
B06 Commuting Country	183	4.5%	29,373	0.6%
F22 Student Culture	182	4.5%	6,929	2.6%
C09 Multi - family Semis	160	4.0%	17,177	0.9%
E19 Blue Collar Thrift	141	3.5%	42,562	0.3%
C07 Community Stalwarts	129	3.2%	22,632	0.6%
B04 High Achievers	128	3.2%	15,055	0.9%
C10 Middle of the Road	127	3.1%	30,317	0.4%
D15 Young Mortgagees	105	2.6%	25,331	0.4%
C11 Suburban Retirement	102	2.5%	19,584	0.5%
I32 Rural Entrepreneurs	95	2.3%	26,667	0.4%
D13 Small Town Success	90	2.2%	25,499	0.4%
G24 Pensioners in Flats	86	2.1%	13,954	0.6%
G25 Market Town Seniors	76	1.9%	29,325	0.3%
I33 Marginal Farmland	75	1.9%	31,508	0.2%
H27 Proud Traditions	70	1.7%	36,972	0.2%
H29 Moving up, Staying On	65	1.6%	25,617	0.3%
G26 Breadline Pensioners	63	1.6%	23,287	0.3%
H28 Hard Pressed Owners	62	1.5%	22,415	0.3%
E18 Small Town Estates	61	1.5%	36,859	0.2%
H30 Cycles of Poverty	55	1.4%	26,211	0.2%
D14 Rural Fringe	47	1.2%	13,625	0.3%
I35 Farming Heartland	41	1.0%	24,257	0.2%
I36 Ancestral Memories	23	0.6%	17,437	0.1%
I34 Rural, some commuting	15	0.4%	4,822	0.3%
D17 New Areas	14	0.3%	2,725	0.5%
C12 Centres of Tourism	10	0.2%	3,964	0.3%
I31 Remote, Some Industry	10	0.2%	4,024	0.2%
G23 High Rise Residents	5	0.1%	1,620	0.3%
D16 Barracks Life	0	0.0%	667	0.0%
<b>Total</b>	<b>4,049</b>	<b>100.0%</b>	<b>712,772</b>	<b>0.6%</b>

# Characteristics of Four Prominent Mosaic NI Groups

**Wealth & Wisdom (23% overall):** These are generally married couples with grown up children. They are well educated and comfortable, with prestigious jobs on high incomes. They live in detached homes on spacious plots. They are comfortably off and enjoy golf and classical music.

Age Ranges:	Marital Status:	Qualifications <sup>2</sup> :	Employment Status:	Income Bands:
Above average levels of 45-64, 65+ and 85+ year olds.	Above average levels of married couples.	Above average levels of 5+ 'O' Levels, 2 + 'A' Levels and Degrees	Above average level of full time and part time employment.	Above average levels of annual household incomes of £25,000+ and £50,000+.

**Better Off Families (12% overall):** These are generally married couples with children who are family focused. They have professional occupations on good incomes, and are ambitious with a strong work ethic. They live in modern detached housing with generous gardens and like to keep up appearances. They are generally well informed and financially astute.

Age Ranges:	Marital Status:	Qualifications:	Employment Status:	Income Bands:
Above average levels of 5 – 17 year olds and 45 – 64 year olds. Average levels of 25 – 44 year olds.	Above average levels of married couples.	Above average levels of 5+ 'O' Levels, 2 + 'A' Levels and Degrees	Above average level of full time and part time employment.	Above average levels of annual household incomes of £25,000+ and £50,000+. Average levels of £13,500 - £24,999.

**Ageing Suburbanites (18% overall):** These are generally married couples, many of whom are empty nesters and approaching retirement. They live in semi-detached housing and have White collar office jobs. They represent the "Middle" Northern Ireland and have the middle incomes to match, so they are careful with money. They have strong community networks and enjoy golf and wine.

Age Ranges:	Marital Status:	Qualifications:	Employment Status:	Income Bands:
Above average levels of 45 – 64 year olds, 64 + and 85+ year olds. Average levels of 25 – 44 year olds.	Above average levels of married couples. Average levels of co-habiting couples.	Above average levels of 1+ 'O' Levels, 5+ 'O' Levels, 2+ 'A' Levels and Degrees	Above average level of full time and part time employment.	Above average levels of annual household incomes of £13,500 - £24,999, £25,000+ and £50,000+.

**Students & Singles (17% overall):** These are generally students or graduates, well-educated but with low incomes. They live in a variety of house types in and around the main arteries into Belfast. They are socially and politically aware, but financially carefree. They tend to frequent cafes and bars.

Age Ranges:	Marital Status:	Qualifications:	Employment Status:	Income Bands:
Above average levels of 18-24 year olds, 25-44 year olds and 85+ year olds. Average levels of 65+ year olds.	Above average levels of single, co-habiting and divorced people. Average levels of widowers.	Above average levels of 2+ 'A' Levels and Degrees	Above average levels of unemployed and full time employment.	Above average levels of annual household incomes of under £7,500 and £50,000 +. Average levels of £7,500 to £13,499.

<sup>2</sup> Or GCSEs, or equivalent NVQs etc.

# Age Ranges of all Mosaic NI Types

Type	Household Bookers	% Booker	Above average levels of:	Average levels of:
A03 Cultural Avant Garde	442	11%	46-55, 56-65 and 66+	36 – 45
F20 Terraced Melting Pot	309	8%	26-35 and 36-45	None
A01 Business Leadership	284	7%	18-25, 46-55 and 56-65	None
C08 Stable Family Semis	217	5%	56-65 and 66+	46 – 55
F21 Local and Commercial	197	5%	26-35, 36-45 and 66+	None
A02 Monied Empty Nesters	192	5%	46-55, 56-65 and 66+	None
B05 Public Service Ethos	188	5%	18-25, 46-55 and 56-65	None
B06 Commuting Country	183	5%	18-25, 46-55 and 56-65	None
F22 Student Culture	182	4%	26-35 and 36-45	None
C09 Multi - family Semis	160	4%	18-25 and 46-55	None
E19 Blue Collar Thrift	141	3%	55-65 and 66+	None
C07 Community Stalwarts	129	3%	18-25, 46-55, 56-65 and 66+	None
B04 High Achievers	128	3%	18-25, 26-35, 36 to 45 and 46-55	None
C10 Middle of the Road	127	3%	18-25, 26-35, 36 to 45 and 46-55	55-65
D15 Young Mortgagees	105	3%	26-35 and 36 to 45	None
C11 Suburban Retirement	102	3%	56-65 and 66+	None
I32 Rural Entrepreneurs	95	2%	18-25 and 46-55	None
D13 Small Town Success	90	2%	26-35 and 36 to 45	None
G24 Pensioners in Flats	86	2%	36-45, 56-65 and 66+	None
G25 Market Town Seniors	76	2%	56-65 and 66+	None
I33 Marginal Farmland	75	2%	18-25, 46-55 and 56-65	None
H27 Proud Traditions	70	2%	26-35 and 66+	36-45
H29 Moving up, Staying On	65	2%	18-25, 46-55 and 56-65	66+
G26 Breadline Pensioners	63	2%	56-65 and 66+	36-45
H28 Hard Pressed Owners	62	2%	26-35 and 36-45	None
E18 Small Town Estates	61	2%	18-25 and 46-55	None
H30 Cycles of Poverty	55	1%	18-25, 26-35 and 46-55	None
D14 Rural Fringe	47	1%	26-35 and 36 to 45	None
I35 Farming Heartland	41	1%	56-65 and 66+	46-55
I36 Ancestral Memories	23	1%	26-35 and 36-45	None
I34 Rural, some commuting	15	0%	56-65 and 66+	None
D17 New Areas	14	0%	18-25 and 26 – 35	36-45 and 56-65
C12 Centres of Tourism	10	0%	36 to 45, 56-65 and 66+	None
I31 Remote, Some Industry	10	0%	18-25 and 46-55	None
G23 High Rise Residents	5	0%	56-65 and 66+	26-35 and 36-45
D16 Barracks Life	0	0%	26-35 and 36 to 45	18-25 and 46-55
<b>Total</b>	<b>4,049</b>	<b>100%</b>		

# Marital Status of all Mosaic NI Types

Type	Household Bookers	% Booker	Above average levels of:	Average levels of:
A03 Cultural Avant Garde	442	11%	Co-habiting, Married and Widowed	None
F20 Terraced Melting Pot	309	8%	Single, Co-habiting and Divorced	None
A01 Business Leadership	284	7%	Married	None
C08 Stable Family Semis	217	5%	Married and Widowed	Co-habiting
F21 Local and Commercial	197	5%	Single, Co-habiting, Divorced and Widowed	None
A02 Monied Empty Nesters	192	5%	Married and Widowed	None
B05 Public Service Ethos	188	5%	Married	None
B06 Commuting Country	183	5%	Married	None
F22 Student Culture	182	4%	Single and Co-habiting	None
C09 Multi - family Semis	160	4%	Married	Single
E19 Blue Collar Thrift	141	3%	Co-habiting, Divorced and Widowed	None
C07 Community Stalwarts	129	3%	Married	None
B04 High Achievers	128	3%	Married	None
C10 Middle of the Road	127	3%	Co-habiting and Married	None
D15 Young Mortgagees	105	3%	Co-habiting and Married	None
C11 Suburban Retirement	102	3%	Divorced and Widowed	None
I32 Rural Entrepreneurs	95	2%	Married	None
D13 Small Town Success	90	2%	Married	None
G24 Pensioners in Flats	86	2%	Single, Co-habiting, Divorced and Widowed	None
G25 Market Town Seniors	76	2%	Single, Co-habiting, Divorced and Widowed	None
I33 Marginal Farmland	75	2%	Married	Single
H27 Proud Traditions	70	2%	Single, Co-habiting, Divorced and Widowed	None
H29 Moving up, Staying On	65	2%	Single, Divorced and Widowed	None
G26 Breadline Pensioners	63	2%	Single, Divorced and Widowed	None
H28 Hard Pressed Owners	62	2%	Single, Co-habiting and Divorced	Married
E18 Small Town Estates	61	2%	Single and Widowed	None
H30 Cycles of Poverty	55	1%	Single, Co-habiting and Divorced	None
D14 Rural Fringe	47	1%	Co-habiting and Married	None
I35 Farming Heartland	41	1%	Married	None
I36 Ancestral Memories	23	1%	Married	None
I34 Rural, some commuting	15	0%	Married	None
D17 New Areas	14	0%	Co-habiting and Married	None
C12 Centres of Tourism	10	0%	Widowed	Single
I31 Remote, Some Industry	10	0%	Married	None
G23 High Rise Residents	5	0%	Single, Co-habiting, Divorced and Widowed	None
D16 Barracks Life	0	0%	Married	None
<b>Total</b>	<b>4,049</b>	<b>100%</b>		



# Qualifications of all Mosaic NI Types

Type	Household Bookers	% Booker	Above average levels of:	Average levels of:
A03 Cultural Avant Garde	442	11%	5+ 'O' Levels, 2+ 'A' Levels, Degree	None
F20 Terraced Melting Pot	309	8%	2+ 'A' Levels and Degree	None
A01 Business Leadership	284	7%	5+ 'O' Levels, 2+ 'A' Levels, Degree	None
C08 Stable Family Semis	217	5%	1+ 'O' Level , 5+ 'O' Levels, 2+ 'A' Levels, Degree	None
F21 Local and Commercial	197	5%	2+ 'A' Levels	1+ 'O' Level
A02 Monied Empty Nesters	192	5%	5+ 'O' Levels, 2+ 'A' Levels, Degree	None
B05 Public Service Ethos	188	5%	5+ 'O' Levels, 2+ 'A' Levels, Degree	None
B06 Commuting Country	183	5%	5+ 'O' Levels, 2+ 'A' Levels, Degree	None
F22 Student Culture	182	4%	2+ 'A' Levels and Degree	None
C09 Multi - family Semis	160	4%	5+ 'O' Levels, 2+ 'A' Levels, Degree	1+ 'O' Level
E19 Blue Collar Thrift	141	3%	1+ 'O' Level	None
C07 Community stalwarts	129	3%	5+ 'O' Levels, 2+ 'A' Levels, Degree	None
B04 High Achievers	128	3%	5+ 'O' Levels, 2+ 'A' Levels, Degree	1+ 'O' Level
C10 Middle of the Road	127	3%	1+ 'O' Level , 5+ 'O' Levels, 2+ 'A' Levels, Degree	None
D15 Young Mortgagees	105	3%	1+ 'O' Level , 5+ 'O' Levels, 2+ 'A' Levels, Degree	None
C11 Suburban Retirement	102	3%	5+ 'O' Levels, Degree	None
I32 Rural Entrepreneurs	95	2%	5+ 'O' Levels	2+ 'A' Levels
D13 Small Town Success	90	2%	1+ 'O' Level , 5+ 'O' Levels, 2+ 'A' Levels, Degree	None
G24 Pensioners in Flats	86	2%	None	None
G25 Market Town Seniors	76	2%	None	1+ 'O' Level
I33 Marginal Farmland	75	2%	5+ 'O' Levels	1+ 'O' Level
H27 Proud Traditions	70	2%	1+ 'O' Level	None
H29 Moving up, Staying On	65	2%	None	1+ 'O' Level
G26 Breadline Pensioners	63	2%	None	None
H28 Hard Pressed Owners	62	2%	1+ 'O' Level , 5+ 'O' Levels, 2+ 'A' Levels	None
E18 Small Town Estates	61	2%	None	1+ 'O' Level
H30 Cycles of Poverty	55	1%	1+ 'O' Level	None
D14 Rural Fringe	47	1%	1+ 'O' Level , 5+ 'O' Levels, 2+ 'A' Levels	Degree
I35 Farming Heartland	41	1%	5+ 'O' Levels	None
I36 Ancestral Memories	23	1%	5+ 'O' Levels	1+ 'O' Level
I34 Rural, some commuting	15	0%	5+ 'O' Levels	None
D17 New Areas	14	0%	1+ 'O' Level , 5+ 'O' Levels, 2+ 'A' Levels, Degree	None
C12 Centres of Tourism	10	0%	5+ 'O' Levels, 2+ 'A' Levels, Degree	None
I31 Remote, Some Industry	10	0%	5+ 'O' Levels	1+ 'O' Level
G23 High Rise Residents	5	0%	None	1+ 'O' Level
D16 Barracks Life	0	0%	1+ 'O' Level , 5+ 'O' Levels, 2+ 'A' Levels	None
<b>Total</b>	<b>4,049</b>	<b>100%</b>		

# Employment Status of all Mosaic NI Types

Type	Household Bookers	% Booker	Above average levels of:	Average levels of:
<b>A03 Cultural Avant Garde</b>	442	11%	Full Time, Part Time, Self-employed (with staff), Employee, Providers of unpaid care	None
<b>F20 Terraced Melting Pot</b>	309	8%	Full Time, Employee	None
<b>A01 Business Leadership</b>	284	7%	Part Time, Self-employed (with staff), Self – Employed (without staff), Work at home, Small or home office, Providers of unpaid care	None
<b>C08 Stable Family Semis</b>	217	5%	Full Time, Part Time, Employee, Providers of unpaid care	None
<b>F21 Local and Commercial</b>	197	5%	Unemployed	Full Time, Employee
<b>A02 Monied Empty Nesters</b>	192	5%	Part Time, Self-employed (with staff), Self – Employed (without staff), Work at home, Providers of unpaid care	Full time, Employee
<b>B05 Public Service Ethos</b>	188	5%	Full Time, Part Time, Self-employed (with staff), Employee, Providers of unpaid care	None
<b>B06 Commuting Country</b>	183	5%	Part Time, Self-employed (with staff), Self – Employed (without staff), Employee, Providers of unpaid care	Full Time
<b>F22 Student Culture</b>	182	4%	None	None
<b>C09 Multi - family Semis</b>	160	4%	Full Time, Part Time, Providers of unpaid care	Self –employed (without staff), Employee
<b>E19 Blue Collar Thrift</b>	141	3%	Full Time, Part Time, Employee	None
<b>C07 Community Stalwarts</b>	129	3%	Full Time, Part Time, Self-employed (with staff), Employee, Providers of unpaid care	None
<b>B04 High Achievers</b>	128	3%	Full Time, Part Time, Self-employed (with staff), Employee, Providers of unpaid care	None
<b>C10 Middle of the Road</b>	127	3%	Full Time, Part Time, Employee	Providers of unpaid care
<b>D15 Young Mortgagees</b>	105	3%	Full Time, Part Time, Employee	None
<b>C11 Suburban Retirement</b>	102	3%	Self-employed (with staff), Employee	None
<b>I32 Rural Entrepreneurs</b>	95	2%	Self-employed (with staff), Self –Employed (without staff), Work at home, Small of home office, Providers Of Unpaid Care	None
<b>D13 Small Town Success</b>	90	2%	Full Time, Part Time, Self-employed (with staff), Self –Employed (without staff), Employee, Work at home, Providers of unpaid care	None
<b>G24 Pensioners in Flats</b>	86	2%	Unemployed	Employee
<b>G25 Market Town Seniors</b>	76	2%	Unemployed, Employee	None
<b>I33 Marginal Farmland</b>	75	2%	Self-employed (with staff), Self –Employed (without staff), Work at home, Small of home office, Providers Of Unpaid Care	None
<b>H27 Proud Traditions</b>	70	2%	Unemployed, Part Time, Employee	None
<b>H29 Moving up, Staying On</b>	65	2%	Unemployed, Providers Of Unpaid Care	None
<b>G26 Breadline Pensioners</b>	63	2%	Unemployed	None
<b>H28 Hard Pressed Owners</b>	62	2%	Unemployed, Part Time	Full Time, Employee
<b>E18 Small Town Estates</b>	61	2%	Unemployed, Self-employed (with staff), Self –Employed (without staff), Work at home, Small of home office	None

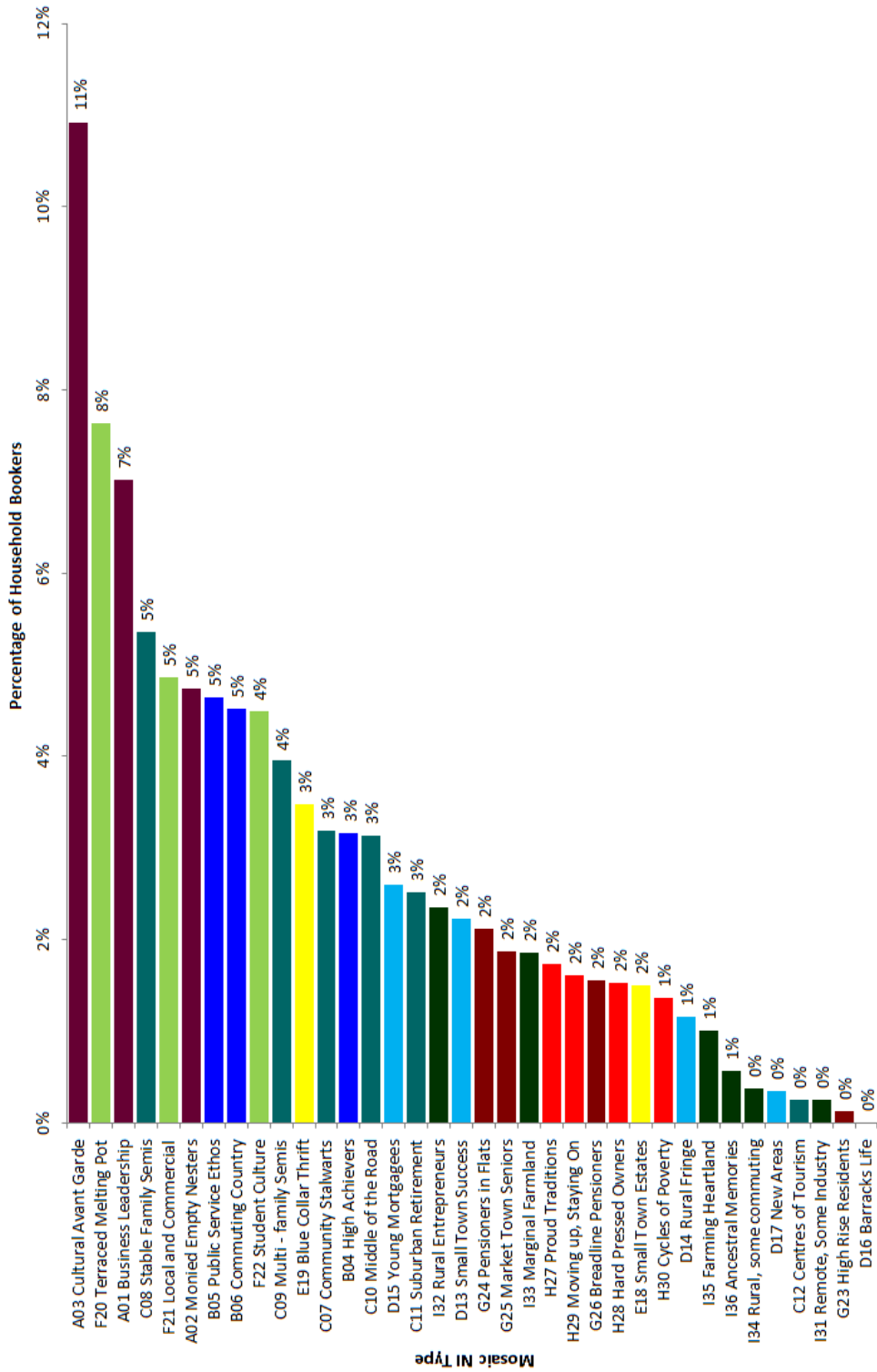
## Employment Status of all Mosaic NI Types (continued)

Type	Household Bookers	% Booker	Above average levels of:	Average levels of:
<b>H30 Cycles of Poverty</b>	55	1%	Unemployed, Providers Of Unpaid Care	None
<b>D14 Rural Fringe</b>	47	1%	Full Time, Self-employed (with staff), Self – Employed (without staff), Employee	None
<b>I35 Farming Heartland</b>	41	1%	Self-employed (with staff), Self –Employed (without staff), Work at home, Small of home office, Providers Of Unpaid Care	None
<b>I36 Ancestral Memories</b>	23	1%	Self-employed (with staff), Self –Employed (without staff), Work at home, Small of home office, Providers Of Unpaid Care	None
<b>I34 Rural, some commuting</b>	15	0%	Self-employed (with staff), Self –Employed (without staff), Work at home, Small of home office, Providers Of Unpaid Care	Part Time
<b>D17 New Areas</b>	14	0%	Full Time, Self-employed (with staff), Self – Employed (without staff), Small of home office	Employee, Providers of unpaid care
<b>C12 Centres of Tourism</b>	10	0%	Self-employed (with staff), Self –Employed (without staff), Work at home, Small or home office	None
<b>I31 Remote, Some Industry</b>	10	0%	Self-employed (with staff), Self –Employed (without staff), Work at home, Small of home office, Providers Of Unpaid Care	None
<b>G23 High Rise Residents</b>	5	0%	Unemployed	None
<b>D16 Barracks Life</b>	0	0%	Full Time, Employee, Small of home office, Providers of unpaid care	None
<b>Total</b>	<b>4,049</b>	<b>100%</b>		

# Household Income Levels of all Mosaic NI Types

Type	Household Bookers	% Booker	Above average levels of:	Average levels of:
A03 Cultural Avant Garde	442	11%	£25,000 - £49,999 and £50,000 +	None
F20 Terraced Melting Pot	309	8%	£25,000 - £49,999 and £50,000 +	£13,500 - £24,999
A01 Business Leadership	284	7%	£25,000 - £49,999 and £50,000 +	None
C08 Stable Family Semis	217	5%	£13,500 - £24,999 and £25,000 - £49,999	None
F21 Local and Commercial	197	5%	Under £7,499 and £7,500 - £13,499	None
A02 Monied Empty Nesters	192	5%	£25,000 - £49,999 and £50,000 +	£13,500 - £24,999
B05 Public Service Ethos	188	5%	£25,000 - £49,999 and £50,000 +	None
B06 Commuting Country	183	5%	£25,000 - £49,999 and £50,000 +	£13,500 - £24,999
F22 Student Culture	182	4%	Under £7,499	None
C09 Multi - family Semis	160	4%	£13,500 - £24,999, £25,000 - £49,999 and £50,000 +	None
E19 Blue Collar Thrift	141	3%	Under £7,499 and £7,500 - £13,499	None
C07 Community Stalwarts	129	3%	£13,500 - £24,999, £25,000 - £49,999 and £50,000 +	None
B04 High Achievers	128	3%	£25,000 - £49,999 and £50,000 +	None
C10 Middle of the Road	127	3%	£13,500 - £24,999, £25,000 - £49,999 and £50,000 +	None
D15 Young Mortgagees	105	3%	£25,000 - £49,999 and £50,000 +	£13,500 - £24,999
C11 Suburban Retirement	102	3%	Under £7,499 and £7,500 - £13,499	£13,500 - £24,999
I32 Rural Entrepreneurs	95	2%	£13,500 - £24,999, £25,000 - £49,999 and £50,000 +	None
D13 Small Town Success	90	2%	£13,500 - £24,999, £25,000 - £49,999 and £50,000 +	None
G24 Pensioners in Flats	86	2%	Under £7,499	£7,500 - £13,499
G25 Market Town Seniors	76	2%	Under £7,499 and £7,500 - £13,499	None
I33 Marginal Farmland	75	2%	£13,500 - £24,999, £25,000 - £49,999 and £50,000 +	None
H27 Proud Traditions	70	2%	Under £7,499 and £7,500 - £13,499	None
H29 Moving up, Staying On	65	2%	Under £7,499 and £7,500 - £13,499	£13,500 - £24,999
G26 Breadline Pensioners	63	2%	Under £7,499 and £7,500 - £13,499	None
H28 Hard Pressed Owners	62	2%	£7,500 - £13,499 and £13,500 - £24,999	Under £7,499 and £25,000 - £49,999
E18 Small Town Estates	61	2%	£7,500 - £13,499 and £13,500 - £24,999	Under £7,499
H30 Cycles of Poverty	55	1%	Under £7,499 and £7,500 - £13,499	None
D14 Rural Fringe	47	1%	£13,500 - £24,999, £25,000 - £49,999 and £50,000 +	None
I35 Farming Heartland	41	1%	£13,500 - £24,999	£7,500 - £13,499 and £25,000 - £49,999
I36 Ancestral Memories	23	1%	£13,500 - £24,999	£7,500 - £13,499 and £25,000 - £49,999
I34 Rural, some commuting	15	0%	£13,500 - £24,999, £25,000 - £49,999	£7,500 - £13,499
D17 New Areas	14	0%	Under £7,499, £7,500 - £13,499 and £13,500 - £24,999	None
C12 Centres of Tourism	10	0%	Under £7,499 and £7,500 - £13,499	None
I31 Remote, Some Industry	10	0%	£13,500 - £24,999, £25,000 - £49,999 and £50,000 +	None
G23 High Rise Residents	5	0%	Under £7,499 and £7,500 - £13,499	None
D16 Barracks Life	0	0%	£13,500 - £24,999 and £25,000 - £49,999	None
<b>Total</b>	<b>4,049</b>	<b>100%</b>		

# Appendix 1: Mosaic NI Types Graph (Larger)



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