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ABERDEEN CITY COUNCIL

21 May 2013

Cineworld/City Screen Enquiry
Competition Commission
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Dear Sir/Madam

Belmont Picturehouse, Aberdeen

I write on behalf of Aberdeen City Council in relation to the above.

Aberdeen City Council has had an operating agreement with City Screen (Aberdeen) since 1999. The current operating agreement is for 10 years and an annual subsidy of £75,000 is provided by the Council as a contribution governed by a Service Level Agreement which ensures that cultural film programming and film education is core to the business of the cinema.

Aberdeen City Council created the Belmont in response to local demand for a model similar to that of the Edinburgh Filmhouse and GFT (Glasgow Film Theatre). Capital was secured for this purpose with the cinema housed in a building owned by the Council. The current arrangement was established when it became clear that no operators could be found to run the venue on a commercial basis, resulting in an agreement with City Screen, following a public tender process, to fund the cinemas losses and its education programme. The contract was re-tendered in 2010 with limited interest: only one other operator tendered, and withdrew during the process.

The requirements of the tender, set against which the Council receives quarterly reports and monitors the service agreement are 'for the operation of the Belmont Media Centre, including a lease of the centre linked to an obligation to provide cultural film programming, media education and audience development to meet the Council's priorities over a 10 year period.'

The City's cultural priorities have been established through the adoption of a cultural strategy, 'Vibrant Aberdeen'. This has been adopted by all of Aberdeen's key cultural partners, including City Screen (Aberdeen). Its strategic objectives are designed to improve the City's cultural infrastructure, of which independent cinema is a vital part. Key to this is that the cinema's losses are subsidised, in order that there is no requirement to compete with the other cinema complexes in the city.

BARNEY CROCKETT
LEADER OF THE COUNCIL



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In partnership meetings with the cinema, led by Aberdeen City Council's Cultural Policy and Partnership team, the focus of review is driven by education, community and customer objectives. The cinema is required to articulate how the team there works to develop partnerships across formal and informal education, with the City Council's own cultural teams, and how the level of subsidy is used to maximise the impact of the work of the cinema on the City's cultural objectives.

Currently, these partnerships include the programming of dancelive, the North East of Scotland contemporary dance festival run by citymoves, the City Council's dance development agency; the cinema is also a partner with Peacock Visual Arts, jointly programming curated film seasons, and exhibitions. The cinema is also used by Aberdeen City Council's Office of Chief Executive for staff briefing meetings.

Aberdeen City Council worked closely with City Screen to mitigate the effects of the new cinema complex which opened in Union Square in 2010. Whilst it is not surprising that some cinema-goers will prefer a cinema with more choice of screenings, easy access to multiple restaurants and with parking, this has not, and will not affect the City Council's objectives in relation to the Belmont. The drop in admissions which occurred when Cineworld opened was anticipated by both parties. It has never been the City's intention to subsidise cinema of this nature, recognising the responsibility of the Council to a significant proportion of residents and visitors who prefer to watch arthouse and quality mainstream films in an arthouse environment. We feel it is important to meet this demand.

On this basis, the City Council believes that City Screen Ltd, with over 12 years experience of programming the Belmont, and in engaging with the city's cultural partners, is best placed to provide a cultural cinema programme in Aberdeen and to undertake the related education work. We are confident, through the formal contractual arrangements, and our regular partnership meetings, that competition with the aforementioned complexes in Aberdeen is irrelevant to the operation of the Belmont and our expected outcomes.

Aberdeen has submitted an outline bid for UK City of Culture in 2017. Our cultural aspirations are high. Culture is at the heart of the city's drive for development. The Belmont picturehouse forms an intrinsic part of the bid and will be vital to the programming of a year of culture and as a focus for film education and media programming in the run up to 2017.

Yours faithfully

Barney Crockett
Leader of the Council